

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

TRUST CAPITAL SERVICES (INDIA) PRIVATE LIMITED

AND

TRUST CAPITAL & STOCK BROKERS PRIVATE LIMITED

AND

TRUST INVESTMENT ADVISORS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**



A. BACKGROUND OF THE COMPANIES

1. **Trust Capital Services (India) Private Limited (“TCSPL” or “Demerged Company” or “Transferor Company”)** is a private limited company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is involved in activities dealing in Government Securities and bonds and is engaged in the business of providing intermediation services to banks, institutions, mutual funds, co-operative banks, provident funds and charitable trusts.
2. **Trust Capital & Stock Brokers Private Limited (“TCSBPL” or “Resulting Company”)** is a private company incorporated under the provisions of the Companies Act, 2013. The Transferee Company holds 100% of the issued, subscribed and paid-up equity share capital of the Resulting Company.
3. **Trust Investment Advisors Private Limited (“TIAPL” or “Transferee Company”)** is a private limited company incorporated under the provisions of the Companies Act, 1956. The Transferee Company is registered under the Securities and Exchange Board of India as a Category 1 Merchant Banker and Portfolio Manager. The Non-Convertible Debentures (“NCD” or “NCDs”) issued by the Transferee Company are listed on the debt segment of the BSE Limited. The Transferor Company holds 99.85% of the issued, subscribed and paid-up equity share capital of the Transferee Company.

B. PREMABLE

1. The Transferor Company, the Resulting Company and the Transferee Company form part of the Trust Group. The Transferor Company is inter alia engaged in two different business verticals, one being investment division and the other being trading business. The Board of Directors of the Transferor Company believe and are of the view that risk and reward associated with both of the aforesaid business verticals is different. Further, the reorganization / arrangement will enable the management to provide greater business attention and focus on the investment division vertical which has high growth potential, and which may result in increasing the profitability and creating long term value for the various stakeholders. In addition, the trading business vertical, will be restructured by hive off into Trust Capital & Stock Brokers Private Limited (the Resulting Company), a wholly owned subsidiary of the Transferee Company to unlock value.
2. Accordingly, the management of Trust Group is contemplating that the Demerged Undertaking should be transferred to the Resulting Company and the Resulting Company would continue to carry on the trading business of the Demerged Company post the Scheme is effective.
3. Post the aforesaid demerger, the management of Trust Group is contemplating that the investment division remaining in the Transferor Company should be amalgamated with the Transferee Company to have significant potential for growth.
4. Accordingly, this Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and provides for the following:
 - (i) the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company (*as defined hereinafter*) into the Resulting



Company (*as defined hereinafter*) on a *going concern* basis, and the consequent issue of shares by the Resulting Company; and

- (ii) the amalgamation of the residual Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*), and the consequent issue of shares by the Transferee Company.

5. This Scheme also provides for various other matters consequent and incidental thereto.

C. RATIONALE FOR THIS SCHEME

The proposed Scheme is expected, inter alia, to result in following benefits:

- (i) value unlocking of trading and investment division with ability for achieving growth;
- (ii) Streamline the corporate structure and consolidation of resources within the Transferee Company leading to greater synergies and operational synergy;
- (iii) Optimal utilisation of resources and better management and administration;
- (iv) focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other; and
- (v) Reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions, share capital and date of taking effect and implementation of this Scheme;
- (ii) **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis, and the consequent issue of shares by the Resulting Company;
- (iii) **PART III** deals with the amalgamation of the residual Transferor Company (post demerger) with the Transferee Company and the consequent issue of shares by the Transferee Company; and
- (iv) **PART IV** deals with the general terms and conditions that would be applicable to this Scheme.



PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof: (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (as defined hereinafter); and (iii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013 and rules framed thereunder;

“Appointed Date” means 1 April 2023 or such other date as may be decided by the Board of the Transferor Company, the Transferee Company and the Resulting Company;

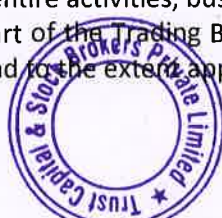
“Applicable Law” means any applicable central, provincial, local or other law including all applicable provisions of all: (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

“Appropriate Authority” means:

- (i) the government of any jurisdiction (including any central, State, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (iii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, Stock Exchange, the Tribunal. **“Board”** in relation to each of the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.

