



PURPLE FINANCE LIMITED

CIN: U67120MH1993PLC075037

Registered Office: Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder

(West), Mumbai- 400003, Maharashtra **Corporate Office:** 705/706, 7th Floor, Hallmark Business Plaza,

Opposite Gurunanak Hospital, Bandra (East), Mumbai- 400051 **Tel No.:** 022-69165120 **Website:**

www.purplefinance.in **Email id:** compliance@purplefinance.in **Contact Person:** Ms. Mrinalini Sahai, Head –
Legal & Compliance

**NOTICE TO THE SECURED AND UNSECURED CREDITORS OF PURPLE FINANCE LIMITED
UNDER SECTION 230 (3) OF THE COMPANIES ACT, 2013 PURSUANT TO THE ORDER DATED
OCTOBER 04, 2023 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
BENCH**

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Form CAA2
[Pursuant to Section 230(3) and Rule 6 of the Companies (Compromises, Arrangements & Amalgamation) Rules, 2016]
BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA(CAA) NO./202/MB-I/2023

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER
AND
IN THE MATTER OF SCHEME OF MERGER BY ABSORPTION
OF
CANOPY FINANCE LIMITED
BY
PURPLE FINANCE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Purple Finance Limited

CIN: U67120MH1993PLC075037

Registered office: Room No.11, 1st Floor,
Indu Chamber 349/353, Samuel Street, Vadgadi,
Masjid Bunder (West) Mumbai – 400003, Maharashtra

APPLICANT/ TRANSFEREE COMPANY

To,

Secured/ Unsecured Creditors of Purple Finance Limited (“**Applicant Company**” or “**Transferee Company**” or “**the Company**”/ “**PFL**”)

Notice is hereby given that by an order dated October 04, 2023 the Mumbai Bench of National Company Law Tribunal has directed the Applicant Company to issue notice to all its Secured/Unsecured Creditors under Section 230 (3) of the Companies Act, 2013 with a direction to submit their representations, if any, in connection with Scheme of Merger by Absorption of Canopy Finance Limited (**‘CFL’ or ‘the Transferor Company’**) with Purple Finance Limited (**‘PFL’ or ‘the Transferee Company’ or ‘the Company’**) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench.

A copy of the Scheme of Merger by Absorption alongwith other relevant annexures is enclosed. Copy of the Scheme and the said Explanatory Statement can be obtained free of charge by emailing to the Applicant Company at compliance@purplefinance.in

You as Secured/Unsecured Creditor of the Applicant Company may submit your representation, if any, in connection with the proposed Scheme of Merger by Absorption to the National Company Law Tribunal, Mumbai Bench in Division Bench No. I (“Tribunal”) at 5th Floor, MTNL Exchange Building, G.D. Somani Marg Chamundeshwari Nagar, Cuffe Parade, Mumbai- 400 005, Maharashtra. Copy of the representations shall simultaneously be sent to the Applicant Company by emailing on compliance@purplefinance.in

Place : **Mumbai**
Date : **October 10, 2023**

For Purple Finance Limited
Sd/-
Ajay Kumar Pandey
Chairperson appointed for the meeting
DIN: 00065622



**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA(CAA) NO./202/MB-I/2023**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER
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Masjid Bunder (West) Mumbai – 400003, Maharashtra

APPLICANT/ TRANSFEREE COMPANY

**EXPLANATORY STATEMENT UNDER SECTION 230-232 OF THE COMPANIES ACT, 2013 READ
WITH SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE
MEETING OF EQUITY SHAREHOLDERS OF PURPLE FINANCE LIMITED CONVENED AS PER
THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL.**

In this statement, Canopy Finance Limited is hereinafter referred to as 'CFL' or 'the Transferor Company', and Purple Finance Limited is hereinafter referred to as 'PFL' or 'the Transferee Company' or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated October 04, 2023 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') in the Company Application No. **CA(CAA) NO./202/MB-I/2023** of 2023 referred to hereinabove, a Meeting of the Equity Shareholders of Purple Finance Limited is being convened and held on Thursday, November 16, 2023 at 705/706, 7th Floor, Hallmark Business Plaza, Opposite Gurunanak Hospital, Bandra (East), Mumbai- 400051 at 4.00 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Merger by Absorption of Canopy Finance Limited ('CFL' or 'the Transferor Company') with Purple Finance Limited ('PFL' or 'the Transferee Company' or 'the Company') and their respective Shareholders ('the Scheme' or 'this Scheme').
2. The draft Scheme was placed before the Audit Committee, Committee of Independent Directors and Board of Directors of the Transferor Company and Board of Directors of the Transferee Company at their respective meetings held on November 15, 2022. The Board of Directors of the PFL approved the Scheme *inter-alia* taking into account:
 - i. The Draft Scheme of Arrangement;



- ii. Certificate issued by M/s. Vasant Agre & Associates, Chartered Accountants, the *erstwhile* Statutory Auditors of the Company, pursuant Part- I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
 - iii. Valuation Report dated November 14, 2022, issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 ("**Registered Valuer**") in relation to the shares to be issued by the PFL to the Shareholders of the CFL pursuant to the Scheme;
 - iv. Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on the said Valuation Report.
3. Based upon the recommendations of the Audit Committee of the Transferor Company, recommendations of the Committee of Independent Directors of Transferor Company and on the basis of the evaluations, the Board of Directors of both the Companies has come to the conclusion that the Scheme is in the best interest of both the Companies and its Shareholders.
 4. The Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting upon receipt of requisite majority of votes in favour, i.e., majority in number representing three fourth in value (as per Sections 230 and 232 of the Act).
 5. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes casted by the Public Shareholders of the Transferor Company are in favor of the resolution for the approval of the Scheme are more than the number of votes casted by the Public Shareholders against it.
 6. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.
 7. The Board of the Directors of the Company took on record the Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 ("**Registered Valuer**").

Details of Canopy Finance Limited ('the Transferor Company' or 'CFL')

8. CFL having CIN: L65910MH1981PLC380399 was originally incorporated under the name of "*Kanisk Udyog Viniyog Limited*" under the provisions of the Companies Act, 1956 on June 26, 1981 issued by the Registrar of Companies, West Bengal and further *Kanisk Udyog Viniyog Limited* changed their name to "*Kartavya Udyog Viniyog Limited*" vide Certificate of Incorporation dated May 22, 2014. The Company received the certificate of registration from Reserve Bank of India ("Fr") dated October 10, 2017. The name of the Company was further changed to "*Canopy Finance Limited*" vide Certificate of Incorporation dated May 23, 2016. CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is *inter-alia* engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure. They carry out all the objectives of a NBFC Company and is mainly dealing in lending loans and advances. The Company is a Non-Deposit Taking Company.



