

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT-V, MUMBAI BENCH**

**C.P.(CAA) / 36 / MB / 2022  
Connected With  
C.A.(CAA) / 278 / MB / 2021**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read  
with Section 66 and other applicable  
provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement  
between DSP Investment Managers Private  
Limited ("Transferor Company") and DSP  
Asset Managers Private Limited  
("Transferee Company") and their respective  
Shareholders.

DSP Investment Managers Private Limited, a company }  
incorporated under the provisions of Companies Act, 1956, }  
having its registered office at Mafatlal Centre, 10<sup>th</sup> Floor, }  
Nariman Point, Mumbai – 400 021 }  
CIN: U74140MH1996PTC099483 }

.....First Petitioner Company

AND

DSP Asset Managers Private Limited, a company incorporated }  
under the provisions of Companies Act, 2013, having its }  
registered office at 11<sup>th</sup> Floor, Plot 221/222, Mafatlal Centre, }  
Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 0021 }  
CIN: U65990MH2021PTC362316 }

.....Second Petitioner Company

(Hereinafter together referred to as "Petitioner Companies")



**Order delivered on: 04.10.2022**

**Coram:**

Hon'ble SH. H.V. Subba Rao, Member (Judicial)

Hon'ble Anuradha Sanjay Bhatia, Member (Technical)

**Appearances (via videoconferencing):**

**For the Petitioners:** Mr. Hemant Sethi, Ms. Vidisha Poonja, Ms. Devanshi Sethi, Advocate, i/b Hemant Sethi & Co., Advocates

**For the Regional Director:** Ms. Rupa Sutar, Authorized Representative of Regional Director, MCA (WR), Mumbai

**ORDER**

1. The Court is convened by videoconference.
2. Heard Learned Counsel for the Petitioner Companies. No objector has come before the Tribunal to oppose the petition nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') in the matter of the Scheme of Arrangement between DSP Investment Managers Private Limited ("**Transferor Company**") and DSP Asset Managers Private Limited ("**Transferee Company**") and their respective Shareholders ("**Scheme**") which provides for the transfer of the Asset Management Business (*as defined under the Scheme*) of the First Petitioner Company, including without limitation all Licenses (*as defined under the Scheme*) relating to the Asset Management Business,



by way of demerger to the Second Petitioner Company.

4. The Learned Counsel for the Petitioner Companies submits that the First Petitioner Company is primarily engaged in the business of providing investment management and advisory services to mutual funds, alternative investment fund, offshore funds and other investment managers and the Second Petitioner Company is engaged in the business of asset management for any mutual/investment fund which includes acting as managers, consultants, administrators, attorneys, agents, representatives or nominees of or for any mutual funds or investment funds and promoting, preparing, undertaking, executing or administering mutual fund schemes, investment fund schemes, unit trust schemes and issue units or participation certificates therein to investors.

5. The Learned Counsel for the Petitioner Companies submits that the rationale of the Scheme is as follows:

*“The segregation of the Demerged Undertaking, inter-alia, would lead to following benefits:*

- segregating the business would enable independent business opportunities, attracting different sets of investors, strategic partners and other stakeholders and would bring about synergy of operations and greater internal control on business processes for ease in decision making;*
- facilitate better management and focused attention on growth and development of the Remaining Undertaking;*
- more flexibility in operating the Remaining Undertaking as the Transferor Company can apply assets of the Remaining Undertaking towards growth opportunities that are distinct and separate from the Asset Management Business once the Demerged Undertaking is transferred to the Transferee Company; and*

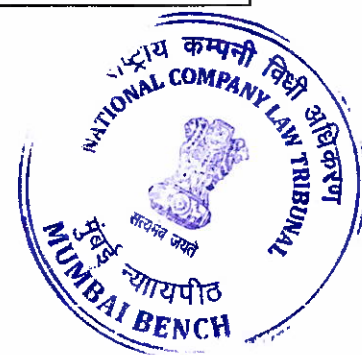


- *leading to increased value for all stakeholders including inter alia employees and shareholders of the Transferor Company and unlocking value for the shareholders and employees of the Transferor Company.”*
6. Further, this Scheme does not affect the rights and interests of the creditors of the First Petitioner Company and the Second Petitioner Company. There is no compromise or arrangement with any of the creditors of the First Petitioner Company and the Second Petitioner Company and the rights of the creditors are not affected, as all creditors would be paid off in the ordinary course of business.
  7. The Learned Counsel for the Petitioner Companies submits that the Board of Directors of the First Petitioner Company vide resolution dated 21st October 2021 and the Second Petitioner Company vide resolution dated 14th July 2021 have approved the Scheme and have approached the Tribunal for sanction of the Scheme.
  8. The Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with the order dated 4<sup>th</sup> January 2022 passed by this Tribunal in C.A.(CAA) / 278 / MB / 2021.
  9. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.
  10. The Regional Director has filed his report dated 8<sup>th</sup> August 2022 (**‘Report’**) praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs 2 (a) to (k). In response to the observations made by the Regional Director, the Petitioner Companies have also given necessary clarifications and undertakings



vide their affidavit dated 18<sup>th</sup> August 2022. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
Para No. 2(a)	<p>That on examination of the report of the Registrar of Companies, Mumbai dated 24/06/2022 for Petitioner Companies (Annexed as Annexure A-1) that the Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and/or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Transferor Company has filed Financial Statements up to 31/03/2021, Transferee Company has been incorporated on 17/06/2021 hence not required to make annual filings yet. The ROC has further submitted that in his report dated 24/06/2022 which are as under:-</p> <p>(i) That the ROC Mumbai in his report dated 24/06/2022 has also stated that No Inquiry,</p>	<p>So far as the observation in paragraph 2(a) of the Report is concerned, the Petitioner Companies submit that:</p> <p>(i) E-form GNL-1 (bearing SRN F06158638) has been already filed on 14 June 2022;</p> <p>(ii) the Second Petitioner Company shall comply with the provisions of Section 232(3)(i) and pay the remaining fee, if any, after setting off the fees already paid by the First Petitioner Company on its authorized capital being transferred to the Second Petitioner Company pursuant</p>



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	<p>Investigations, Prosecutions, Complaints under CA, 2013 have been pending against the petitioner companies.</p> <p>(ii) further ROC has mentioned as follows:-</p> <p>a. E-form GNL-1 not filed by both the companies.</p> <p>b. As per provisions of section 230(3)(i) of CA, 2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the</p>	<p>to the Scheme of Arrangement; and</p> <p>(iii) the interest of the creditors are protected as the Scheme of Arrangement does not affect the rights or propose any reduction in the amounts payable to the creditors of the Petitioner Companies.</p>



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	<p>increased authorized capital subsequent to amalgamation.</p> <p>c. Interest of creditors should be protected.</p> <p>d. May be decided on its merits.</p> <p>Hence, the Petitioner Companies shall undertake to provide detail reply against observations mentioned above.</p>	
Para No. 2(b)	<p>Transferee company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies</p>	<p>So far as the observation in paragraph 2(b) of the Report is concerned, the Petitioner Companies submit that the Second Petitioner Company shall comply with the provisions of section 232(3)(i) of the Companies Act, 2013 to the extent applicable.</p>
Para No. 2(c)	<p>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other</p>	<p>So far as the observation in paragraph 2(c) of the Report is concerned, the Petitioner Companies submit that the Second Petitioner Company shall pass such accounting</p>



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	applicable Accounting Standards including AS-5 or IND AS-8 etc.	entries in connection with the Scheme of Arrangement as are necessary to comply with the applicable Accounting Standards.
Para No. 2(d)	The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.	So far as the observation in paragraph 2(d) of the Report is concerned, the Petitioner Companies submit that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.
Para No. 2(e)	The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision	So far as the observation in paragraph 2(e) of the Report is concerned, the Petitioner Companies submit that the Petitioner Companies have complied with the provisions of section 230(5) of the Companies Act, 2013 and served notices to the relevant authorities that are likely





Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	of such authorities shall be binding on the petitioner companies concerned.	to be affected by the amalgamation and will also comply with the lawful directions of such authorities in relation to the Scheme of Arrangement. A copy of the Compliance Report dated 1 February 2022 confirming dispatch of notices to the relevant authorities is attached as 'Annexure K' to the Company Petition.
Para No. 2(f)	As per Definition of the Scheme, <b>"Appointed Date"</b> - 01/04/2021 <b>"Effective Date of the Scheme"</b> - Means the date or the last dates on which the conditions set out in the paragraph 19 of the scheme have been complied with or waived by the Boards of the Transferor Company and Transferee Company and all references in this scheme to "upon the scheme becoming effective" or "effectiveness of the scheme" shall mean the effective date. It is submitted that the Petitioners	So far as the observation in paragraph 2(f) of the Report is concerned, the Petitioner Companies submit that the Scheme of Arrangement complies with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.	
Para No. 2(g)	Petitioner Companies shall undertake to comply with the directions of Income tax department, if any.	So far as the observation in paragraph 2(g) of the Report is concerned, the Petitioner Companies submit that the shall comply with all applicable provisions of the Income Tax Act, 1961 and all tax issues arising out of the Petition and the proposed Scheme of Arrangement will be met and answered in accordance with law.
Para No. 2(h)	Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulatory, if so required.	So far as the observation in paragraph 2(h) of the Report is concerned, the Petitioner Companies submit that they shall comply with all lawful directions (if any) issued by the concerned sectoral regulators in



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
		relation to this Petition and the proposed Scheme of Arrangement.
Para No. 2(i)	The company has not filed Form BEN-2 for declaring the name of the individual beneficial owner in respect of shareholder namely DSP HMK Holding Private Limited is holding 34% shares and DSP ADIKO Holdings Private Limited is holding 54% shares, hence Petitioner Company shall undertake to comply with the provisions of section 90 of Companies Act, 2013 r/ w. Rules thereunder and file Form BEN-2 for declaring name of the beneficial owner.	So far as the observation in paragraph 2(i) of the Report is concerned, the Petitioner Companies submit that they shall comply with the provisions of section 90 of the Companies Act, 2013 and make necessary filings as required under section 90 and the rules prescribed thereunder. The Petitioner Companies through their Learned Counsel also undertake to complete the Form BEN-2 filings within 4 weeks from the date of receipt of the certified copy of this order.
Para No. 2(j)	As per statement of Assets and Liabilities, attached with the Petition as Annexure J, Demerged company namely DSP Investment	So far as the observation in paragraph 2(j) of the Report is concerned, the Petitioner Companies