“Demerged Company / Transferor Company” means Trust Capital Services (India) Private Limited, a private limited company incorporated under the provisions of the Companies Act, 1956 and having its Corporate Identity Number U67120MH1994PTC079072 and registered office at 109/110, Balarama, 1st Floor, Village Parigkhari, Bandra Kurla Complex, Bandra (East), Mumbai - 400051;

“Demerged Undertaking” shall mean entire activities, business, operations and undertakings of the Transferor Company forming part of the Trading Business, as on the Appointed Date, and shall include (without limitation and to the extent applicable):



- (i) all the properties (whether movable or immovable) of the Trading Business, wherever situated, including all computers and accessories, software and related data, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relating to the Trading Business;
- (ii) all brands, trademarks, logos, trade and corporate name and intellectual property rights exclusive to the Trading Business;
- (iii) all rights (including management rights towards funds and carry rights) and licenses, all assignments and grants thereof, all Permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons), rights of commercial nature including attached goodwill, non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax, and other indirect taxes), deferred tax benefits and other benefits in respect of the Trading Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangement, funds belonging to or proposed to be utilised for the Trading Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests relating to the Trading Business;
- (iv) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Trading Business;
- (v) all contracts, deeds, bonds, agreements, schemes, arrangements, distributor agreements, sub advisory arrangements and other instruments, permits, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement, POA (power of attorney) and other agreement and/or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertains to the Trading Business;
- (vi) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Trading Business;
- (vii) all employees of the Transferor Company that are determined by the Board of the Transferor Company to be substantially engaged in, or in relation to, the Trading Business on the date immediately preceding the Effective Date;
- (viii) all liabilities present and future, corporate guarantees issued and the contingent liabilities pertaining or relating to the Trading Business, namely:



- (a) the debts of the Transferor Company which arises out of the activities or operations of the Trading Business;
 - (b) specific loans and borrowings raised, incurred and utilised by the Transferor Company for the activities or operations of or pertaining to the Trading Business; and
 - (c) general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred as part of Trading Business to the total value of the assets of the Transferor Company immediately prior to the Appointed Date.
- (ix) entire experience, credentials, past record and market share of the Transferor Company pertaining to the Trading Business; and
 - (x) all legal or other proceedings of whatsoever nature, by or against the Transferor Company pending as on the Effective Date and relating to the Trading Business.

It is clarified that the question of whether a specified asset (including investments or surplus funds) or liability pertains to or does not pertain to the Demerged Undertaking shall be decided mutually by the Board of the Transferor Company and the Resulting Company.

"Effective Date" means the date on which last of the conditions specified in Clause 26 (Conditions Precedent) of this Scheme are complied with or waived, as applicable;

"Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly;

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"Income Tax Act" means the Income-tax Act, 1961 as may be amended or supplemented from time to time and shall include any statutory replacement or re-enactment thereof, read together with all applicable bye-laws, rules, regulations, orders, ordinances, policies, directions, supplements issued thereunder;

"Parties" shall mean collectively the Transferor Company, Resulting Company and Transferee Company and **"Party"** shall mean each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;



“Record Date 1” means the date to be fixed by the Board of the Demerged Company, in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Preference Shares, pursuant to this Scheme;

“Record Date 2” means the date to be fixed by the Board of the Transferor Company, in consultation with the Transferee Company for the purpose of determining the shareholders of the Transferor Company for issue of the Transferee Company New Equity Shares, pursuant to this Scheme;

“Remaining Business” means all of the businesses, units, divisions, undertakings, and assets and liabilities of the Transferor Company, other than the Demerged Undertaking;

“Resulting Company” means Trust Capital & Stock Brokers Private Limited, a private limited company incorporated under the provisions of the Companies Act, 2013 and having its Corporate Identity Number U66120MH2023PTC399782 and registered office at 109 & 110, Balarama, Bandra Kurla Complex, Mumbai - 400051;

“RoC” means the Registrar of Companies having jurisdiction over the Parties;

“Scheme” means this composite scheme of arrangement, with or without any modification(s);

“SEBI” means the Securities and Exchange Board of India;