9. The registered office of the Transferor Company was shifted from State of West Bengal to State of Assam pursuant to the provisions of the Companies Act, 2013 with effect from March 30, 2017, *vide* Certificate of Registration of Regional Director order dated May 05, 2017 issued by the Registrar of Companies, Shillong. Further, the registered office of the company was again shifted from State of Assam to State of Maharashtra pursuant to the No Objection Certificate received from Reserve Bank of India (“RBI”) dated January 10, 2022 and the provisions of the Companies Act, 2013 with effect from March 14, 2022, *vide Certificate* of Registration of Regional Director order dated April 12, 2022 issued by the Registrar of Companies. The Registered Office of the Company is located at 301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai City, Maharashtra – 400 062. The Permanent Account Number of the Company is AAFCK5317C. The Email of the Company is : info@canopyfinance.org.
10. The Transferor Company has no Secured Creditors as on 31st March, 2023.
11. The Transferor Company has no Unsecured Creditors as on 31st March, 2023.
12. The Transferor Company is listed on BSE Limited and Calcutta Stock Exchange Limited.
13. The Board of Directors of Transferor Company along with their addresses are as follows:

Sr. No.	Name of the Directors	Address
1.	Ms. Manisha Agarwal	DC 90/1 Maharaja Apartments, Narayantala West, Baguiati, Kolkata- 700059
2.	Mr. Varun Newatia	Avani Oxford, Block 5, Flat 6A, 136, Jessore Road, Bangur Avenue, Kolkata- 700055
3.	Mr. Lalit Kumar Tapadia	Flat No. 301, Horizon, Raviraj Oberoi Complex, New Link Road, Andheri West, Mumbai- 400053
4.	Mr. Aneish Kumaran Kumar	303/304, RNA Heights- B- Wing, Jogeshwari Vihar, Andheri East, Mumbai – 400 093
5.	Mr. Suresh Salian	Tulip co-op house society, 6/1/17 bhawani nagar, mumbai-400059

14. The Promoters of Transferor Company along with their addresses are as follows:

Sr. No.	Name of the Promoters	Address
1.	Saguna Mercantile Private Limited	301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai City, Maharashtra – 400 062
2.	Ashish Trivedi	A/5, Rajarhat Road, Kolkata- 700059
3.	Rama Trivedi	A/5, Rajarhat Road, Kolkata- 700059
4.	Manish Trivedi HUF	A/5, Rajarhat Road, Kolkata- 700059
5.	Om Prakash Trivedi	A/5, Rajarhat Road, Kolkata- 700059
6.	Om Prakash Trivedi HUF	A/5, Rajarhat Road, Kolkata- 700059
7.	Manish Trivedi	A/5, Rajarhat Road, Kolkata- 700059
8.	Pampa Trivedi	A/5, Rajarhat Road, Kolkata- 700059

15. The details of the issued, subscribed and paid-up share capital of the Transferor Company as on date is as under:

Particulars	Amount in (Rs.)
Authorised Capital	



1,50,00,000 Equity Shares of Rs.10/- each.	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
1,05,93,001 Equity Shares of Rs. 10/- each fully paid-up	10,59,30,010
Total	10,59,30,010

16. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are set out hereunder:
- To carry on the business of imports and exports of all kinds of goods, merchandise and articles and to act as export import agents in all type of goods and articles.
 - To carry on the business of Financing Industrial Enterprises whether by way of making loans or advances to or subscribing to the capital of Private Industrial Enterprises in India.
 - To lend money and negotiate with or without security to such Companies, firms or persons and on such conditions as may seem expedient and to guarantee the performance of contracts by any person, companies or firms provided that the company shall not carry on the business of banking.
 - To Invest, buy, sell, transfer, hypothecate and dispose of any shares, stocks, securities, properties, bonds or any Government/Local authority bodies and certificates, debentures whether perpetual or redeemable and debenture-stocks.
 - To buy, sell, manipulate, treat and deal in merchandise commodities and generally to carry on business General Trading and to act as purchasing, selling or Commission agents.
17. There has been change in the name and registered office of the Transferor Company as mentioned in paragraph no. 9 and 10 during the last 5 years. Further, there has been no change in the objects of the Transferor Company during the last 5 years.

Details of Purple Finance Limited, the Applicant Company ('the Transferee Company' or 'PFL' or 'the Company'):

18. PFL having CIN: U67120MH1993PLC075037, was originally incorporated as a Private Limited Company under the name of "Devipura Balaji Securities & Investments Private Limited" under the provisions of the Companies Act, 1956 on November 09, 1993 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company was subsequently converted into Public Limited Company as "Devipura Balaji Securities & Investments Limited" vide fresh Certificate of Incorporation dated July 25, 1998. Devipura Balaji Securities & Investments Limited acquired K K Financial Services Private Limited on September 13, 2013 to commence/carry on the business of non-banking financial institution without accepting deposits. The Company received the certificate of registration from Reserve Bank of India ("RBI") dated July 20, 1999 having Registration no. 13.01268. Pursuant to the aforesaid acquisition, the company applied for name change to Registrar of Companies, Mumbai and received a Certificate of Registration approving change in name to 'Purple Finance Limited' vide Certificate of Incorporation dated November 26, 2013. The Company also received an approval from RBI for name change with effect from January 06, 2014. PFL intends to become a new age digital NBFC *inter-alia* currently engaged in the business of offering small secured business loans across India predominantly in tier II, tier III & tier IV cities. Purple Finance Limited with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements. The Registered Office of the Company is located at Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400003, Maharashtra. The Permanent Account Number of PFL is AAACD1539Q. The Email Id of the Company is compliance@purplefinance.in.
19. The Equity Shares of the Transferee Company are not listed on any Stock Exchange (s).



20. The Transferee Company has 1 (one) Secured Creditor and the total amount due and payable by the Transferee Company to the aforementioned Secured Creditor is Rs. 29,64,374.67/- as on 31st March, 2023.
21. The Transferee Company has 54 (Fifty Four) Unsecured Creditors and the total amount due and payable by the Transferee Company to the aforementioned Unsecured Creditors is Rs. 48,33,794.61/- as on 31st March, 2023.
22. The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on date are as under:

Particulars	(Amount in Rs.)
Authorised Share Capital	
3,56,00,000 Equity Shares of Rs.10/- each	35,60,00,000
Total	35,60,00,000
Issued, Subscribed and Paid-up Capital:	
2,30,21,953 Equity Shares of Rs.10/- each	23,02,19,530
Total	23,02,19,530