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
	<p>Managers Private Limited is transferring Asset Management Undertaking/Business to Resulting Company namely DSP Asset Manager Private Limited with Assets of Rs. 40,466.05 lakhs against total liability of Rs. 11,367.70 lakhs. Since excess of assets over liability has been transferred to Resulting Company, both Petitioner Companies shall undertake to Protect Interest of the Creditors and pay off all Income Tax Liability, if any arising out of this scheme of demerger.</p>	<p>submit that the interests of the creditors and the income tax authorities are protected and all tax issues arising out of the Petition and the proposed Scheme of Arrangement will be met and answered in accordance with law.</p>
<p>Para No. 2(k)</p>	<p>The Petitioner Companies are engaged in the business of Asset Management which is regulated by SEBI, therefore Petitioner Companies may be directed to obtain NOC from SEBI, as they have not enclosed copy of notice served to the SEBI in form CAA-3.</p>	<p>So far as the observation in paragraph 2(k) of the Report is concerned, the Petitioner Companies submit that a notice in relation to the Scheme of Arrangement has been sent to SEBI on 28 January 2022 (as set out in paragraph 4 of the Compliance Report dated 1 February 2022) and the Petitioner Companies</p>



Sr. No.	RD Report dated 8 <sup>th</sup> August 2022	Response of the Petitioner Companies
		shall comply with the relevant regulations and directions issued by SEBI to implement the proposed Scheme of Arrangement.

11. The observations made by the Regional Director and Registrar of Companies have been explained by the Petitioner Companies in paragraph 11 above. Ms. Rupa Sutar, Authorised representative of the Regional Director, MCA (WR), Mumbai who is present at the time of Final hearing has submitted that the clarifications, submissions and undertakings given by the Petitioner Companies are hereby accepted and that they have no objection for approving the scheme by the Tribunal.
12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
13. The Scheme is hereby sanctioned with the Appointed Date of 1<sup>st</sup> April 2021.
14. Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Asset Management Business of the First Petitioner Company with the Second Petitioner Company, as per the terms of the Scheme:
  - the First Petitioner Company shall provide to the Second Petitioner Company a list of the Equity Shareholders of the First Petitioner



Company as on the Record Date, who shall be entitled to be issued and allotted fully paid-up equity shares of the Second Petitioner Company, in terms of this Scheme; and

- in consideration of the transfer and vesting of the Asset Management Business in the Second Petitioner Company, all the Equity Shareholders of the First Petitioner Company as on the Record Date shall be entitled to receive on a proportionate basis for every 1 (one) fully paid-up equity share of INR 10 each held in the First Petitioner Company, 1 (one) fully paid-up equity share of INR 10 each of the Second Petitioner Company.

15. All the assets and properties comprised in the Demerged Undertaking (*as defined in the Scheme*) of the First Petitioner Company, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Second Petitioner Company or be deemed to be transferred to and vested in the Second Petitioner Company as a going concern so as to become the assets and properties of the Second Petitioner Company.

16. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Demerged Undertaking of the First Petitioner Company shall, pursuant to the sanction of this Scheme by the Tribunal under and in accordance with the provisions of Sections 230 to 232, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Second Petitioner Company and the same shall be assumed by the Second Petitioner Company in accordance with the Scheme.



17. The authorised share capital of the First Petitioner Company to the extent of INR 500,00,00,000 shall also stand transferred into and combined with the authorised share capital of the Second Petitioner Company, without any further act, deed, including without payment of any stamp duty, registration or filing fee on such combined authorised share capital pursuant to the Scheme.
18. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) / 36 / MB / 2022 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
19. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies.
20. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated / certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.
21. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Joint/Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
22. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
23. Any concerned Authorities are at liberty to approach this Tribunal for



any further clarification as may be necessary.

24. Ordered Accordingly. CP (CAA) No. 36 of 2022 is Allowed and Disposed of.

Sd/-

**Anuradha Sanjay Bhatia**  
Member (Technical)

Sd/-

**H.V. Subba Rao**  
Member (Judicial)

Certified True Copy \_\_\_\_\_  
Date of Application 12/10/2022  
Number of Pages 16  
Fee Paid Rs. 80/-  
Applicant called for collection copy on 20/10/22  
Copy prepared on 20/10/2022  
Copy Issued on 20/10/2022



*R.S. Sawant*  
Deputy Registrar 20/10/2022.  
National Company Law Tribunal, Mumbai Bench



## SCHEME OF ARRANGEMENT

UNDER SECTION 230 TO SECTION 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013  
AND RULES FRAMED THEREUNDER

BETWEEN

DSP INVESTMENT MANAGERS PRIVATE LIMITED  
(TRANSFEROR COMPANY)

AND

DSP ASSET MANAGERS PRIVATE LIMITED  
(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

## (A) PREAMBLE

This Scheme of Arrangement is presented under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for the demerger and vesting of the Demerged Undertaking (hereinafter defined) of DSP Investment Managers Private Limited ("**Transferor Company**") into DSP Asset Managers Private Limited ("**Transferee Company**") on a going concern basis ("**Scheme**").

## (B) PARTS OF THE SCHEME

This Scheme is divided into the following parts:

**Part I** which deals with the introduction, definition of the terms used in this Scheme and interpretation;

**Part II** which deals with the share capital of the Transferor Company and the Transferee Company and the object and rationale for the Scheme;

**Part III** which deals with the demerger, transfer and vesting of the Demerged Undertaking (*defined below*) in the Transferee Company and the conduct of business during the Transition Period (*defined below*);

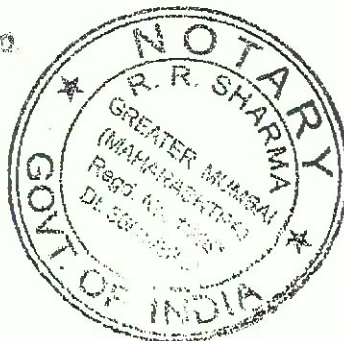
**Part IV** which deals with entitlement of Equity Shareholders of the Transferor Company and cancellation of shares of the Transferee Company; and

**Part V** which deals with the General Terms and Conditions.



CERTIFIED TRUE COPY  
For DSP Investment Managers Pvt. Ltd.

*[Signature]*  
Company Secretary / Director



Certified True Copy

DSP Asset Managers Private Limited



## PART I – INTRODUCTION, DEFINITIONS AND INTERPRETATION

### 1. INTRODUCTION

- 1.1 DSP Investment Managers Private Limited (formerly known as DSP BlackRock Investment Managers Private Limited), the Transferor Company, is a private limited company incorporated in the State of Maharashtra on 13 May 1996, having Corporate Identity Number U74140MH1996PTC099483 and its registered office at Mafatlal Centre, 10<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, Maharashtra, India.
- 1.2 DSP Asset Managers Private Limited, the Transferee Company, is a private limited company incorporated in the State of Maharashtra on 17 June 2021, having Corporate Identity Number U65990MH2021PTC362316 and its registered office at 11<sup>th</sup> Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 0021, Maharashtra, India.
- 1.3 The Transferor Company is *inter alia* engaged in the business of asset management for mutual/investment funds and providing investment management and advisory services to mutual funds, alternative investment fund, offshore funds and other investment managers. The main objects of the Transferor Company as per its Memorandum of Association are set out in **Annexure A** to this Scheme.
- 1.4 The Transferee Company has been recently incorporated to engage in the business of asset management for any mutual/investment fund which includes acting as managers, consultants, administrators, attorneys, agents, representatives or nominees of or for any mutual funds or investment funds and promoting, preparing, undertaking, executing or administering mutual fund schemes, investment fund schemes, unit trust schemes and issue units or participation certificates therein to investors. The main objects of the Transferee Company as per its Memorandum of Association are set out in **Annexure A** to this Scheme.
- 1.5 The promoters of the Transferor Company and the Transferee Company are set out in **Annexure A** to this Scheme.
- 1.6 The present directors of the Transferor Company and the Transferee Company are set out in **Annexure A** to this Scheme.
- 1.7 The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company post sanctioning of the Scheme. The Transferee Company being recently incorporated presently has no creditors. The Board of the Transferor Company is also of the view that the rights and obligations of each of the Equity Shareholders of the Transferor Company will not be impacted in any way post sanctioning of the Scheme.
- 1.8 There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 and 227 of the Companies Act, 2013.