“SEBI Circular” means the circular issued by the SEBI, being SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPODI/P/CIR/2022/156 dated November 17, 2022 read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPODI/P/CIR/2022/170 dated December 9, 2022 and any amendments thereof, modifications issued pursuant to regulations 59A and 94A of the SEBI LODR Regulations;

“SEBI LODR Regulations” means the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and any amendments thereof;

“Stock Exchange” means the BSE Limited;

“Taxation” or **“Tax”** or **“Taxes”** includes all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, taxes under the Income Tax Act and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

“Tax Laws” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

“Trading Business” means the business of the Demerged Company in relation to dealing in Government Securities and Bonds;



“**Transferee Company**” means Trust Investment Advisors Private Limited, a private limited company incorporated under the provisions of the Companies Act, 1956 and having its Corporate Identification Number U67190MH2006PTC162464 and registered office at 109 & 110, First Floor, Balarama Premises Co-Op Soc, Village Parikhari, Bandra Kurla Complex, Bandra (E), Mumbai – 400051; and

“**Tribunal**” means the Mumbai bench of the Hon’ble National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and vice versa;

1.2.2 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.3 the words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL

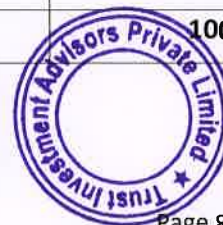
2.1 The share capital of the Transferor Company as on 31 March 2023 is as follows:

Particulars	INR
Authorised share capital	
25,00,000 equity shares of INR 10 each	2,50,00,000
Total	2,50,00,000
Issued, subscribed and paid up capital	
10,00,000 equity shares of INR 10 each	1,00,00,000
Total	1,00,00,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

2.2 The share capital of the Resulting Company as on 18 April 2023 is as follows:

Particulars	INR
Authorised share capital	
50,000 equity shares of INR 10 each	500,000
Total	500,000
Issued, subscribed and paid up capital	
10,000 equity shares of INR 10 each	100,000
Total	100,000



Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company. The Resulting Company is a wholly owned subsidiary of the Transferee Company.

2.3 The share capital of the Transferee Company as on 31 March 2023 is as follows:

Particulars	INR
Authorised share capital	
75,00,000 equity shares of INR 10 each	7,50,00,000
Total	7,50,00,000
Issued, Subscribed and Paid-up Capital	
65,00,000 equity shares of INR 10 each	6,50,00,000
Total	6,50,00,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company. The Transferor Company holds 99.85% equity shares of the Transferee Company.

DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

2.4 This Scheme set out herein in its present form or with any modification(s) made under Clause 25 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.



PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

3. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 3.1 With effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as an from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This Scheme complies with the definition of "demerger" as per Section 2(19AA) and other applicable provisions of the Income Tax Act. Subject to approval by the Board of the Parties, if any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act.

- 3.2 Without prejudice to the generality of the provisions of Clause 3.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

3.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, domain names, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Part II of the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

3.2.2 Subject to Clause 3.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 3.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of

Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 3.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/ or the Resulting Company;
- 3.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 3.2.3 above, it is clarified that, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 3.2.4 will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Demerged Company takes place and the assets and liabilities forming part of the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 3.2.5 Upon effectiveness of Part II of the Scheme and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent/ potential Tax liabilities of the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of Part II of this Scheme and without any further act or deed become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. The amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of the Demerged Undertaking to the total value of the assets of the Demerged Company immediately before Appointed Date;
- 3.2.6 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 3.2.7 Unless otherwise agreed to between the Board of the Demerged Company and the Resulting Company, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the

Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which the Demerged Company is a party) related to any assets of the Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of the Demerged Company shall not extend or be deemed to extend or apply to the assets so vested;

- 3.2.8 In so far as any Encumbrance in respect of liabilities pertaining to the Demerged Undertaking is concerned, such Encumbrance shall without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the liabilities pertaining to the Demerged Undertaking is concerned, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities;
- 3.2.9 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 3.2.10 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 3.2.11 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and



- 3.2.12 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.
- 3.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name.

4. EMPLOYEES

- 4.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, leave balance, gratuity, superannuation and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.
- 4.2 Upon the Scheme coming into effect and with effect from the Appointed Date, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Demerged Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company.
- 4.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund



dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

5. LEGAL PROCEEDINGS

- 5.1 Upon effectiveness of Part II of the Scheme and with effect from the Effective Date, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Demerged Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Demerged Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Demerged Company.