23. The main objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main object clause of the Transferee Company was altered by the approval of the Shareholders of the Company in the Extraordinary General Meeting of the Company held on 12th July, 2023 as set out hereunder:
- To carry on and undertake the business or the business of a holding, asset finance and investment Company, and to buy, underwrite and to Invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, units, debentures, debenture-stock, bonds, negotiable instruments, hedge instruments, warrants certificate, premium notes treasury bills obligations, inter corporate deposits, call money deposits, deposits, commercial papers, options futures, money market securities marketable or non-marketable, securities derivatives, mortgages obligations and securities of any kinds issued or guaranteed by any company, corporation partnership firm or body corporate or undertaking of whatever nature, whether incorporated or otherwise and constituted or carrying on investment business and shares, stocks, debentures, debenture-stock, bonds notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever natures, whether in India or elsewhere, either singly or jointly with any other person(s) body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner including but not limited to the following to acquire and hold any shares, stocks, units, debentures, debentures-stock, bonds, mortgages, obligations and other securities by original subscription, participation, tender, purchase, exchange or otherwise and to underwrite or guarantee the subscription thereof issued or guaranteed by any government state public bod or authority, firm, body corporate or any other persons in India or elsewhere.
 - To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual firm, body corporate or any other entity (including without prejudice to the generally of the forgoing any holding company, subsidiary or follow subsidiary of or any other company whether or not associated in any way with the company) to enter into guarantees contracts of indemnity and suretyship of all kinds to receive money on deposits or loan upon any terms and to secure or guarantee in any manner and upon any terms the payment of any sun of money or the performance of any obligation by any person firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary of, or any other company associated in any way the company)
24. There has been no change in name and registered office of the Transferee Company during last five



years. The Object Clause of the Transferee Company was altered by the approval of the Shareholders of the Company in the Extraordinary General Meeting of the Company held on 12th July, 2023. Except as stated above in paragraph 24 (i) i.e. replacing the word “Public deposits” with “deposits”, there has been no change in the main object clause of the Transferee Company during last five years,

25. The details of Promoter and Promoter Group of Transferee Company are as follows:

Sr. No.	Name	Address
Promoters		
1.	Mr. Amitabh Chaturvedi	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.
2.	Mrs. Minal Chaturvedi	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.
3.	Mr. Abhishek Chaturvedi	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.
4.	Asher Foods Private Limited	Room No. 11, 1 st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder, Mumbai-400003.
Promoter Group		
5.	Ranjana Pathak	1103, B Wing, Sonam Heights, Phase XV, New Golden Nest, Bhayander East, Thane-401105
6.	Satyaprakash Pathak	1103, B Wing, Sonam Heights, Phase XV, New Golden Nest, Bhayander East, Thane-401105
7.	Anil Kumar	201, 2nd Fr., Crystal Paradise, Veera Desai Road, Andheri W, Mumbai - 400 053.
8.	M.K. Investment Consultancy Private Limited	1301, Woodstock CHS,] P Road, Versova, Andheri West, Mumbai - 400 061.
9.	Ashray Charitable Trust	1209, C Wing, Aster Dosti Acres, S M Road, Antop Hill, Wadala East, Mumbai-400037.
10.	Rajeev Deoras	1906, Rustomjee Seasons, D Wing, Nanasaheb Dharmadhikari Road, Bandra East, Mumbai-400051.
11.	Sabyasachi Rath	1003, Tower B, Raheja Tipco Heights, Rani Sati Marg, Nr Malad Station, Malad East, Mumbai-400097.
12.	Sonal Vira	1702, Tower no. 1, Crescent Bay, Near Mahatma Phule Educational Society, Jerbai Wadia Road, Bhoiwada, Mumbai- 400012
13.	Souvik Dasgupta	1301, Zara, Nahar Amrit Shakti, Chandivali Farm Road, Powai, Mumbai- 400071
14.	Mrinalini Sahai	B/205, Mayfair Marvel, Madhur Society Marg, Off Chincholi Bunder Road, Malad West, Mumbai-400064.
15.	Tomorrow Capital Enterprises Private Limited	07 th Floor, Lodha Excelus, Apollo Mills, N. M. Joshi Marg, Mahalaxmi, Mumbai- 400011.
16.	Mr. Surendra Sodhi	314, Sector 33A, Chandigarh-160020
17.	Mr. Debashish Mishra	1/601, Golden Square, CST Road, Kalina, Santacruz, Mumbai-400098
18.	Mr. Sunil Mittal	A-11, Nikhil Apartment, Bhau Patil Road, Gopodi, Pune- 411003
19.	Mr. Dilip Kumar Mittal	C1, 17/20, Vrindavan Society, Survey no 209/2, Range Hills Road, Shivaji Nagar, Pune- 411020
20.	Mr. Rushabh Shah	B52, 5 th Floor, Grand Paradi Apartments, Kemp's Corner, A.K. Marg, Shalimar Hotel, Mumbai-400026.



21	Ms. Swati Mahapatra	706, Gurudatta CHS, Devratna Nagar, S. M. Road, Chunabhatti East, Mumbai-400022
22	Mr. Ashis Mohanty	M 99 Phase- 2, Bhimatangi HB Colony, Nr. Siba Temple, Kapil Prasad, Bhubaneswar- 751002
23	Mr. Venugopalan Swaminathan	11/12, Manisha Court, 1 st Floor, 16 th Road, Opp Khar Gym Tennis Court, Khar West, Mumbai-400052.
24	Mr. Raoul Kapoor	Flat A1, 2203, Samarath Angan, Millat Nagar, Andheri West, Mumbai- 400053
25	Capt. Ajit Sharma and Sangeeta Sharma	1308, Nahars Amrit Shakti, Near Chandivali Studio Zara, Saki Naka, Andheri-east, Mumbai- 400072, Maharashtra, India.

26. The details of Directors of Transferee Company are as follows:

Sr. No.	Name of the Directors	Designation	Address
1.	Mr. Amitabh Chaturvedi	Executive Director	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.
2.	Mr. Ajay Kumar Pandey	Independent Director	1402, Glendale, Hiranandani Gardens, Powai, Mumbai-400076, Maharashtra, India.
3.	Mr. Satyaprakash Pathak	Non-Executive Director	B-206, Shri Sai Darshan Dham C.H.S, Cabin Cross Road, Narmada Nagar, Thane-401105.
4.	Mr. Rajeev Deoras	Executive Director	1906, Rustomjee Seasons, D Wing, Nanasaheb Dharmadhikari Road, Bandra East, Mumbai-400051.
5.	Mrs. Minal Amitabh Chaturvedi	Non-Executive Director	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.
6.	Mr. Sumeet Sandhu	Independent Director	528 F, Block F, Shaheed Bhagat Singh Nagar, Model Town (Ludhiana), Ludhiana-141002, Punjab, India.

27. Background of the Scheme

The Scheme *inter-alia* provides for the following:

- i. Merger by Absorption of Canopy Finance Limited (“Transferor Company”) by Purple Finance Limited (“Transferee Company”);
- ii. Issue of 1,05,93,001 fully paid up equity shares of Rs. 10/- each by the Transferee Company to the Shareholders of the Transferor Company.

28. i. Rationale of the Scheme

Rationale for the Scheme of Merger by Absorption/ Benefits of the Scheme of Merger by Absorption is as follows:

- CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company (“CFL) with the Transferee Company (“PFL”).
- Economies of scale will play a bigger role as the consolidated entity’s operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- The combined Networth of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
- This merger will provide an opportunity to leverage assets and build a stronger sustainable



business. It will provide an opportunity to fully leverage stronger network capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.

- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
- The Promoter of CFL and PFL will jointly control PFL.
- There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

ii. Synergies of business of the entities involved in the Scheme:

- **CFL** is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is inter-alia engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure. They carry out all the objectives of a NBFC Company and is mainly dealing in lending loans and advances.
- **PFL** is a Non-Banking Financial Company registered with Reserve Bank of India having Registration no. 13.01268 intends to become a new age digital NBFC inter-alia currently engaged in the business of offering small secured business loans across India predominantly in tier II, tier III & tier IV cities. Purple Finance Limited with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

Upon Merger, the benefits and synergies of business of the entities involved in the Scheme are set out in Point No. 28.i above shall be derived by the Company.

iii. Impact of the scheme on the shareholders:

The Scheme will result in consolidation of businesses of the Transferor Company and get housed in the Transferee Company. Consolidation will be in the interest of stakeholders of Transferee Company and Transferor Company to have an increased capability for running these businesses and pursue growth opportunities.

iv. Cost benefit analysis of the Scheme:

Except the transaction cost/ cost of implementation of the Scheme, there are no additional costs involved for the proposed Scheme. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities.



v. Detailed reason for merging and Rationale for merging CFL i.e. Listed entity into PFL i.e. unlisted entity:

Purple Finance Limited (PFL) is currently engaged in the business of offering small secured business loans across India predominantly in tier II, tier III & tier IV cities and intends to become a new age NBFC with digital technology catering to micro and small enterprises with secured business loans. PFL with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

Further, the Management of PFL consists of experienced set of professionals that have earlier worked in leadership roles in large and successful financial service organizations before commencing their journey with PFL.

It may be noted that Canopy Finance Limited (CFL) and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of CFL with PFL. PFL currently has branches in Maharashtra, Madhya Pradesh and Gujarat. The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation. The consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.

Due to association of experienced team consisting of industry veterans in PFL the brand has better recognition in the industry. Further, PFL has a bigger balance sheet and latest technology and other systems. In view of the same the Boards of both the companies have decided to reverse merge Canopy into Purple.

On the basis of the above the Scheme enhances the value of the Public Shareholders.

vi. Value of Assets of CFL that are being transferred to PFL Finance Limited as on 30th September, 2022:

Sr. No.	Assets	(Rupees in '000)
1	Property, Plant and Equipment	19.57
2	Inventories	161.51
3	Investments	14,106.61
4	Cash and cash equivalents	27,832.39
5	Loans & Advances	75,197.37
	Total	1,17,317.45

vii. Value of Liabilities of CFL that are being transferred to PFL as on 30th September, 2022:

Sr. No.	Liabilities	(Rupees in '000)
1	Deferred tax liabilities (Net)	403.92
2	Trade payables	4,728.56
3	Other current liabilities	162.10
4	Short-term provisions	402.19
	Total	5,696.77

viii. Post Merger Balance Sheet of PFL as on 30th September, 2022 is attached as Annexure R.



29. Salient features of the scheme are set out as below:

- i. The Scheme is presented under Sections 230-232 and other applicable provisions of the Company Act, 2013, as may be applicable for the Merger by Absorption of CFL by PFL;
- ii. The Transferor Company and the Transferee Company shall make applications / petitions (jointly, if permissible) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the relevant Adjudicating Body, for sanctioning of this Scheme and all matters ancillary or incidental thereto.
- iii. "**Appointed Date**" means October 01, 2022 or such other date as the Adjudicating Body (ies) may direct or fix, for the purpose of amalgamation of CFL with PFL under this Scheme.
- iv. "**Effective Date**" means the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai.
All references in The Scheme to the date of "coming into effect of the / this Scheme" or "Effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- v. Upon the Scheme coming into effect and without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL ("New Shares Entitlement Ratio"). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of CFL whose names are recorded in the register of equity shareholders of CFL on the Record Date.
- vi. The New Shares, to be issued and allotted by PFL, in terms of the Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of PFL. The New Shares, to be issued and allotted, shall rank *pari- passu* in all respects with the existing shares of PFL, including in respect of dividends, if any, that may be declared by PFL, on or after the Effective Date.
- vii. For the purpose of issue of the New Shares to the equity shareholders of CFL, PFL may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by PFL of such New Shares.
- viii. Subsequent to the sanction of the Scheme, PFL will make an application for listing of its equity shares, including, the New Shares on the stock exchanges in which the shares of CFL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circulars.
- ix. Upon the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up. The name of CFL shall be struck off from the records of the Registrar of Companies, Mumbai and PFL shall make necessary filings in this regard.
- x. Upon the Scheme coming into effect, CFL shall also surrender its RBI license.
- xi. "**Transferor Undertaking**" means and includes:
 - i. All the assets and properties of CFL, whether real, tangible or intangible, present or future, actual or contingent, or whether recorded in the books or not, as on the commencement of the Appointed Date;
 - ii. All debts, liabilities, duties and obligations of CFL, whether fixed, contingent or absolute, as on the commencement of the Appointed Date;



- iii. Without prejudice to the generality of sub-clause 1 and 2 above, the Transferor Undertaking shall mean and include:
- iv. all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, insurance policies, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, contributions (including to any provident fund, employee state insurance, gratuity fund or any other schemes or benefits for employees), utilities, electricity, telephone, data, water and other service connections, books, records (including employee records and files), files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by CFL as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by CFL as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly Sales Tax benefits, advance taxes, self-assessment tax, tax deducted at source, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of CFL;
- v. any license fee with any Governmental Authority that may have been paid by CFL;
- vi. all employees of CFL;

Note: The aforesaid are only the salient features of the scheme, Members are requested to read the entire text of the scheme annexed hereto and get fully acquainted with the provision thereof.

30. Relationship between the Transferor Company and the Transferee Company

The Transferor Company and the Transferee Company are not related to each other.

31. Approvals

- i. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Transferor Company had filed necessary applications before BSE and CSE seeking their no-objection to the Scheme. The Transferor Company has received the observation letter from BSE dated June 27, 2023 and from CSE dated July 04, 2023 conveying their no-objection to the Scheme ('Observation Letter'). Further, Transferee Company has received No Objection Certificate from Reserve Bank of India dated January 05, 2023. Copy of the aforesaid Observation Letter are enclosed herewith.
- ii. The Scheme along with related documents was hosted on the website of the Transferor Company, BSE, CSE and was open for complaints / comments. The Transferor Company did not receive any complaint / comment and accordingly a Nil Complaint report was filed with BSE and CSE on 23rd December, 2022. Further, as on the date of filing the Company Scheme Application, the Transferor Company has not received any complaints.
- iii. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- iv. The Board of Directors of the Transferor Company at their meeting held on November 15, 2022



approved the Scheme of Merger by Absorption. Details of Directors of Transferor Company who were present at the meeting and voted in favour/ against/ did not vote or participate in the resolution of the meeting of the Board of the Directors of Transferor Company are as below:

Sr. No.	Name of the Directors	Voted in favour/ against / did not vote or participate on such resolution
1.	Mr. Lalit Kumar Tapadia	Voted in Favour
2.	Mrs. Manisha Agarwal	Voted in Favour
3.	Mr. Varun Newatia	Voted in Favour
4.	Mr. Aneish Kumaran Kumar	Voted in Favour
5.	Mr. Suresh Shivanna Salian	Voted in Favour

- v. The Board of Directors of the Transferee Company at their meeting held on November 15, 2022 approved the Scheme of Merger by Absorption. Details of Directors of Transferee Company who were present at the meeting and voted in favour/ against/ did not vote or participate in the resolution of the meeting of the Board of the Directors of Transferee Company are as below:

Sr. No.	Name of the Directors	Voted in favour/ against / did not vote or participate on such resolution
1.	Mr. Amitabh Chaturvedi	Voted in Favour
2.	Mr. Satyaprakash Pathak	Voted in Favour
3.	Mr. Rajeev Deoras	Voted in Favour
4.	Mr. Minal Chaturvedi	Voted in Favour

32. Pre and Post Merger Shareholding Pattern

- i. The Pre and Post Merger Shareholding Pattern of Canopy Finance Limited is as follows:

Category	Pre		Post	
	No. of Shares	%	No. of Shares	%
Promoter	17,31,495	16.35	0	0.00
Public	88,61,506	83.65	0	0.00
Custodian	0	0.00	0	0.00
Total	1,05,93,001	100.00	0	0.00

- ii. The Pre and Post Merger Shareholding Pattern of Purple Finance Limited is as follows:

Category	Pre		Post	
	No. of Shares	%	No. of Shares	%
Promoter	2,20,21,935	95.66	2,42,20,096	72.05
Public	10,00,018	4.34	93,94,858	27.95
Custodian	0	0.00	0	0.00
Total	2,30,21,953	100.00	3,36,14,954	100.00

33. Capital Structure Pre and Post Merger

- i. The Pre-Merger capital structure of the Transferor Company is mentioned in paragraph 15 above. Post the, Transferor Company shall stand dissolved without being wound- up.

- ii. The Pre-Merger capital structure of the Transferee Company is as below:

Particulars	(Amount in Rs.)
Authorised Share Capital	
3,56,00,000 Equity Shares of Rs.10/- each	35,60,00,000
Total	35,60,00,000
Issued, Subscribed and Paid-up Capital:	



2,30,21,953 Equity Shares of Rs.10/- each	23,02,19,530
Total	23,02,19,530

Post Merger capital structure of the Transferee Company will be as follows:

Particulars	Amount in Rs.
Authorised Share Capital	
5,06,00,000 Equity Shares of Rs.10/- each	50,60,00,000
Total	50,60,00,000
Issued, Subscribed and Paid-up Share Capital	
3,36,14,954 Equity Shares of Rs.10/- each fully paid up.	33,61,49,540
TOTAL	33,61,49,540

34. Extent of Shareholding of Directors and Key Managerial Personnel

Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives of the Transferee and Transferor Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective Companies or to the extent the said Directors/KMP are the 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. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of the Transferor and Transferee Company has any material interest in the Scheme.

The details of the present Directors and KMP of the Transferee Company and their respective shareholdings in the Transferor Company as on date are as follows:

Sr. No.	Name of the Directors and KMP of Transferee Company	Shareholding in Transferee Company	Shareholding in Transferor Company
1.	Mr. Amitabh Chaturvedi	65,66,174 (28.52%)	NIL
2.	Mr. Rajeev Deoras	4,00,000 (1.74%)	NIL
3.	Mrs. Minal Amitabh Chaturvedi	7,33,334 (3.19%)	NIL
4.	Mr. Satyaprakash Pathak	16,36,933 (7.11%)	NIL
5.	Mr. Ajay Kumar Pandey	NIL	NIL
6.	Ms. Sumeet Sandhu	NIL	NIL
7.	Mr. Sabyasachi Rath	3,00,000 (1.30%)	NIL
8.	Ms. Sonal Vira	3,00,000 (1.30%)	NIL
9.	Ms. Ruchi Nishar	NIL	NIL

The details of the present Directors and KMP of the Transferor Company and their respective shareholdings in the Transferee Company as on date are as follows:

Sr. No.	Name of the Directors and KMP of Transferor Company	Shareholding in Transferor Company	Shareholding in Transferee Company
1.	Ms. Manisha Agarwal	NIL	NIL
2.	Mr. Varun Newatia	NIL	NIL
3.	Mr. Lalit Kumar Tapadia	NIL	NIL
4.	Mr. Aneish Kumaran Kumar	NIL	NIL
5.	Mr. Suresh Salian	NIL	NIL
6.	Ms. Anita Kejriwal	NIL	NIL

35. General

- 35.1 The Transferor Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Sections 230-232 and other applicable provisions of the Companies Act, 2013.



The rights and interest of the Members of the Transferee Company and the Transferor Company will not be prejudicially affected by the Scheme.

- 35.2 In compliance with the provisions of Section 232(2) of the Companies Act, 2013, the Board of Directors of the Transferor and Transferee Company, at its meeting held on November 15, 2022, has adopted a report, inter alia, explaining the effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders. A copy of the report adopted by the Board of Directors of the Transferor and Transferee Company is enclosed.
- 35.3 In relation to the Meeting of the Transferor Company, Equity Shareholders of the Transferor Company whose names are appearing in the records of the Transferor Company as on November 10, 2023 shall be eligible to attend the Meeting of the Equity Shareholders of the Transferee Company convened as per the directions of the Tribunal and cast their votes using remote e-voting facility.
- 35.4 In relation to the Meeting of the Transferee Company, Equity Shareholders of the Transferee Company whose names are appearing in the records of the Transferee Company as on October 06, 2023 shall be eligible to attend the Meeting of the Equity Shareholders of the Transferee Company convened as per the directions of the Tribunal and cast their votes in the meeting through ballot or polling paper.
- 35.5 In compliance with Section 232(2) of the Companies Act, 2013, Accounting Statements of Transferee and Transferor Companies extracted from the Financial Statements have been attached. For brevity's sake the schedules and notes to the Financial Statements have not been attached. The Financial Statements of Transferee Company are available on the website of the Transferee Company: www.purplefinance.in.
- 35.6 There are no investigation proceedings under the provisions of Chapter XIV of the Companies Act, 2013 and no winding up proceedings instituted and/or pending against the Transferor Company and/or the Transferee Company.
- 35.7 The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.
- 35.8 Disclosure about the effect of the Scheme on the following persons of Transferee Company:

Sr. No.	Category	Effect of the Scheme
1.	Shareholders	<p>There is no adverse effect of the Scheme on the Shareholders of PFL. Pursuant to this Scheme, as part of the consideration for merger, PFL will issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL ("New Shares Entitlement Ratio").</p> <p>The New Shares which will be issued and allotted by PFL in terms of this Scheme shall rank pari- passu in all respects with the existing shares of the PFL, including in respect of dividends, if any, that may be declared by the PFL, on or after the Effective Date.</p>
2.	Promoters	There is no adverse effect of the Scheme on the Promoter