### 2. DEFINITIONS AND INTERPRETATION

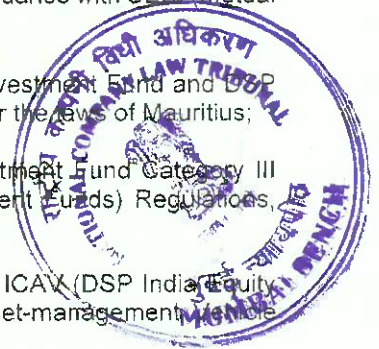
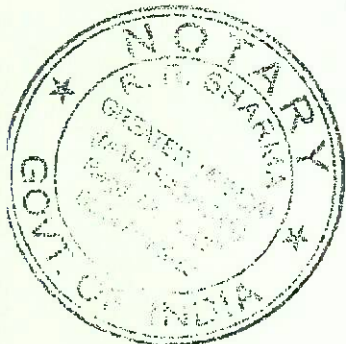
- 2.1 In this Scheme, unless repugnant to the subject, meaning or context thereof, the following expressions shall have the meanings as set out below:

“**Act**” means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force;

“**Appointed Date**” means 1 April 2021;

“**Asset Management Business**” means, the business of the Transferor Company involving:

- acting as the the asset management company for DSP Mutual Fund, a fund registered with Securities and Exchange Board of India (“SEBI”) in accordance with SEBI (Mutual Funds) Regulations, 1996;
- providing investment management services to DSP India Investment Fund and DSP India Fund, open-ended investment companies formed under the laws of Mauritius;
- acting as an investment manager to DSP Alternative Investment Fund Category III (DSPAIF-C- III), registered with SEBI (Alternative Investment Funds) Regulations, 2012;
- acting as an investment manager to the DSP Global Funds ICAV (DSP India Equity Fund and DSP India Bond Fund), an Irish Collective Asset-management Vehicle (ICAV) authorised by the Central Bank of Ireland; and



- e. providing management, advisory, investment management and incidental services to clients, including offshore funds and other investment managers;

**"Assets"** means:

- a. the Immoveable Assets;
- b. the Moveable Assets;
- c. all tax related assets including but not limited to benefits, credits, refunds, set-offs, entitlements, incentives and concessions of any nature whatsoever under incentive schemes and policies, customs, excise, Goods and Services tax, input tax credits, CENVAT credits, value added tax, sales tax, entry tax laws and foreign trade policy of the Government of India in relation to the Demerged Undertaking; and
- d. the Know-how;

**"Board"** in relation to the Transferor Company and/or the Transferee Company, as the case may be, means the board of directors of the respective companies and shall, unless repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;

**"Book Value"** means the value of the assets and the liabilities of the Transferor Company as appearing in the books of accounts of the Transferor Company at the close of the business on the day immediately preceding the Appointed Date provided that any amount comprised in such values appearing to be attributable to any revaluation shall be ignored for this purpose;

**"Contracts"** means:

- a. all contracts, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, expression of interest, letters of intent, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise obtained solely for the Demerged Undertaking; and
- b. all Mixed Contracts entered into by the Transferor Company that are mostly linked to the Demerged Undertaking;

**"Demerged Undertaking"** means the Asset Management Business of the Transferor Company, which without limitation include all assets, liabilities, of whatsoever nature and kind and wheresoever situated, belonging to or forming part of or relating or appertaining to or attributable to the Asset Management Business of the Transferor Company as on the Appointed Date at Book Value. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

- a. the Assets;
- b. the Liabilities;
- c. the Contracts;
- d. the Licenses;
- e. the Proceedings; and
- f. the Employees and any benefits granted to the Employees whose services are transferred to the Transferee Company;

**"Effective Date"** means the date or the last of the dates on which the conditions set out in paragraph 19 of the Scheme have been complied with or waived by the Boards of the Transferor Company and Transferee Company and all references in this Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

**"Employees"** means all employees, whether permanent or temporary, including contract labour, consultants, secondees, trainees and interns pertaining to the Demerged Undertaking;

**"Equity Shareholders"** means the persons registered as the owners of the equity shares of the Transferor Company and Transferee Company respectively;



**"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority;

**"Immoveable Assets"** means all immovable properties (i.e. land together with the buildings, car parking slots and structures standing thereon), whether freehold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, godowns, and depots, office space and guest houses and residential premises occupied by the Employees and project offices, which immovable properties are currently being used exclusively for the purpose of the Demerged Undertaking and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

**"Know-how"** means:

- a. all applications (including hardware, software, licenses, source codes, parameterisation and scripts), brand names, registrations, goodwill, licenses, trade names, trademarks, service marks, copyrights, patents, domain names, intellectual property rights, industrial designs, trade secrets, know-how, data, formulations, technology, assays, methodology, manufacturing procedures and techniques, test procedures, product registrations, computer tools, platforms, applications, authorizations and all such rights of whatsoever description and nature, whether developed or work in progress that pertain to the Demerged Undertaking;
- b. all intellectual property rights created, developed or invented, including any work in progress by employees concentrated on the research, development or marketing of products (including process development or enhancement), if any, in connection with the Demerged Undertaking; and
- c. all books, records, files, papers, engineering and process information, computer programmes, drawings, manuals, databases for production, procurement, commercial and management, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and all other books and records, whether in physical or electronic form relating to the Demerged Undertaking;

**"Liabilities"** means all liabilities pertaining to or arising out of activities or operation of the Demerged Undertaking including without limitation all taxes, duties, cess, etc. that are allocable, referable or related to the Demerged Undertaking and payable, whether due or not due as on the Appointed Date;

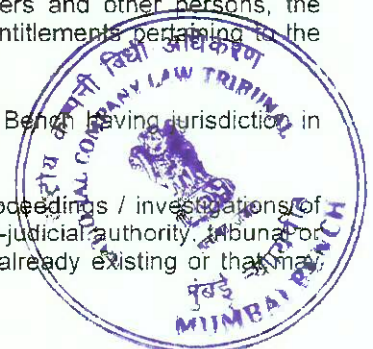
**"Licenses"** means all permits, licenses, permissions, approvals, consents, benefits, registrations, rights, entitlements, certificates, allotments, quotas, no-objection certificates, exemptions, concessions, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain to the Demerged Undertaking;

**"Mixed Contracts"** mean the Contracts that relate to both the Demerged Undertaking and the Remaining Undertaking, which shall be assigned to the Transferee Company if they are mostly linked to the Demerged Undertaking; or retained with the Transferor Company if they are mostly linked to the Remaining Undertaking;

**"Moveable Assets"** means all assets, whether situated in India or abroad, as are movable in nature pertaining to the Demerged Undertaking, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal including but not limited to capital work-in-progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, stock and utilities, actionable claims, earnest monies, security deposits, sundry debtors, financial assets, investments etc. including accrued benefits thereto, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interests thereto with government, semi-government, local and other authorities and bodies, customers and other persons, the benefits of any bank, performance guarantees and/or other entitlements pertaining to the Demerged Undertaking;

**"NCLT"** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and Transferee Company;

**"Proceedings"** means all current and future legal or other proceedings / investigations of whatsoever nature (including those before any statutory, quasi-judicial authority, Tribunal or committee) that pertain to the Demerged Undertaking, either already existing or that may



arise in the future for the period up-to the Appointed Date, initiated by or against the Transferor Company or proceedings / investigations to which the Transferor Company is party to;

**"Record Date"** means the date to be fixed by the Board of the Transferor Company in consultation with the Board of the Transferee Company for the purpose of determining the members of the Transferor Company to whom new shares in the Transferee Company will be allotted under the Scheme;

**"Remaining Undertaking"** means all the undertaking, businesses, activities and operations of the Transferor Company, other than the Demerged Undertaking, including their respective properties, assets, investments and liabilities;

**"Scheme"** means this scheme of arrangement in its present form or with any modifications made under paragraph 18 hereof;

**"SEBI"** means the Securities and Exchange Board of India;

**"Transferor Company ESOPs"** means the employee stock options issued to the Employees of the Transferor employed/engaged in the Demerged Undertaking as on the Effective Date, pursuant to the Transferor Company ESOP Scheme;

**"Transferor Company ESOP Scheme"** means Employees Stock Options Scheme 2019 of the Transferor Company; and

**"Transition period"** means the period commencing from the Appointed Date and expiring on the Effective Date.

- 2.2 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 2.3 In this Scheme, unless the context otherwise requires:
- references to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;
  - headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme; and
  - words in the singular shall include the plural, and vice versa.
- 2.4 References to paragraphs and Annexures, unless otherwise provided, are to paragraphs and Annexures of and to this Scheme.
- 2.5 Any phrase introduced by the term "including", "include", "in particular" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.6 The Annexures to this Scheme form an integral and inseparable part of this Scheme.



**PART II – SHARE CAPITAL AND OBJECT AND RATIONALE FOR THE SCHEME**

**3. SHARE CAPITAL**

3.1 The share capital structure of the Transferor Company as on 31 March 2021 is as under:

Particulars	Amount (in INR)
<b>Authorized Share Capital</b>	
100,00,00,000 equity shares of INR 10 each	1000,00,00,000
<b>TOTAL</b>	<b>1000,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
25,00,00,000 equity shares of INR 10 each, fully paid up	250,00,00,000
<b>TOTAL</b>	<b>250,00,00,000</b>

As on the date of approval of the Scheme by the Board of the Transferor Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company.

3.2 The share capital structure of the Transferee Company as on 30 June 2021 is as under:

Particulars	Amount (in INR)
<b>Authorized Share Capital</b>	
10,000 equity shares of INR 10 each	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
1,000 equity shares of INR 10 each, fully paid up	10,000
<b>TOTAL</b>	<b>10,000</b>

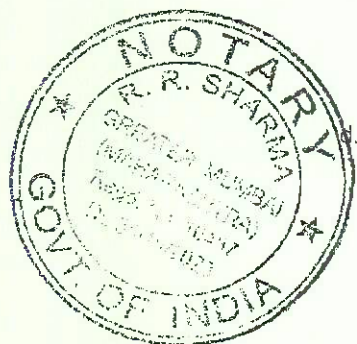
As on the date of approval of the Scheme by the Board of the Transferee Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

**4. OBJECT AND RATIONALE FOR THE SCHEME**

This Scheme and vesting of the Demerged Undertaking of the Transferor Company into the Transferee Company will result in the following benefits:

- segregating the business would enable independent business opportunities, attracting different sets of investors, strategic partners and other stakeholders and would bring about synergy of operations and greater internal control on business processes for ease in decision making;
- facilitate better management and focused attention on growth and development of the Remaining Undertaking;
- more flexibility in operating the Remaining Undertaking as the Transferor Company can apply assets of the Remaining Undertaking towards growth opportunities that are distinct and separate from the Asset Management Business once the Demerged Undertaking is transferred to the Transferee Company; and

leading to increased value for all stakeholders including *inter alia* employees and shareholders of the Transferor Company and unlocking value for the shareholders and employees of the Transferor Company.



**PART III – DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING IN THE TRANSFEREE COMPANY AND CONDUCT OF BUSINESS**

**5. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme shall be deemed to have become effective from the Appointed Date.