6. TAXES/ DUTIES/ CESS

Upon effectiveness of Part II of the Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Appropriate Authority and in relation to the Demerged Undertaking of the Demerged Company:

- 6.1 All the profits or income taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, foreign tax credits), all input credit balances (including but not limited to CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Demerged Company in India and abroad or expenditure or losses arising or incurred or suffered by the Demerged Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, & foreign tax credits), tax losses, input credit balances (namely CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 6.2 If the Demerged Company is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 6.3 Upon the Scheme becoming effective, the Demerged Company and/ or the Resulting Company shall have the right to revise their respective financial statements, income tax returns, tax deducted at source returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, credit of tax deducted at source, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST) and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company.



6.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Demerged Company, shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Appropriate Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company, to recover or realise the same, stands transferred to the Resulting Company.

7. CONSIDERATION

7.1 Immediately upon Part II of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 1, as under:

83 (Eighty Three) fully paid up Redeemable Preference Shares of INR 10/- each of the Resulting Company credited as fully paid up to the shareholders of the Demerged Company, for every 1 (One) fully paid up equity share of INR 10/- each of the Demerged Company

The preference shares of the Resulting Company to be issued pursuant to Clause 7.1 shall be referred to as "**Resulting Company New Preference Shares**". Further, the Resulting Company New Preference Shares shall be as per the terms provided in **Annexure I**.

7.2 The Resulting Company New Preference Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing redeemable preference shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the redeemable preference shares of the Resulting Company.

7.3 The issue and allotment of the Resulting Company New Preference Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Preference Shares.

7.4 Subject to Applicable Laws, the Resulting Company New Preference Shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, be updated to reflect the issue of Resulting Company New Preference Shares in terms of this Scheme.

7.5 For the purpose of the allotment of the Resulting Company New Preference Shares pursuant to this Scheme, in case any shareholder's holding in any of the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder but shall distribute



proceeds in the form of cash consideration to the respective shareholders in the proportion of their respective fractional entitlement and of the value of such fractional entitlement rounded off to the next Rupee.

8. ACCOUNTING TREATMENT

8.1 Accounting treatment in the books of the Demerged Company:

8.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities pertaining to the Demerged Undertaking, as identified by the Board of the Demerged Company, transferred to the Resulting Company from its books of accounts.

8.1.2 The difference between the book value of assets and liabilities pertaining to the Demerged Undertaking transferred to the Resulting Company shall be adjusted in retained earnings of the Demerged Company.

8.2 Accounting treatment in the books of the Resulting Company:

8.2.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles as laid down in Appendix C of the Indian Accounting Standard 103 (Ind AS 103) (Business Combination of entities under common control), notified under the Act and/ or any other applicable Indian Accounting Standard as the case may be.

8.2.2 The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value as appearing in the books of the Demerged Company.

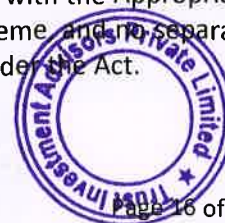
8.2.3 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the redeemable preference shares issued to shareholders of the Demerged Company pursuant to Clause 7 of this Scheme.

8.2.4 The difference, being the excess of book value of the assets over the liabilities pertaining to the Demerged Undertaking and recorded by the Resulting Company in accordance with Clause 8.2.2 above, over the amount credited as share capital as per Clause 8.2.3 above shall be adjusted in capital reserve.

In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

9. CHANGE OF NAME OF THE RESULTING COMPANY

9.1 Upon this Scheme becoming effective, the name of the Resulting Company shall stand changed to 'Trust Capital Services (India) Private Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority, unless already effected prior to the effectiveness of the Scheme and no separate act, procedure, instrument, or deed shall be required to be followed under the Act.



9.2 Consequently, subject to Clause 9.1 above:

9.2.1 Clause I of the memorandum of association of the Resulting Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following Clause:

"The name of the Company is Trust Capital Services (India) Private Limited."

9.2.2 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 9.1 and 9.2, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.



PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

10. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY

10.1 Immediately upon effectiveness of Part II of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand transferred to and vested in the Transferee Company as a *going concern* and accordingly, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

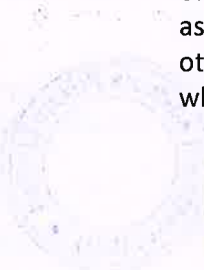
10.2 Without prejudice to the generality of the provisions of Clause 10.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme immediately upon effectiveness of Part III of this Scheme and with effect from the Appointed Date, is as follows:

10.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

10.2.2 Subject to Clause 10.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 10.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be, in favour of Transferee Company.



- 10.2.3 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company.
- 10.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 10.2.3 above and Clause 10.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/ or the Transferee Company shall register the true copy of the orders of the Authority approving the Scheme with the offices of the relevant sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 10.2.4 or Clause 10.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Appropriate Authority sanctioning this Scheme.
- 10.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/ or the Transferee Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 10.2.6 All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 10.
- 10.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be



accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.

10.2.8 Unless otherwise agreed between the Transferor Company and the Transferee Company, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.

10.2.9 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever.

10.2.10 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed.

10.2.11 All contracts where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

10.2.12 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or inter se between the



Transferor Company and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/ or Transferee Company shall have any obligation or liability against the other party in relation thereto.

- 10.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 10.2, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

11. EMPLOYEES

- 11.1 Upon effectiveness of Part III of the Scheme and with effect from the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, leave balance, gratuity and other retiral/ terminal benefits.
- 11.2 Upon the Scheme coming into effect and with effect from the Appointed Date, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Remaining Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Transferee Company.
- 11.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established by the Transferee Company, in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities.

12. LEGAL PROCEEDINGS

Upon effectiveness of Part III of the Scheme and with effect from the Effective Date, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the



Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

13. TAXES/ DUTIES/ CESS

Upon effectiveness of Part III of the Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Appropriate Authority:

- 13.1 All the profits or income taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, foreign tax credits), all input credit balances (including but not limited to CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, & foreign tax credits), tax losses, input credit balances (namely CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 13.2 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 13.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.
- 13.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Appropriate Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.



14. CONSIDERATION

14.1 Immediately upon Part III of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Transferor Company whose name is recorded in the register of members and records of the depository as members of the Transferor Company as on the Record Date 2, as under:

67 (Sixty Seven) fully paid up Equity Shares of INR 10/- each of the Transferee Company credited as fully paid up to the shareholders of the Transferor Company, for every 10 (Ten) fully paid up equity share of INR 10/- each of the Transferor Company

14.2 The equity shares of the Transferee Company to be issued pursuant to Clause 14.1 shall be referred to as **“Transferee Company New Equity Shares”**.

14.3 The Transferee Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Transferee Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.

14.4 The issue and allotment of Transferee Company New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Transferee Company and/ or the Transferor Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Transferee Company New Equity Shares.

14.5 Subject to Applicable Laws, the Transferee Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in physical form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, be updated to reflect the issue of Transferee Company New Equity Shares in terms of this Scheme.

14.6 For the purpose of the allotment of the Transferee Company New Equity Shares pursuant to this Scheme, in case any shareholder's holding in any of the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder but shall distribute proceeds in the form of cash consideration to the respective shareholders in the proportion of their respective fractional entitlement and of the value of such fractional entitlement rounded off to the next Rupee.

15. REDUCTION AND CANCELLATION OF EXISTING SHARE CAPITAL OF THE TRANSFEE COMPANY

15.1 With effect from Part III of this Scheme becoming effective, the paid-up share capital, as on Effective Date, of the Transferee Company held by the Transferor Company (**“shares held by**



the Transferor Company”) shall stand cancelled, extinguished, and annulled without payment of consideration on and from such Effective Date.

- 15.2 The reduction of the share capital of the Transferee Company under Sections 230 to 232 of the Act shall be affected as an integral part of this Scheme itself.
- 15.3 Notwithstanding the reduction in the share capital of the Transferee Company, the Transferee Company shall not be required to add ‘And Reduced’ as suffix to its name.
- 15.4 The reduction and cancellation of the shares held by the Transferee Company does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

16. **ACCOUNTING TREATMENT**

The Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions in the Scheme including but not limited to the following:

- 16.1 Upon Part III of this Scheme coming into effect and after giving effect to the accounting treatment specified in the aforementioned Clause 8 of Part II of the Scheme and with effect from Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with “Pooling of Interest Method” laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Act and/ or any other applicable Indian Accounting Standard as the case may be.