		Shareholders of PFL. The Promoter of CFL and PFL will jointly control PFL.
3.	Non-Promoter Shareholders	There is no adverse effect of the Scheme on the Non-Promoter Shareholders of PFL.
4.	Key Managerial Personnel (KMP) (other than Directors)	There is no Adverse effect of the Scheme on the KMPs (other than Directors) of PFL.
5.	Directors	There is no Adverse effect of the Scheme on the Directors of PFL.
6.	Depositors	PFL does not have any public deposits and accordingly, it does not have any depositors so the question of the scheme having effect on depositor does not arise.
7.	Creditors	There is no adverse effect of the Scheme on the Creditors of PFL.
8.	Debenture holders	There is no adverse effect of the Scheme on the Debenture Holders of PFL.
9.	Deposit trustee & Debenture trustee	<p>PFL does not have any public deposit and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise.</p> <p>Further, there is no debenture trustee in PFL as the Debentures issued on September 21, 2023 and allotted on October 04, 2023 are unsecured in nature. Thus, the question of scheme having effect on debenture trustee does not arise.</p>
10.	Employees of the Company	There is no Adverse effect of the Scheme on the Employees of PFL.

35.9 Disclosure about the effect of the Scheme on the following persons of Transferor Company:

Sr. No.	Category	Effect of the Scheme
1.	Shareholders	<p>There is no adverse effect of the Scheme on the Shareholders of CFL. Pursuant to this Scheme, as part of the consideration for merger, PFL will issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the “New Shares”) to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL (“New Shares Entitlement Ratio”).</p> <p>The New Shares which will be issued and allotted by PFL in terms of this Scheme shall rank pari- passu in all respects with the existing shares of the PFL, including in respect of dividends, if any, that may be declared by the PFL, on or after the Effective Date.</p>
2.	Promoters	There is no adverse effect of the Scheme on the Promoter Shareholders of CFL. The Promoter of CFL and PFL will jointly control PFL.
3.	Non-Promoter Shareholders	There is no adverse effect of the Scheme on the Non-Promoter Shareholders of CFL.
4.	Key Managerial Personnel (KMP) (other than Directors)	There is no Adverse effect of the Scheme on the KMPs (other than Directors) of CFL.



	Directors)	
5.	Directors	Pursuant to the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up and hence the existing Directors of CFL will cease to exist.
6.	Depositors	CFL does not have any public deposits and accordingly, it does not have any depositors so the question of the scheme having effect on depositor does not arise.
7.	Creditors	CFL has no creditors as on date and therefore, the effect of the Scheme on creditors does not arise.
8.	Debenture holders	CFL has no outstanding debenture and therefore, the effect of the Scheme on debenture holders does not arise.
9.	Deposit trustee & Debenture trustee	CFL does not have any public deposit and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in CFL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise.
10.	Employees of the Company	There is no Adverse effect of the Scheme on the Employees of CFL.

35.10 Disclosure about effect of Scheme on material interests of Directors, Key Managerial Personnel (KMP) and Debenture trustee:

Category	Purple Finance Limited	Canopy Finance Limited
Directors	There is no Adverse effect of the Scheme on the Directors of PFL.	Pursuant to the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up and hence the existing Directors of CFL will cease to exist.
Key Managerial Personnel (KMP) (other than Directors)	There is no Adverse effect of the Scheme on the KMPs (other than Directors) of PFL.	There is no Adverse effect of the Scheme on the KMPs (other than Directors) of CFL.
Debenture trustee	There is no adverse effect of the Scheme on the Debenture Holders of PFL. Further, there is no debenture trustee in PFL as the Debentures issued on September 21, 2023 and allotted on October 04, 2023 are unsecured in nature. Thus, the question of scheme having effect on debenture trustee does not arise	There are no debenture holders or debenture trustee in CFL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise.

35.11 Considering the rationale and benefits, the Board of Directors of the Transferor Company and Transferee Company recommends the Scheme as it is in the best interest of the Company and its stakeholders.

35.12 The Audited accounts for the period ended 31st March, 2023 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as arise in the course of business. There is no likelihood that any creditors of the Transferee Company would lose or be prejudiced as a result of this Scheme being passed since no compromise, sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the Merger will not cast any additional burden on the shareholders or creditors of the Transferee Company, nor will it adversely



affect the interest of any of the shareholders or creditors.

- 35.13 None of the Directors or KMP are interested except upto the extent of their shareholdings stated under paragraph 34 in the Transferee Company and Transferor Company, if any.
- 35.14 There are no Secured and Unsecured Creditors in the Transferor Company. Pursuant Order of Hon'ble NCLT, Mumbai dated October 04, 2023. A Notice is issued to all the Secured and Unsecured Creditors of the Transferee Company under Section 230 (3) of the Companies Act, 2013 with a direction to submit their representations, if any, in connection with Scheme of Merger by Absorption of Canopy Finance Limited ("**Transferor Company**") by Purple Finance Limited ("**Transferee Company**") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench.
- 35.15 The Transferor Company and the Transferee Company are required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and the Official Liquidator and will obtain the same at the relevant time.
- 35.16 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
- 35.17 For the purpose of Merger of the Transferor Company with the Transferee Company, Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 ("**Registered Valuer**") have recommended a ratio of allotment of equity shares as 1:1 i.e. 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL. Accordingly, the number of shares to be issued by the Transferee Company to the Equity Shareholders of the Transferor Company are 1,05,93,001 fully paid up equity shares of Rs. 10/- each of the Transferee Company in proportion of their respective shareholding in the Transferor Company as on the Record Date. Mark Corporate Advisors Private Limited, the Merchant Banker after having reviewed the valuation report of Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) and on consideration of all the relevant factors and circumstances, opined that in their view the Independent Registered Valuer's proposed valuation and share allotment is fair. Valuation methods and assumption considered for arriving at Share Swap Ratio is given in Valuation Report as **Annexure B**. The copy of the Valuation Report is available for inspection at the Registered Office of the Transferor Company at 301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai City, Maharashtra – 400 062.
- 35.18 A report adopted by the Directors of the Transferor Company, explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached herewith. The Transferor Company does not have any creditors, debenture holders, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the employees of the Transferor Company are concerned.
- 35.19 A report adopted by the Directors of the Transferee Company, explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached herewith. The Transferee Company does not have any debenture holders, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the employees, and creditors of the Transferee Company are concerned.
- 35.20 It is confirmed that the copy of Draft Scheme of Merger by Absorption has been filed with Registrar of Companies, Mumbai.