**6. TRANSFER AND VESTING OF DEMERGED UNDERTAKING INTO THE TRANSFEREE COMPANY**

**6.1** Upon this Scheme becoming effective and with effect from the Appointed Date, the whole of the Demerged Undertaking shall, subject to the provisions of paragraph 6.2 below in relation to the mode of vesting and without any further deed or act and pursuant to Section 232 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, be demerged from the Transferor Company and be transferred to and vest in the Transferee Company at Book Value, as a going concern, so as to become as and from the Appointed Date the business, property and asset of the Transferee Company on a going concern basis with all rights, titles, interest, liabilities or obligation of the said undertaking and shall be free from all encumbrances except as otherwise provided under this Scheme.

**6.2** Without prejudice to the generality of the foregoing, upon this Scheme becoming effective and with effect from the Appointed Date:

a. all Assets shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company and:

(i) the Transferee Company shall be entitled to exercise all rights and privileges attached to the Immovable Assets and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties subject only to, and in accordance with any agreement entered into between the Transferor Company and the Transferee Company;

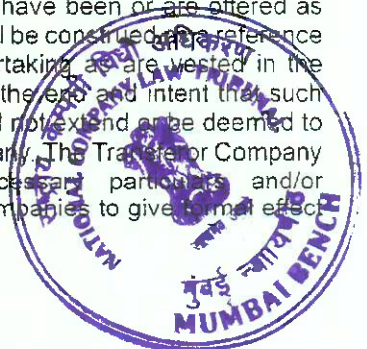
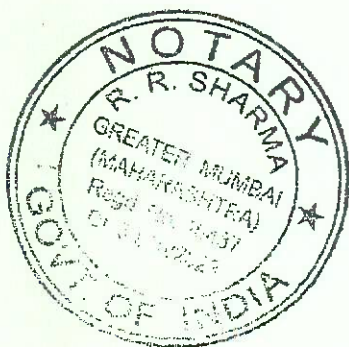
(ii) if the demerger of the Demerged Undertaking results in a cohabitation situation on the same site, the Transferor Company and the Transferee Company may agree to maintain shared services at their convenience on the same site in order to minimise the operating cost and/or ensure consistency towards third parties and/or employees, for example in the areas of environment, security, information technology, health, operational management of human resources, general accountancy, maintenance of the buildings or installations that remain joint (such as first-aid room, catering, air-conditioning and fire protection installations). The management of such sites will be on terms mutually agreed between the Transferor Company and the Transferee Company;

(iii) all Moveable Assets capable of being transferred by delivery or by endorsement shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company;

(iv) the Moveable Assets, other than those specified in sub-paragraph (iii) above, including actionable claims, earnest monies, security deposits, sundry debtors, financial assets, investments, insurance policies, etc. including accrued benefits thereto, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, bank balances and deposits including accrued interests thereto with Government, semi-Government, local and other authorities and bodies, customers and other persons, the benefits of any bank, performance guarantees and/or other entitlements pertaining to the Demerged Undertaking shall notwithstanding whether there is any specific provision for transfer of such credits, assets or refunds under applicable law, without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, be transferred to and vested in the Transferee Company as if it had been an original party to the arrangement and the Transferor Company shall give notice in such form as it deems fit to such persons, that pursuant to the order of the NCLT, the said asset would be paid or made good to or held on account of, the Transferee Company, and the rights of the Transferor Company will vest with the Transferee Company upon this Scheme becoming operative without any additional liabilities or expenses whatsoever;



- (v) the Know-how which is subsisting or having effect immediately before the Appointed Date shall be transferred to and vest in the Transferee Company and be and remain in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto; and
- (vi) the Know-how shall, to the extent possible and permitted under applicable law, be handed over to the Transferee Company. It is agreed that to the extent such Know-how contains information in relation to the Remaining Undertaking, only relevant extracts of the relevant books and records related to the Demerged Undertaking shall be provided by the Transferor Company to the Transferee Company;
- b. the Liabilities, and all other liabilities which may accrue or arise in relation to the Demerged Undertaking after the Appointed Date but which relate to the Transition Period, shall, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc. of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such liabilities on the same terms and conditions as were applicable to the Transferor Company and:
- (i) the liabilities as on the Appointed Date shall stand vested in the Transferee Company, save as otherwise in respect of the liabilities that are met by the Transferor Company during the Transition Period. If any liabilities, on or after the Appointed Date and during the Transition Period, have been discharged by the Transferor Company on behalf of the Demerged Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been discharged by the Transferor Company for and on behalf of the Transferee Company for all purposes and under applicable law;
- (ii) 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 the liabilities have arisen in order to give effect to the provisions of this paragraph;
- (iii) upon this Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall: (A) meet, discharge and satisfy the liabilities and keep the Transferor Company indemnified at all times, from and against, all such Transferred Liabilities and any actions, demands and proceedings in respect thereof; and (B) not have any obligations of any nature whatsoever in respect of the liabilities (including any income tax liabilities of the Transferor Company up to the day immediately preceding the Appointed Date) retained by the Transferor Company and the Transferor Company shall not have any obligations of any nature whatsoever in respect of the Liabilities unless specifically provided otherwise in this Scheme;
- (iv) the loans and borrowings of the Transferor Company pertaining to the general or multipurpose loans and liabilities, which are to be vested to the Transferee Company as part of the Demerged Undertaking shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto, be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company;
- (v) transfer of the Demerged Undertaking shall be subject to the existing securities, charges, hypothecation and mortgages if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking. However, this Scheme shall not operate to enlarge or extend the security for any of the Liabilities and the Transferor Company shall not be obliged to create any further or additional securities after the Effective Date. For avoidance of doubt, any reference in any security documents or arrangements to which the Transferor Company is a party, wherein the assets of the Demerged Undertaking have been or are offered as security for any financial assistance/obligation, shall be construed as a reference only to assets pertaining to the Demerged Undertaking as are vested in the Transferee Company by virtue of this Scheme, to the extent and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any other assets of the Transferee Company. The Transferor Company and the Transferee Company shall file necessary partitions and/or modification(s) of charge, with the Registrar of Companies to give full effect to the above provisions, if required; and

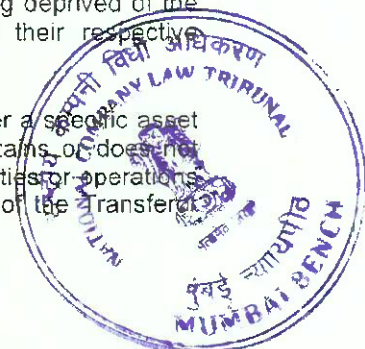
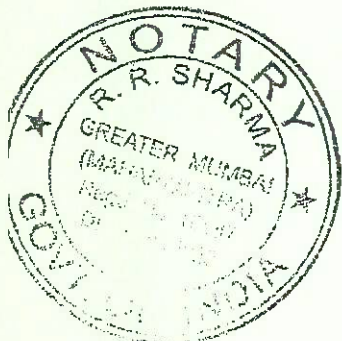




- (vi) in so far as the existing security in respect of the loans or borrowings of the Transferor Company which do not relate to the Demerged Undertaking are concerned, such security shall, without any further act, instrument or deed continue with the Transferor Company;
- c. all Contracts entered into by the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company from the Appointed Date and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto and:
- (i) any liabilities arising from all such Contracts and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of the Transferor Company and after the Appointed Date, the same shall be on account of the Transferee Company and shall, in all proceedings, be dealt with accordingly;
- (ii) all bank guarantees, letters of credit and forex hedging contracts issued/entered into by the Transferor Company that relate to the Contracts, will be replaced by the Transferee Company or backed by appropriate counter-indemnity to be provided by the Transferee Company to the Transferor Company, as the case may be. To such extent, the corresponding limits of the Transferor Company shall accordingly stand released;
- (iii) the execution and performance of the Mixed Contracts and any sub-contract of the same inter-se the Transferor Company and the Transferee Company shall be on terms mutually agreed between the Transferor Company and the Transferee Company such that the existing obligations of the Transferor Company and the Transferee Company to a third party shall not be breached. With effect from the Appointed Date, in case there are any claims (including warranty claims) that pertain to a Mixed Contract, the Transferor Company and the Transferee Company shall co-operate with each other in settling the claim. Liabilities, if any, relating to such claim will be shared by the Transferor Company and the Transferee Company in the proportion to the share of the Mixed Contract dedicated to the Remaining Undertaking and the Demerged Undertaking, respectively; and
- (iv) the Transferee Company may, at any time after this Scheme coming into effect, if required under applicable law or otherwise, execute deeds of confirmation in favor of any other party with which the Transferor Company has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above. It is clarified that the absence of any formal amendment which may be required by a lender or a third party shall not affect the operation of this sub-paragraph (c) or the Scheme; and
- d. all Licenses that exclusively relate to the Demerged Undertaking shall be transferred to and vested in the Transferee Company, without any further act or deed done by the Transferor Company and / or the Transferee Company and be in full force and effect in favour of the Transferee Company and:

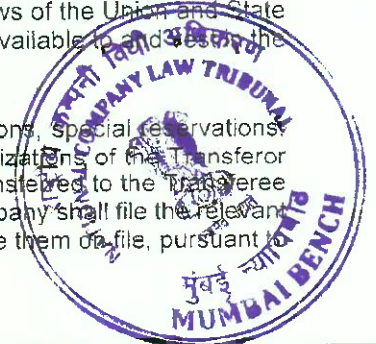
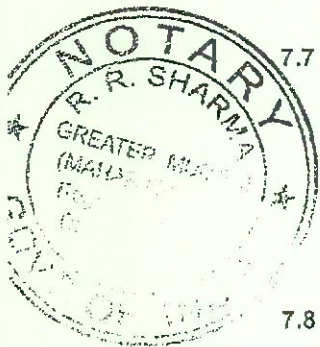
- (i) if the consent or recordal of any licensor or authority is required to give effect to the provisions of this paragraph, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof so as to empower and facilitate the continuation of operations pertaining to the Demerged Undertaking in the Transferee Company without any hindrance from the Appointed Date; and
- (ii) the transfer of any Licenses shall be undertaken in a manner that will not result in the Transferor Company or the Transferee Company being deprived of the Licenses required by either of them for the conduct of their respective businesses.

6.3 It is hereby clarified that where any question that may arise as to whether a specific asset whether tangible or intangible or liability or contracts or employee, pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be mutually decided by the Board of the Transferor Company and the Transferee Company.