16.1.1 On and from the Appointed Date and subject to the provisions hereof, all assets, liabilities and reserves of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.

16.1.2 The Transferee Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to shareholders of the Transferor Company pursuant to Clause 14 of this Scheme.

16.1.3 The face value of shares of the Transferee Company held by the Transferor Company shall stand cancelled.

16.1.4 The difference being excess of book value of the assets over the liabilities and recorded by the Transferee Company in accordance with Clause 16.1.1 above, over the amount credited as share capital as per Clause 16.1.2 above and after giving effect to Clause 16.1.3, shall be adjusted in capital reserve of the Transferee Company.

16.1.5 To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.



16.1.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted to the capital reserves, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

17. COMBINATION OF AUTHORISED SHARE CAPITAL

17.1 Upon Part III of this Scheme becoming effective, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised share capital of the Transferee Company and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.

17.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company.

17.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 17.1 above, pursuant to Sections 13, 61, 64, and other applicable provisions of the Act.

17.4 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

17.5 The Transferee Company shall file with the RoC, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

Immediately upon the effectiveness of Part III of this Scheme, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.



PART IV

GENERAL TERMS & CONDITIONS

19. IMPACT OF THE SCHEME ON NON-CONVERTIBLE DEBENTURE HOLDERS OF THE TRANSFeree COMPANY

- 19.1 Pursuant to this Scheme, there will be no change in terms and conditions of the NCDs of the Transferee Company. Details of NCDs of the Transferee Company are set out in **Annexure II** hereto.
- 19.2 Safeguards for the protection of holders of NCDs of the Transferee Company: Pursuant to the Scheme, the NCD holders of the Transferee Company as on the Effective Date will continue to hold NCDs of the Transferee Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc.
- 19.3 Exit offer to NCDs holders of the Transferee Company: The NCDs of the Transferee Company, as on the Effective Date, will continue to be freely tradable and listed on the Stock Exchanges, thereby providing liquidity to holders of the NCDs of the Transferee Company.
- 19.4 In view of the provisions of this Clause, the Scheme will not have any adverse impact on the holders of the NCDs.

20. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Company, as considered necessary by the Board of the Transferor Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and / or Transferee Company, as the case may be, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferor Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and / or the Transferee Company, as the case may be, and shall constitute the aggregate of the said limits in the Resulting Company and / or the Transferee Company.

21. DIVIDENDS

- 21.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.
- 21.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

22. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

- 22.1 With effect from the date of approval of the Scheme by the Board of the Parties and up to and including the Appointed Date, the Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood



possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company and / or the Transferee Company, as the case may be.

22.2 With effect from the Appointed Date and up to and including the Effective Date:

22.2.1 The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as the Transferor Company had been doing hitherto;

22.2.2 The Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company and / or the Transferee Company may respectively require to carry on the relevant business of the Transferor Company and to give effect to the Scheme.

22.2.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company and / or the Transferee Company, as the case may be, shall, at any time pursuant to the orders approving this Scheme, be entitled to get the legal right(s) changed upon demerger of the Demerged Undertaking and amalgamation of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company and / or the Transferee Company, as the case may be, shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company and / or the Transferee Company, as the case may be, shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company and / or the Transferee Company, , as the case may be, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company and / or Transferee Company, as the case may be. It is clarified that the Resulting Company and / or Transferee Company, as the case may be, shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

23. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking and / or the Remaining Undertaking, as the case may be, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies, any third party, or otherwise, in favour of the Resulting Company and / or the Transferee Company, as the case may be, the Resulting Company and / or the Transferee Company, as the case may be, is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the



property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Resulting Company and / or the Transferee Company, as the case may be, the Transferor Company will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of, the Resulting Company and / or the Transferee Company, as the case may be.

24. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

24.1 The Parties shall make and file all applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

24.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company and / or the Transferee Company, as the case may be, may require to own the assets and/ or liabilities of the Demerged Undertaking and Remaining Business, as the case may be, and to carry on the business of the Transferor Company.