36. Inspection

The electronic copy of the following documents shall be available for inspection by the Equity Shareholders of the Transferee Company in the investor section of the website of the Company i.e. www.purplefinance.in

- i. Copy of the Audited financial statements of the Transferor Company as on 31st March, 2021, 31st March, 2022 and 31st March, 2023, Unaudited Financial Statements as on 30th June, 2023;
- ii. Copy of the Audited financial statements of the Transferee Company as on 31st March, 2021, 31st March, 2022 and 31st March, 2023, Unaudited Financial Statements as on 30th June, 2023;
- iii. Copy of the Memorandum and Articles of Association of Transferor Company;
- iv. Copy of the Memorandum and Articles of Association of Transferee Company;
- v. Scheme of Merger by Absorption;
- vi. Copy of the Order dated October 04, 2023 passed by NCLT, Mumbai Bench in CA(CAA) NO./202/MB-I/2023 of the Transferor Company and the Transferee Company.
- vii. Report adopted by the Board of Directors of the Transferor and Transferee Company;
- viii. Copy of the resolutions dated November 15, 2022 passed by Board of Directors of the Transferee and Transferor Companies approving the Scheme.
- ix. The certificate issued by Vasant Agre & Associates, Chartered Accountants, the *erstwhile* Statutory Auditors of the Transferee Company to the effect that the accounting treatment, proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- x. The certificate issued by SDG & Co, Chartered Accountants, the Statutory Auditors of the Transferor Company to the effect that the accounting treatment, proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- xi. Copy of Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 ("**Registered Valuer**").
- xii. Copy of the Fairness Opinion dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, Merchant Banker.
- xiii. Copy of the Audit Committee Report dated November 15, 2022 of the Transferor Company.
- xiv. Copy of the Report of Committee of Independent Directors dated November 15, 2022 of the Transferor Company.
- xv. Certificate on adequacy and accuracy of disclosure of information in Abridged Prospectus of Purple Finance Limited and Abridged Prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 including applicable information pertaining to Purple Finance Limited.
- xvi. Copy of the complaint reports dated December 23, 2022 submitted by the Transferor Company.

**SCHEME OF MERGER BY ABSORPTION
OF
CANOPY FINANCE LIMITED
BY
PURPLE FINANCE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

This Scheme of Merger is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for Merger by Absorption of Canopy Finance Limited ("*CFL*" or "*Transferor Company*") by Purple Finance Limited ("*PFL*" or "*Transferee Company*"). This Scheme also provides for various other matters consequential and otherwise integrally connected therewith.

The Scheme is divided into the following parts:

- A. **Part I** deals with the Introduction and Rationale;
- B. **Part II** deals with the Definitions, Interpretations and ShareCapital;
- C. **Part III** deals with Merger of CFL with PFL;
- D. **Part IV** deals with the Accounting Treatment;
- E. **Part V** deals with the General Clauses; and
- F. **Part VI** deals with the General Terms and Conditions.

**PART I
INTRODUCTION, RATIONALE AND OPERATION OF
THE SCHEME**

1.1. CANOPY FINANCE LIMITED

- 1.1.1. CFL having CIN: L65910MH1981PLC380399 was originally incorporated under the name of "Kanisk Udyog Viniyog Limited" under the provisions of the Companies Act, 1956 on June 26, 1981 issued by the Registrar of Companies, West Bengal and further Kanisk Udyog Viniyog Limited changed their name to "Kartavya Udyog Viniyog Limited" vide Certificate of Incorporation dated May 22, 2014. The Company received the certificate of registration from Reserve Bank of India ("RBI") dated October 10, 2017. The name of the Company was further changed to "Canopy Finance Limited" vide Certificate of Incorporation dated May 23, 2016.



- 1.1.2. The registered office of the company was shifted from State of West Bengal to State of Assam pursuant to the provisions of the Companies Act, 2013 with effect from March 30, 2017, *vide* Certificate of Registration of Regional Director order dated May 05, 2017 issued by the Registrar of Companies, Shillong. Further, the registered office of the company was again shifted from State of Assam to State of Maharashtra pursuant to the No Objection Certificate received from Reserve Bank of India (“RBI”) dated January 10, 2022 and the provisions of the Companies Act, 2013 with effect from March 14, 2022, *vide Certificate* of Registration of Regional Director order dated April 12, 2022 issued by the Registrar of Companies.
- 1.1.3. CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is *inter-alia* engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure. They carry out all the objectives of a NBFC Company and is mainly dealing in lending loans and advances. The Company is a Non-Deposit Taking Company.
- 1.1.4. The Company has its shares listed on the BSE Limited (“BSE”) having Scrip ID as **CANOPYFIN** and on The Calcutta Stock Exchange Limited (“CSE”) having Scrip Code as 21114.

1.2. PURPLE FINANCE LIMITED

- 1.2.1 PFL having CIN: U67120MH1993PLC075037, was originally incorporated as a Private Limited Company under the name of “*Devipura Balaji Securities & Investments Private Limited*” under the provisions of the Companies Act, 1956 on November 09, 1993 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company was subsequently converted into Public Limited Company as “*Devipura Balaji Securities & Investments Limited*” *vide* fresh Certificate of Incorporation dated July 25, 1998. Devipura Balaji Securities & Investments Limited acquired K K Financial Services Private Limited on September 13, 2013 to commence/carry on the business of non-banking financial institution without accepting deposits. The Company received the certificate of registration from Reserve Bank of India (“RBI”) dated July 20, 1999 having Registration no. 13.01268. Pursuant to the aforesaid acquisition, the company applied for name change to Registrar of Companies, Mumbai and received a Certificate of Registration approving change in name to ‘Purple Finance Limited’ *vide* Certificate of Incorporation dated November 26, 2013. The Company also received an approval from RBI for name change with effect from January 06, 2014.
- 1.2.2 PFL intends to become a new age digital NBFC *inter-alia* currently engaged in the business of offering small secured business loans across India predominantly in tier III & tier IV cities. Purple Finance Limited with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

2. RATIONALE FOR THE SCHEME

- 2.1. The merger of CFL with PFL is based on the following rationale:
 - 2.1.1. CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company (“CFL”) with the Transferee Company (“PFL”).
 - 2.1.2. Economies of scale will play a bigger role as the consolidated entity’s operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
 - 2.1.3. The combined Networth of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
 - 2.1.4. This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger networth capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
 - 2.1.5. This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
 - 2.1.6. The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
 - 2.1.7. The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
 - 2.1.8. The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
 - 2.1.9. The Promoter of CFL and PFL will jointly control PFL.
 - 2.1.10. There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

3. OPERATION OF THE SCHEME

- 3.1. This Scheme is presented under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the relevant Act (*as defined hereinafter*) for:
 - 3.1.1. Merger of CFL with PFL;
 - 3.1.2. Various other matters consequential or otherwise integrally connected herewith.

PART II DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

4. DEFINITIONS

- 4.1. In this Scheme, unless inconsistent with the subject or context, the following expression shall have the following meanings:
 - 4.1.1. "**Act**" means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.
 - 4.1.2. "**Adjudicating Body(ies)**" means the Hon'ble National Company Law Tribunal, Mumbai Bench and the National Company Law Appellate Tribunal as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 232 of the Companies Act, 2013 or any other authority having jurisdiction under the Act to sanction the scheme.
 - 4.1.3. "**Appointed Date**" means October 01, 2022 or such other date as the Adjudicating Body(ies) may direct or fix, for the purpose of amalgamation of CFL with PFL under this Scheme.
 - 4.1.4. "**Board**" or "**Board of Directors**" means the board of directors of CFL or PFL, as the case may be, and shall, unless it is 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.
 - 4.1.5. "**Effective Date**" means the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai.