## 7. TREATMENT OF TAXES

- 7.1 The Scheme is in compliance with the conditions relating to a "demerger" as specified under section 2 (19AA) of the Income-tax Act, 1961 ("IT Act"). If any provision of the Scheme is inconsistent with the provisions of section 2 (19AA) of the IT Act then the provisions of section 2 (19AA) shall prevail and the Scheme shall stand modified to that extent.
- 7.2 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state sales tax, value added tax ("VAT") laws, goods and services tax laws ("GST Laws") comprising (i) Central Goods and Services Tax Act, 2017, (ii) State Goods and Services Tax Act, 2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017, (v) Goods and Services Tax (Compensation to States) Act, 2017 and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts, service tax laws comprising of chapter V of the Finance Act, 1994 and Rules, Notifications, Amendments and Circulars issued thereunder, stamp laws or other applicable law / regulations (collectively, the "Tax Laws") dealing with taxes/duties/levies allocable or related to the Demerged Undertaking of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Demerged Undertaking shall be vested with the Transferee Company.
- 7.3 All tax related compliances made and taxes (including income-tax, wealth tax, sales tax, excise duty, customs duty, VAT etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income-tax, wealth tax, sales tax, excise duty, customs duty, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Demerged Undertaking on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly. The provisions of the GST Laws with respect to the transfer of Demerged Undertaking and transfer of input credit consequent to the Scheme shall be adhered to.
- 7.4 Any surplus in the taxation/duties/levies account including but not limited to advance income-tax and tax deducted at source ("TDS") and any tax credit entitlements under any Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction relating to the Demerged Undertaking as on the date immediately preceding the Appointed Date shall also be transferred to the Transferee Company. Any tax deducted at source by the Transferor Company and/or the Transferee Company on transactions (if any) with the Transferee Company and/or the Transferor Company (as the case may be) between the Appointed Date and the Effective Date shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.5 On and from the Appointed Date: (a) any certificate for TDS or any other tax credit certificate relating to the Demerged Undertaking is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid; and (b) the benefit of all balances relating to input tax credit, CENVAT, service tax or VAT, being balances pertaining to the Demerged Undertaking of the Transferor Company, if any, shall stand vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company.
- 7.6 Any refund under the Tax Laws due to the Transferor Company in relation to the Demerged Undertaking consequent to assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 7.7 Without prejudice to the generality of the above, all exemptions, deductions, set-offs, refunds, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/paid in foreign country etc.) under the income-tax, sales tax, custom duty, excise duty, GST, VAT, any Central Government/ State Government incentive schemes etc., in relation to the Demerged Undertaking to which the Transferor Company is/would be entitled to in terms of the applicable Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction, shall be available to and vest in the Transferee Company.
- 7.8 Each of the permissions, approvals, consents, sanctions, remissions, special reservations, service tax exemptions, incentives, concessions and other authorizations of the Transferor Company pertaining to the Demerged Undertaking shall stand transferred to the Transferee Company pursuant to the order of the NCLT. The Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to



the order of the NCLT.

- 7.9 The obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company in relation to the Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Transferee Company. The Transferee Company shall be responsible for collecting sales tax forms and any other forms as may be applicable under the relevant Tax Laws (including without limitation the GST Laws) outstanding as on the Appointed Date from the customers of the Demerged Undertaking with effect from the Effective Date.
- 7.10 The Transferee Company and Transferor Company are expressly permitted to file/revise its income-tax, wealth tax, service tax, vat, GST, excise, CENVAT/MODVAT and other statutory returns/forms under the relevant Tax Laws, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/duties paid by the Transferor Company in relation to the Demerged Undertaking shall be deemed to be the taxes/duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/paid against its tax/duty liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

## 8. EMPLOYEES

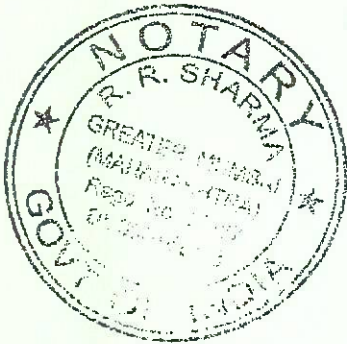
- 8.1 Upon the Scheme coming into effect, all Employees (including Employees who are foreign nationals) in service at the end of the Transition Period shall be deemed to have become Employees of the Transferee Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them in the Transferor Company as at the end of the Transition Period. If any approval, visa, permission or recordal of any authority (including without limitation the immigration authorities) is required to give effect to the transfer of the Employees who are foreign nationals, then the said authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof so as to allow and facilitate the employment of such Employees with the Transferee Company without any hindrance from the Appointed Date.
- 8.2 Upon the coming into effect of this Scheme, the Transferee Company shall make relevant provisions and/or necessary contributions for such transferred Employees and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme (including through an exercise of actuarial valuation). The Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company. In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Transferor Company for the Employees, shall be transferred to the necessary funds, provisions, schemes or trusts of the Transferee Company and till the time such necessary funds, provisions, schemes or trusts are created by the Transferee Company, all contribution shall continue to be made to the existing funds, provisions, schemes or trusts of the Transferor Company.
- 8.3 The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the Employees whose services are transferred to the Transferee Company and eligible for such benefits, the past services of such Employees with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable under applicable law.
- 8.4 The Transferee Company shall continue to abide by the agreement(s) entered into with employees by the Transferor Company in relation to the Employees whose services are transferred to the Transferee Company.
- 8.5 The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under applicable law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking of the Transferor Company, which any of the Transferor Company is a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf



of the Transferor Company.

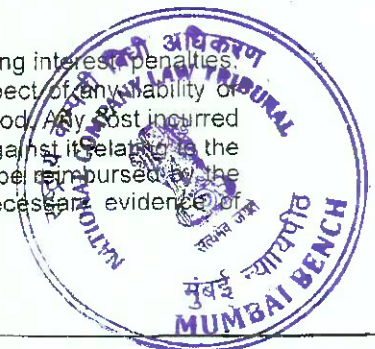
#### 8.6 Employee Stock Options

- a. Upon the Scheme coming into effect, all Transferor Company ESOPs which have or have not been granted as of the Effective Date, shall stand cancelled and lapse automatically without any further act, instrument or deed by the Transferor Company, the Employee or the Transferee Company and without any approval or acknowledgement of any third party.
- b. Upon the Scheme coming into effect, the Transferee Company will formulate a new employee stock option scheme ("**Transferee Company ESOP Scheme**") and grant employee stock options of the Transferee Company ("**Transferee Company ESOPs**") to the Employees who are transferred as part of this Scheme to the Transferee Company. The terms and conditions of the Transferee Company ESOP Scheme shall not be less favourable than those provided to the Employees under the Transferor Company ESOP Scheme.
- c. The aforesaid grant of the Transferee Company ESOPs to the Employees shall be effected as an integral part of this Scheme and the consent of the shareholders of the Transferor Company and Transferee Company and the relevant Governmental Authorities to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferor Company ESOP Scheme and the Transferee Company ESOP Scheme and all related matters. No further approval of the shareholders of the Transferor Company or Transferee Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/or other applicable laws.
- d. In relation to the Transferee Company ESOPs granted to the Employees under the Transferee Company ESOP Scheme, the period during which the Transferor Company ESOPs granted by the Transferor Company under the Transferor Company ESOP Scheme were held by or deemed to have been held by the Employees shall be taken into account for determining the minimum vesting period required under applicable law and the Transferee Company ESOP Scheme.
- e. The Board of the Transferor Company and Transferee Company or the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this paragraph 8.6 of the Scheme.



#### 9. LEGAL PROCEEDINGS

- 9.1 The Transferor Company shall bear the burden and the benefits of any Proceedings for matters pertaining to the period up to the day immediately preceding the Appointed Date. If any Proceedings by or against the Transferor Company is pending as of the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger and by anything contained in this Scheme, but the said Proceedings 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. In the event that the Proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as party to such Proceedings and shall prosecute and defend such Proceedings in co-operation with the Transferor Company.
- 9.2 In the event of any difference or difficulty in determining as to whether any Proceeding relates to the Demerged Undertaking or not, the same shall be mutually decided by the Board of the Transferor Company and the Transferee Company.
- 9.3 The Transferee Company undertakes to have all Proceedings on matters pertaining to the period up to the day immediately preceding the Appointed Date, initiated by or against the Transferor Company transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf.
- 9.4 The Transferee Company further undertakes to pay all amounts including interest, penalties, damages, etc., which it may be called upon to pay or secure in respect of any liability of obligation relating to the Demerged Undertaking for the Transition Period. Any cost incurred by the Transferor Company, in respect of Proceedings started by or against it relating to the Demerged Undertaking for the period after the Appointed Date shall be reimbursed by the Transferee Company, upon the Transferor Company submitting necessary evidence of having incurred such costs.



**10. CONDUCT OF BUSINESS**

**10.1** With effect from the Appointed Date and during the Transition Period:

- a. the Transferor Company shall carry on and be deemed to have carried on all their business and activities in relation to the Demerged Undertaking and shall stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Transferee Company;
- b. all income, profits and cash accruing to the Transferor Company, or expenditure or losses arising or incurred by it (including the effect of taxes if any thereon) in relation to the Demerged Undertaking, shall for all purposes, be treated as the income, profits, cash, expenditure, taxes or losses, as the case may be, of the Transferee Company;
- c. all accretions and depletions to the Demerged Undertaking shall be for and on account of the Transferee Company; and
- d. the Transferor Company shall not utilize the profits or income of the Demerged Undertaking, if any, for the purpose of declaring or paying any dividend or for any other purpose except in the ordinary course of business, without the prior written consent of the Transferee Company.

**10.2** The Transferor Company will, from the Appointed Date and during the Transition Period, preserve and carry on the business of the Demerged Undertaking with reasonable diligence and prudence and agree that it will not, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the business or any part thereof, without the prior written consent of the Transferee Company.

**10.3** The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, as may be under applicable law, for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Demerged Undertaking.

**10.4** At the end of the Transition Period, the Transferee Company shall commence and carry on the business of the Demerged Undertaking.