25. MODIFICATION OR AMENDMENTS TO THIS SCHEME

25.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

25.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

26. CONDITIONS PRECEDENT

26.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

26.1.1 obtaining no-objection letter from the Stock Exchange in relation to the Scheme under Regulation 59A of the SEBI LODR Regulations;

26.1.2 the Transferee Company, complying with other provisions of the SEBI Circular, including seeking approval of the holders of the NCDs of the Transferee Company through e-voting, as applicable;

26.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and

26.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.

26.2 Without prejudice to Clause 26.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 26.1 above, the Scheme shall be made effective in the order as contemplated below.



26.2.1 Part II of the Scheme shall be made effective; and

26.2.2 Immediately after effectiveness of Part II of the Scheme, Part III of the Scheme shall be made effective.

26.3 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the respective Parties may have under or pursuant to all Applicable Laws.

26.4 On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger and amalgamation set out in this Scheme, related matters and this Scheme itself.

27. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

27.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

27.2 In the event of withdrawal of the Scheme under Clause 27.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

27.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

28. COSTS AND TAXES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the Transferor Company.





Annexure I

Terms of issue of Resulting Company New Preference Shares

Coupon	0.01% non-cumulative
Redemption	To be redeemed at par any time after the expiry of six months at the option of the Resulting Company
Tenure	20 (Twenty) years
Voting Rights	No voting rights
Listing	The Preference Shares will not be listed on any Stock Exchanges
Transferability	Freely transferable



Details of listed NCDs of the Transferee Company as on 4th August, 2023

ISIN	INE723X07075	INE723X07083	INE723X07109	INE723X07133	INE723X07141	INE723X07166	INE723X07174
No of NCDs	250	600	250	300	350	8,500	17,500
Face value per NCDs	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	1,00,000	1,00,000
Bid Opening Date	Non-EBP	Non-EBP	Non-EBP	Non-EBP	Non-EBP	30-01-2023	28-03-2023
Bid Closing Date	Non-EBP	Non-EBP	Non-EBP	Non-EBP	Non-EBP	30-01-2023	28-03-2023
Date of Allotment	30-11-2021	23-03-2022	28-07-2022	27-10-2022	06-12-2022	31-01-2023	29-03-2023
Redemption Price	10,00,000	11,18,588	10,00,000	10,00,000	10,00,000	1,00,000	1,00,000
Redemption Date	30-11-2023	22-09-2023	28-07-2026	25-10-2030	05-12-2030	31-01-2030	07-04-2028
Terms of Redemption	At Par, except for ISIN INE723X07083, which will be redeemed at premium						
Redemption premium / discount	As above						
Redemption amount	10,00,000	11,18,588	10,00,000	10,00,000	10,00,000	1,00,000	1,00,000
Coupon rate	8.50%	N.A.	8.70%	9.10%	9.10%	8.90%	8.90%
Coupon frequency	Annual	N.A.	Annual	Annual	Annual	Annual	Annual
Credit rating	CARE A/Stable	ACUITE PP-MLD AA+(CE)/Stable	Prov AA+ (CE)/ Stable by ACUITE and AA/Stable by IVR	Prov AA/ Stable by IVR and AA+/Stable by ACUITE	Prov AA/ Stable by IVR and AA+/Stable by ACUITE	Prov AA/ Stable by IVR and Prov AA+/Stable by ACUITE	Provisional Acuité by AA+/Stable by ACUITE Provisional IVR AA/Stable by IVR
Call option	N.A.						
Latest audited financials along with notes to accounts and any audit qualifications	Enclosed						
Auditor's certificate certifying the NCDs payment/ repayment capability of the Transferee Company	Enclosed						
Fairness opinion on share swap ratio	Enclosed						
Put options	N.A.						
Early redemption scenario details	N.A.						
Put date	N.A.						
Put Price	N.A.						
Call Price	N.A.						
Call date	N.A.						
Put notification time	N.A.						
Call notification time	N.A.						



COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
TRUST CAPITAL SERVICES (INDIA) PRIVATE LIMITED
AND
TRUST CAPITAL & STOCK BROKERS PRIVATE LIMITED
AND
TRUST INVESTMENT ADVISORS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013