**10.5** The Transferor Company shall continue to carry on the Remaining Undertaking and all assets, liabilities and obligations pertaining to the Remaining Undertaking shall continue to belong to, be vested in and be managed by the Transferor Company. The Scheme shall also not affect the continuance of any legal, taxation and other proceedings by or against the Transferor Company exclusively in relation to the Remaining Undertaking.



**PART IV: ENTITLEMENT OF EQUITY SHAREHOLDERS OF THE TRANSFEROR COMPANY AND ACCOUNTING TREATMENT**

**11. ENTITLEMENT OF EQUITY SHAREHOLDERS OF THE TRANSFEROR COMPANY TO RECEIVE SHARES OF THE TRANSFEREE COMPANY**

11.1 Upon this Scheme becoming effective:

- a. the Transferor Company shall provide to the Transferee Company a list of the Equity Shareholders of the Transferor Company as on the Record Date, who shall be entitled to be issued and allotted fully paid-up equity shares of the Transferee Company, in terms of this Scheme; and
- b. in consideration of the transfer and vesting of the Demerged Undertaking in the Transferee Company, all the Equity Shareholders of the Transferor Company as on the Record Date shall be entitled to receive on a proportionate basis for every 1 (one) fully paid-up equity share of INR 10 each held in the Transferor Company, 1 (one) fully paid-up equity share of INR 10 each of the Transferee Company.

11.2 The share exchange ratio referred to above has been determined by the Board of the Transferor Company and the Transferee Company, based on their independent judgment and taking into consideration, the share entitlement report dated 14<sup>th</sup> July 2021 provided by an independent Registered Valuer i.e., Mr. Surin Shailesh Kapadia.

11.3 The equity shares in the capital of Transferee Company issued to the Equity Shareholders of the Transferor Company as aforesaid shall rank pari passu in all respects, with the existing equity shares in the Transferee Company.

11.4 If there are any pending share transfers, whether lodged or outstanding, of any Equity Shareholder of the Transferor Company, the Board of the Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Transferor Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the shares issued by the Transferee Company after this Scheme becoming effective. The Board of the Transferor Company shall be empowered to remove such difficulties, as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the Transition Period.

11.5 The shares issued to the Equity Shareholders of the Transferor Company by the Transferee Company pursuant to paragraph 11.1 above, shall be issued in dematerialized form, by the Transferee Company, unless otherwise notified in writing by the Equity Shareholders of the Transferor Company to the Transferee Company on or before such date, as may be determined by the Board by the Transferor Company.

11.6 In the event that such notice has not been received by the Transferee Company in respect of any of the Equity Shareholders of the Transferor Company, the shares shall be issued to such Equity Shareholders in dematerialized form, provided that the Equity Shareholders of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof, and such other confirmations, as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the account of such shareholder with the shares of the Transferee Company.

11.7 The Equity Shareholders of the Transferor Company eligible to be issued shares in the Transferee Company in dematerialized form shall receive dematerialized receipts of credit of new equity shares in their respective share accounts maintained with the depository participants reflecting the equity shares of the Transferee Company issued in accordance with paragraph 11.1 above. The Transferee Company shall, if so required, be eligible to issue letters of allotment of the equity shares pending issue of share certificates or receipts for credit to the account of the Equity Shareholders with the depository participants under the depository system.

11.8 In the event, the Transferee Company has received a notice from any Equity Shareholder that shares are to be issued in physical form or any Equity Shareholder has not provided the requisite details relating of the account with the depository participant or other confirmations, as may be required, then the Transferee Company shall issue shares in physical form to such shareholders. Wherever applicable, the certificates shall be sent by the Transferee Company to the Equity Shareholders of the Transferor Company at their respective registered addresses, as appearing in the register maintained by the Transferor Company with respect to its shareholders (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transit.



## 12. CANCELLATION OF SHARES OF TRANSFEREE COMPANY

- 12.1 Simultaneously with the issuance and allotment of equity shares by the Transferee Company in accordance with paragraph 11 above, the initial issued and paid-up equity share capital of the Transferee Company, comprising of 1,000 (One Thousand) equity shares of INR 10 each, aggregating to INR 10,000, as held by the existing Equity Shareholders of the Transferee Company shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Transferee Company shall be deemed to be cancelled and not tradable from and after such cancellation.
- 12.2 Such reduction of share capital of the Transferee Company as provided in paragraph 12.1 above, shall be effected as a part of the Scheme on the Effective Date, upon which the share capital of the Transferee Company shall be deemed to be reduced and the order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Transferee Company.
- 12.3 The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the Transferee Company shall not be required to add the words "And Reduced" as suffix to its name.
- 12.4 The Transferee Company shall only obtain necessary approvals from its Equity Shareholders for this Scheme pursuant to Section 230 and 232 read with Section 66 of the Act and no separate approval shall be required for the purpose of the aforesaid capital reduction.

## 13. ACCOUNTING TREATMENT

### Accounting treatment in the books of the Transferor Company and the Transferee Company:

- 13.1 With effect from the Appointed Date, the Transferor Company and the Transferee Company shall account for the Scheme in their books of account in accordance with the applicable provisions of the Act and Indian Accounting Standards (Ind AS) notified vide the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time read with clarifications provided by the Ind AS Technical Facilitation Group (ITFG) of The Institute of Chartered Accountants of India (ICAI).
- 13.2 Demerger of Demerged Undertaking shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes the Demerger would be effective from the Appointed Date. Notwithstanding the above, the accounting treatment to be adopted, and the date from which to give effect, to the provisions of the Scheme would be in consonance with Ind AS 103 – "Business Combinations". The mere adoption of such accounting treatment will not in any manner affect the vesting of Demerged Undertaking from the Appointed Date, including for tax and other regulatory purposes.

### In the books of the Transferor Company:

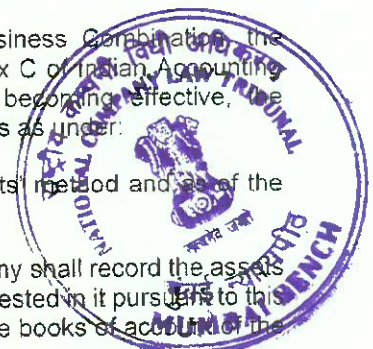
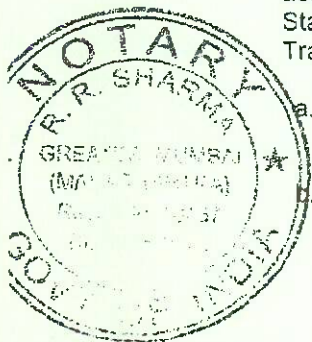
- 13.3 The book values of the assets and liabilities pertaining to Demerged Undertaking transferred pursuant to the Scheme from the Transferor Company to the Transferee Company shall be reduced from the book values of the assets and liabilities appearing in the books of the Transferor Company as on the Appointed Date.
- 13.4 Any surplus or deficit arising in the books of the Transferor Company on transfer of the Net Assets of the Demerged Undertaking under paragraph 13.3, shall be debited to reserves/credited to capital reserves as the case may be, in the books of the Transferor Company.
- 13.5 In addition, the Board of Directors of the Transferor Company is authorized to record accounting entries as may be necessary, in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

### In the books of the Transferee Company:

- 13.6 The arrangement being in the nature of Common Control Business Combination, the accounting treatment shall be in the manner provided in Appendix C of Indian Accounting Standard 103 – "Business Combinations". Upon the Scheme becoming effective, the Transferee Company shall account for the arrangement in its books as under:

a. The accounting shall be on the basis of 'Pooling of Interests' method and as of the Appointed Date.

On the Scheme becoming operative, the Transferee Company shall record the assets and liabilities of Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values, as appearing in the books of account of the



Transferor Company as on the Appointed Date. Further, it is provided that assets and liabilities of the Transferor Company were not revalued in prior periods, and no revaluation of assets or liabilities has been proposed as a part of the Scheme.

- c. The Transferee Company shall credit the face value of the 25,00,00,000 equity shares issued by it to the members of Demerged Company pursuant to paragraph 11.1 of this Part IV of the Scheme to the share capital account in its books of account as fully paid equity share issued for consideration other than cash.
  - d. The difference, if any, between the Net Assets transferred pertaining to the Demerged Undertaking to the Transferee Company over the face value of the 25,00,00,000 equity shares allotted by the Transferee Company under paragraph 11.1 of Part IV of the Scheme shall be debited to reserve / credited to capital reserve, in the books of the Transferee Company.
  - e. The face value of shares cancelled under paragraph 12 of Part IV of the Scheme shall be transferred to capital reserve, in the books of the Transferee Company.
- 13.7 In addition, the Board of Directors of the Transferee Company is authorized to record accounting entries in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

#### 14. REVISED AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

- 14.1 Consequent to and as part of the Scheme, the authorised share capital of the Transferor Company to the extent of INR 500,00,00,000 (Rupees Five Hundred Crores only) shall stand transferred into and combined with the authorised share capital of the Transferee Company, without any further act, deed, including without payment of any stamp duty, registration or filing fee on such combined authorised share capital and accordingly upon the Scheme becoming effective, the authorised share capital of the Transferee Company shall stand enhanced by INR 500,00,00,000 (Rupees Five Hundred Crores only) divided into 50,00,00,000 equity shares of face value INR 10 (Rupees Ten only) each.
- 14.2 Clause V of the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) or actions under Sections 13, 14, 61 or any other applicable provisions of the Act or any rules thereunder, would be required to be separately passed or undertaken.
- 14.3 Accordingly, upon the Scheme becoming effective, Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to reflect the aforesaid enhancement in the authorised share capital as follows:

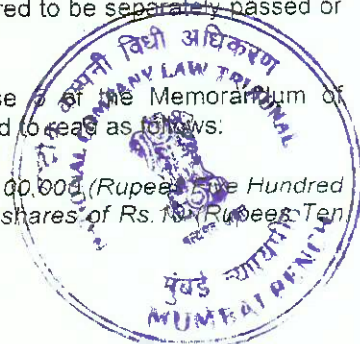
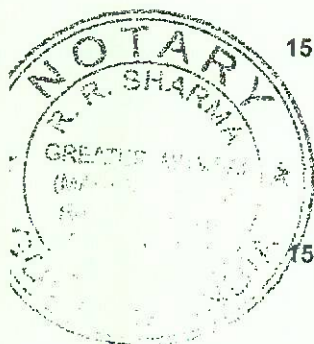
*"The Authorised Share Capital of the Company is Rs. 500,01,00,000 (Rupees Five Hundred Crores and One Lakh only) divided into 50,00,10,000 (Fifty Crores and Ten Thousand) equity shares of Rs. 10 (Rupees Ten only) each."*

#### 15. REVISED AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY

- 15.1 Upon the Scheme coming into effect and without any act or deed or action (including without payment of any stamp duty, registration or filing fee), the authorised share capital of the Transferor Company shall, upon such transfer and consolidation of the authorised share capital of Transferor Company with the Transferee Company as per paragraph 14 above, stand reduced from the present sum of INR 1000,00,00,000 (Rupees One Thousand Crores only) to INR 500,00,00,000 (Rupees Five Hundred Crores Only) divided into 50,00,00,000 equity shares of INR 10 (Rupees Ten only) each.
- 15.2 Clause 5 of the Memorandum of Association of the Transferor Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) or actions under Sections 13, 14, 61 or any other applicable provisions of the Act or any rules thereunder, would be required to be separately passed or undertaken.

- 15.3 Accordingly, upon the Scheme becoming effective, Clause 5 of the Memorandum of Association of the Transferor Company shall stand substituted to read as follows:

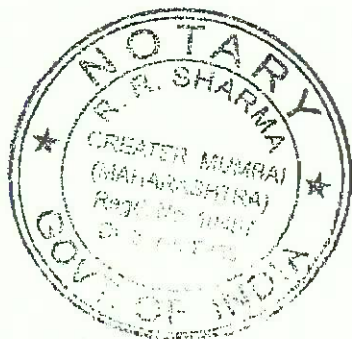
*"The Authorised Share Capital of the Company is Rs. 500,00,00,000 (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) equity shares of Rs. 10 (Rupees Ten only) each."*





**16. SAVING OF CONCLUDED TRANSACTION**

The vesting of the Demerged Undertaking of the Transferor Company to the Transferee Company and the continuance of all Contracts or Proceedings by or against the Demerged Undertaking shall not affect any Contracts or Proceedings, already concluded by the Transferor Company in relation to the Demerged Undertaking on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.



## PART V: GENERAL TERMS AND CONDITIONS

### 17. APPLICATION TO NCLT

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make necessary joint applications/petitions, under Sections 230 to 232 and other applicable provisions of the Act, to the NCLT for sanctioning this Scheme.

### 18. MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 The Board of the Transferor Company and Transferee Company may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board.

18.2 The Board of the Transferee Company is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith and to do all acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect.

18.3 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Transferor Company and/or the Transferee Company may find unacceptable for any reason, in whole or in part, then the Transferor Company and/or the Transferee Company are at liberty to withdraw the Scheme.

### 19. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

- a. the approval of agreement to this Scheme by the requisite majority of the respective members of and such classes of persons of the Transferor Company and the Transferee Company as may be directed by the NCLT. Details relating to the Scheme required to be included in the notice of the meeting of the members of the Transferee Company and Transferor Company as per Rule 6 of the Companies (Arrangements and Amalgamations) Rules, 2016 are set out in **Annexure A** to this Scheme;
- b. receipt of relevant sanctions and approvals (if any) from SEBI and other governmental or regulatory authority (if any), as may be required by law, in a form and manner to the satisfaction of the Transferor Company and Transferee Company; and
- c. the sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and a certified copy of the order sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

### 20. EFFECT OF NON-RECEIPT OF APPROVALS

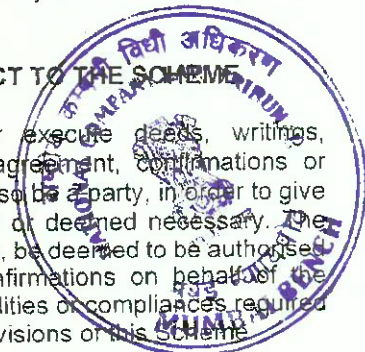
In the event of any of the approvals or sanctions referred to in paragraph 19 above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Board of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

### 21. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

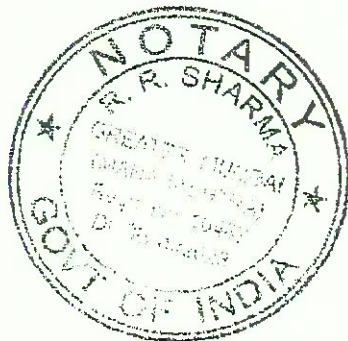
### 22. EXECUTING DEEDS OR ARRANGEMENTS TO GIVE EFFECT TO THE SCHEME

The Transferee Company may enter into, issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation to which the Transferor Company will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or deemed necessary. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required on the part of the Transferor Company to give effect to the provisions of this Scheme.



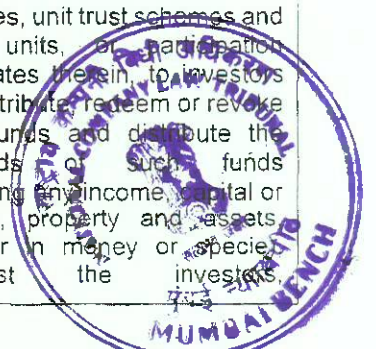
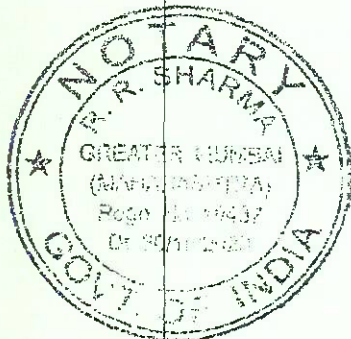
23. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

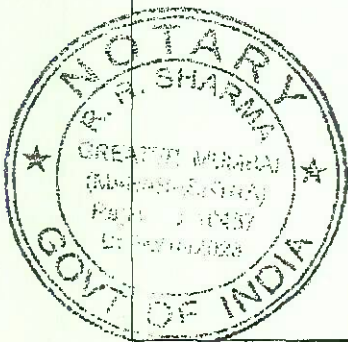


**ANNEXURE A**  
**DETAILS RELATING TO THE SCHEME**

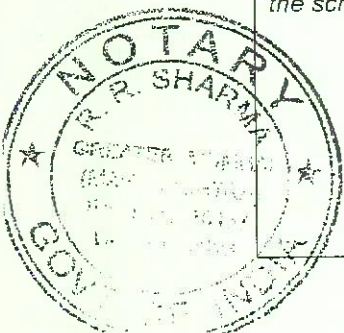
Particulars	Transferor Company	Transferee Company
<b>A. Details of the company</b>		
Corporate Identification Number (CIN)	U74140MH1996PTC099483	U65990MH2021PTC362316
Permanent Account Number (PAN)	AAACD3069K	AAICD5570D
Name of the company	DSP Investment Managers Private Limited	DSP Asset Managers Private Limited
Date of incorporation	13 May 1996	17 June 2021
Type of the company	Private company limited by shares	Private company limited by shares
Registered office address and e-mail address	Mafatlal Centre, 10 <sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, Maharashtra, India <a href="mailto:pritesh.majmudar@dspim.com">pritesh.majmudar@dspim.com</a>	11 <sup>th</sup> Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 0021, Maharashtra, India <a href="mailto:pritesh.majmudar@dspim.com">pritesh.majmudar@dspim.com</a>
Summary of main object as per the memorandum of association and main business carried on by the company	1. To carry on the business of asset management for any mutual/investment fund including (i) act as managers, consultants, administrators, attorneys, agents, representatives or nominees of or for any mutual funds or investment funds or to act as such for unit trusts, investments funds, institutional investors, any other pool or portfolio of securities, properties, assets or investments of any kind (including any pension, provident fund or superannuation fund) set up, formed or established in India or any other country by the Company or any other person, or by any government state, local authority, association, institution - (whether incorporated or not) – or any other agency or organisation; (ii) to promote, prepare, undertake, execute or administer mutual fund schemes, investment fund schemes, unit trust schemes and issue units, or participation certificates therein, to investors and distribute, redeem or revoke such funds and distribute the proceeds of such funds (including any income, capital or annuity, property and assets, whether in money or specie), amongst the investors, beneficiaries, pensioners or other persons entitled to such, in furtherance of any discretion, obligation or permission.	1. To carry on the business of asset/ investment management and advisory services for any mutual/investment fund Portfolio Management Services including but not limited to:- (i) act as managers, advisor consultants, administrators, attorneys, agents, representatives or nominees of or for any mutual funds or investment funds or to act as such for unit trusts, investments funds, institutional investors, any other pool or portfolio of securities, properties, assets or investments of any kind (including provident fund, gratuity fund or superannuation fund) set up, formed or established in India or any other country by the Company or any other person, or by any government state, local authority, association, institution - (whether incorporated or not) – or any other agency or organization; and (ii) promote, prepare, undertake, execute or administer mutual fund schemes, investment fund schemes, unit trust schemes and issue units, or participation certificates therein, to investors and distribute, redeem or revoke such funds and distribute the proceeds of such funds (including any income, capital or annuity, property and assets, whether in money or specie), amongst the investors,



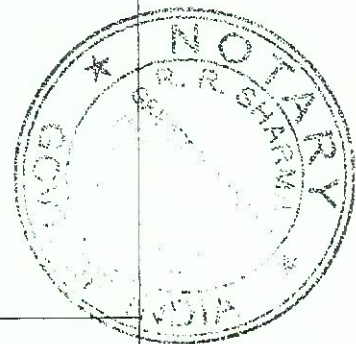
Particulars	Transferor Company	Transferee Company																								
	2. To act as financial advisor, consultants and investment advisors on a discretionary or non-discretionary basis to individuals, companies, corporations, trusts and other entities and to carry on the business of providing financial consultancy, exchange of or otherwise dealing in research and analysis on a commercial basis as long as these are not in conflict with the fund management activities.	beneficiaries or other persons entitled to such, in furtherance of any discretion, obligation or permission.																								
Details of change of name, registered office and objects of the company during the last five years	Name of Transferor Company was changed from DSP BlackRock Investment Managers Private Limited to DSP Investment Managers Private Limited with effect from 14 August 2018.	None.																								
Name of the stock exchange(s) where securities of the company are listed, if applicable	Unlisted.	Unlisted.																								
Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital (as of March 31, 2017)	<p><b>Authorised share capital</b> 100,00,00,000 equity shares of INR 10 each – INR 10,00,00,00,000</p> <p><b>Issued, subscribed and paid-up share capital</b> 25,00,00,000 equity shares of INR 10 each – INR 250,00,00,000</p>	<p><b>Authorised share capital</b> 10,000 equity shares of INR 10 each – INR 1,00,000</p> <p><b>Issued, subscribed and paid-up share capital</b> 1,000 equity shares of INR 10 each – INR 10,000</p>																								
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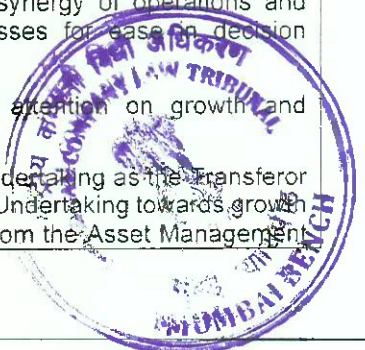
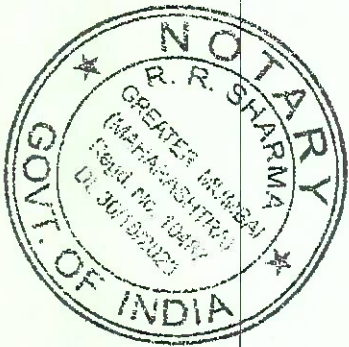
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<i>Relationship between the companies who are parties to the Scheme</i>	The Transferor Company and the Transferee Company belong to the DSP group.																	
<i>Date of board meeting at which the scheme was passed (also includes the name of directors who voted for the scheme, against the scheme and who did not vote or participate in the scheme)</i>	<b>Date of meeting</b> 21 October 2021  <b>Directors who voted in favour of the Scheme</b> Mr. Hemendra Kothari Mr. Dhananjay Mungale Mr. Ramadorai Subramanian Mr. Subhash S. Mundra Ms. Aditi Kothari Desai Mr. Uday Khanna  <b>Directors who voted against the Scheme</b> None  <b>Directors who did not vote</b>	<b>Date of meeting</b> 14 July 2021  <b>Directors who voted in favour of the Scheme</b> Ms. Aditi Kothari Desai Mr. Kalpen Parekh  <b>Directors who voted against the Scheme</b> None  <b>Directors who did not vote</b> Mr. Hemendra Kothari (Absent)																



Particulars	Transferor Company	Transferee Company									
	Mr. Kalpen Parekh (Absent)										
<p>Disclosure about the effect of the Scheme on: (a) Key managerial personnel; (b) Directors; (c) Promoters; (d) Non-promoter members; (e) Depositors; (f) Creditors; (g) Debenture holders; (h) Deposit trustee and debenture trustee; and (i) Employees of the company</p> <p>Disclosure about effect of compromise or arrangement on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee</p>	<p>There is expected to be no adverse effect of the Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Transferor Company and the Transferee Company. The directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the other companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the companies. Details of the interest of the directors and key managerial personnel (KMP) of the Transferor Company and the Transferee Company is set out below:</p> <table border="1"> <thead> <tr> <th>Name of Party</th> <th>Interest in Transferor Company</th> <th>Interest in Transferee Company</th> </tr> </thead> <tbody> <tr> <td>Mr. Hemendra Kothari</td> <td>Director and Promoter</td> <td>Director and Promoter</td> </tr> <tr> <td>Ms. Aditi Kothari Desai</td> <td>Director and Promoter</td> <td>Director and Promoter</td> </tr> </tbody> </table>	Name of Party	Interest in Transferor Company	Interest in Transferee Company	Mr. Hemendra Kothari	Director and Promoter	Director and Promoter	Ms. Aditi Kothari Desai	Director and Promoter	Director and Promoter	
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Investigation or proceedings, if any, pending against the company under the Act.	None.										
<p>Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement</p>	<p>Representations in relation to the Scheme will be sought from the Regional Director, Registrar of Companies, Income-tax authorities and any other regulators and authorities as the NCLT may deem necessary.</p>										
<b>B. Details of the scheme of compromise or arrangement to be disclosed in the explanatory statement</b>											
Parties involved in such compromise or arrangement	DSP Investment Managers Private Limited, DSP Asset Managers Private Limited and their respective shareholders.										
In case of amalgamation or merger, appointed date, effective date, share exchange	<p><b>Appointed date</b> – 1 April 2021.</p> <p><b>Effective date</b> – means the date or the last of the dates on which the conditions set out in paragraph 19 of the Scheme have been complied with or waived by the Boards of the Transferor Company and Transferee Company.</p> <p><b>Share exchange ratio</b> – 1:1</p>										

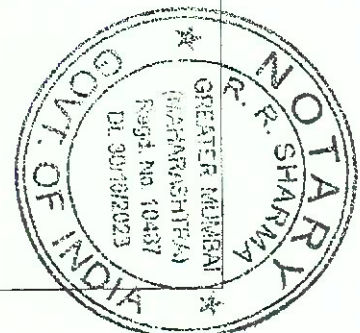


Particulars	Transferor Company	Transferee Company
ratio (if applicable) and other considerations, if any	Consideration – Not applicable.	
Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the company	<p>The most relevant and vital issue considered by Mr. Surin Shailesh Kapadia (the "Valuer") for providing his report is whether the share exchange ratio proposed to be adopted would result in any adverse consequences to the shareholders of the Transferor Company. The following aspects have been considered by the Valuer for this purpose:</p> <ul style="list-style-type: none"> <li>• once the Scheme is implemented all the shareholders of the Transferor Company would become the shareholders of the Transferee Company;</li> <li>• the share of the earnings to which they are presently entitled to from the Transferor Company, would, on implementation of the Scheme, be received by them as shareholders of the Transferor Company and the Transferee Company;</li> <li>• at present the profits generated by the Transferor Company are available to the shareholders in a single entity viz. the Transferor Company. On implementation of the Scheme the profits generated by the Transferor Company would now be available to them as shareholders of the Transferor Company and the Transferee Company; and the effect of the Scheme is that each shareholder of the Transferor Company becomes the owner of two scrips instead of one; and</li> <li>• as an integral part of the Scheme, the Transferor Company ESOPs and the entire current equity share capital of the Transferee Company would be cancelled. Thus, upon implementation of the proposed demerger, the entire share capital of the Transferee Company would be held by all the shareholders of the Transferor Company and the percentage holding of each shareholder in the Transferee Company and the Transferor Company remains unchanged from the proportion of capital held by such shareholder presently in the Transferor Company. Any contemplated change in shareholding will only be as a result of the independent volition of the concerned shareholders or affecting all the shareholders as a class.</li> </ul> <p>In view of the above, the Valuer is of the opinion that the proposed share exchange ratio viz., the issue and allotment by the Transferee Company of 1 (one) equity share of INR 10 each for every 1 (one) equity share of INR 10 each of the Transferor Company is fair and reasonable. A copy of the valuation report is available for inspection at the registered office of the Transferor Company and the Transferee Company.</p>	
Details of capital or debt restructuring, if any	The initial issued and paid-up equity share capital of the Transferee Company, comprising of 1,000 equity shares of INR 10 each, aggregating to INR 10,000 will stand cancelled upon the Scheme coming into effect.	
Rationale for the compromise or arrangement	The proposed demerger would result in improving the operational efficiencies, optimizing costs, revenues, capital and would have better access to different financing avenues, for both the Transferor Company and the Transferee Company and would result in improved shareholder value.	
Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	<p>The segregation of the Demerged Undertaking, <i>inter-alia</i>, would lead to following benefits:</p> <ul style="list-style-type: none"> <li>• segregating the business would enable independent business opportunities, attracting different sets of investors, strategic partners and other stakeholders and would bring about synergy of operations and greater internal control on business processes for ease of decision making;</li> <li>• facilitate better management and focused attention on growth and development of the Remaining Undertaking;</li> <li>• more flexibility in operating the Remaining Undertaking as the Transferor Company can apply assets of the Remaining Undertaking towards growth opportunities that are distinct and separate from the Asset Management.</li> </ul>	





Particulars	Transferor Company	Transferee Company
	Business once the Demerged Undertaking is transferred to the Transferee Company; and <ul style="list-style-type: none"> <li>• leading to increased value for all stakeholders including <i>inter alia</i> employees and shareholders of the Transferor Company and unlocking value for the shareholders and employees of the Transferor Company.</li> </ul>	
Amount due to secured and unsecured creditors	Secured – Nil. Unsecured – INR 47,24,16,878 as on 30 September 2021.	Nil.
Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely: <ol style="list-style-type: none"> <li>Latest audited financial statements of the company including consolidated financial statements</li> <li>Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with</li> <li>Copy of the Scheme</li> <li>Contracts or agreements material to the compromise or arrangement</li> <li>The certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting</li> </ol>	All of these documents will be made available to the members of the relevant company.	



Particulars	Transferor Company	Transferee Company
Standards prescribed under Section 133 of the Act		
f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme.		



CERTIFIED TRUE COPY  
For DSP Investment Managers Pvt. Ltd.

*S. Paul*

Company Secretary



Certified True Copy

DSP Asset Management Private Limited

*S. Paul*

Director

Certified True Copy \_\_\_\_\_  
 Date of Application 12/10/2022  
 Number of Pages 26  
 Fee Paid Rs. 130/-  
 Applicant called for collection copy on 20/10/2022  
 Copy prepared on 20/10/2022  
 Copy issued on 20/10/2022



*P. S. Sonawane*  
 Deputy Registrar 20/10/2022  
 National Company Law Tribunal, Mumbai Bench