All references in this Scheme to the date of "coming into effect of the / this Scheme" or "Effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

- 4.1.6. "**CFL**" or "**Transferor Company**" means Canopy Finance Limited, a company incorporated under the Companies Act, 1956 and having its

registered office situated at 301, Corporate Arena, Off Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400062. The Permanent Account Number of CFL is AAFCK5317C.

- 4.1.7. "**Charter Documents**" means the Memorandum and Articles of Association of the Companies;
- 4.1.8. "**Governmental Authorities**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 4.1.9. "**LODR**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India.
- 4.1.10. "**Record Date**" means the date to be fixed by the Board of Directors of CFL in consultation with Board of Directors of PFL for the purpose of reckoning name of the equity shareholders of CFL, who shall be entitled to receive the New Shares to be issued by PFL and for any other purpose as provided in this Scheme.
- 4.1.11. "**ROC**" means the Registrar of Companies, Maharashtra, Mumbai having jurisdiction in relation to both the Transferor Company and the Transferee Company.
- 4.1.12. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Merger by Absorption in its present form submitted to the relevant Adjudicating Body with modification(s), approved or imposed or directed by the relevant Adjudicating Body.
- 4.1.13. "**SEBI Circulars**" means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall *inter-alia* include SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any.
- 4.1.14. "**PFL**" or "**Transferee Company**" means Purple Finance Limited incorporated under the provisions of the Companies Act, 1956 and having its registered office at Room No. 11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003. The Permanent Account Number of PFL is AAACD1539Q.
- 4.1.15. "**Transferor Undertaking**" means and includes:
- 4.1.15.1. All the assets and properties of CFL, whether real, tangible or intangible, present or future, actual or contingent, or whether recorded in the books or not, as on the commencement of the Appointed Date;
- 4.1.15.2. All debts, liabilities, duties and obligations of CFL, whether fixed, contingent or absolute, as on the commencement of the Appointed Date;
- 4.1.15.3. Without prejudice to the generality of sub-clause 4.1.15.1 and 4.1.15.2

above, the Transferor Undertaking shall mean and include:

- 4.1.15.4. all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, insurance policies, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, contributions (including to any provident fund, employee state insurance, gratuity fund or any other schemes or benefits foremployees), utilities, electricity, telephone, data, water and other service connections, books, records (including employee records and files), files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by CFL as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by CFL as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly Sales Tax benefits, advance taxes, self-assessment tax, tax deducted at source, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of CFL;
- 4.1.15.5. any license fee with any Governmental Authority that may have been paid by CFL;
- 4.1.15.6. all employees of CFL;
- 4.1.16. and in each case, as on the commencement of the Appointed Date and as modified and altered from time to time till the Effective Date.
- 4.1.17. All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 (as the case may be) or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

5. INTERPRETATION

- 5.1. In this Scheme, unless the context otherwise requires:
 - 5.1.1. words denoting singular shall include plural and vice versa;
 - 5.1.2. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

- 5.1.3. references to the word "include" or "including" shall be construed without limitation;
- 5.1.4. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 5.1.5. unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 5.1.6. references to dates and times shall be construed to be references to Indian dates and times;
- 5.1.7. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 5.1.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 5.1.9. references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

6. SHARE CAPITAL

- 6.1. The Share Capital of CFL as on 30th September, 2022 is as under:

Particulars	(Amount in Rs.)
Authorised Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up Capital:	
1,05,93,001 Equity Shares of Rs. 10/- each	10,59,30,010
Total	10,59,30,010

- 6.2. The Share Capital of PFL as on 30th September, 2022 is as under:

Particulars	(Amount in Rs.)
Authorised Share Capital	
3,56,00,000 Equity Shares of Rs.10/- each	35,60,00,000
Total	35,60,00,000
Issued, Subscribed and Paid-up Capital:	
2,30,21,953 Equity Shares of Rs.10/- each	23,02,19,530
Total	23,02,19,530

- 6.3. PFL has reserved 34,53,293 Equity Shares of Face Value of Rs. 10/- each under "Purple Finance Employee Stock Option Scheme 2022" (hereinafter referred to as "Purple Finance ESOP Scheme 2022") for the eligible employees of PFL. The total number of shares entitled under grant under Purple Finance ESOP Scheme 2022 on 17th September, 2022 are

26,60,000 Equity Shares of Face Value of Rs. 10/- each.

The options granted to Employees shall vest as follows:

Year 2	Year 3	Year 4	Year 5
25%	25%	25%	25%

Vesting schedule shall not commence before the expiry of one year and may extend upto such period from the date of each individual grant as may be decided by the Committee.

- 6.4. As on date of the approval of the Scheme by the Board of Directors of CFL and PFL, there is no change in the capital structure of CFL and PFL.

PART III

MERGER OF CFL WITH PFL

7. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF CFL INTO PFL

- 7.1. The entire assets, liabilities, Investments, business and undertaking (including, the Transferor Undertaking) of CFL shall, with effect from the Appointed Date and without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in PFL, as a going concern, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the relevant Act and in accordance with the provisions of Sections 2(1B) and 47 of the Income Tax Act, 1961 and the provisions of this Scheme in relation to the mode of transfer and vesting of assets. This Scheme is a 'Merger by Absorption' in terms of the Explanation provided in Section 232 of the Act and shall be deemed to be regarded as an 'Amalgamation' in terms of Section 2(1B) of the Income Tax Act, 1961.
- 7.2. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 7.3. The assets of CFL, which are moveable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession, shall be so transferred by CFL and shall become the property of PFL without any act or deed on the part of CFL without requiring any separate deed or instrument or conveyance for the same to the end and intent that the property and benefits therein passes to PFL.

- 7.4. The assets of CFL on the Appointed Date shall upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in PFL pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and the vesting of all such assets shall take place from the Effective Date.
- 7.5. The assets of CFL, acquired by CFL on and from the Appointed Date up to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to PFL upon the Scheme coming into effect.
- 7.6. For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of CFL in any leasehold properties shall, pursuant to Section 232 of the Companies Act, 2013 and other applicable provisions of Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in PFL.
- 7.7. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all approvals, permits, quotas, environmental approval and consents, permissions (municipal and any other statutory permission), licences, accreditations to trade and industrial bodies, privileges, powers, facilities, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, powers, facilities, rehabilitation schemes, authorities, subsidies, concession, special status and other benefits or privileges (granted by any Governmental Authorities or by any other person) any exemptions or waivers of every kind and description of whatsoever nature, powers of attorney given by, issued to or executed in favour of CFL, shall stand transferred to PFL as if the same were originally given by, issued to or executed in favour of PFL and PFL shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to PFL.
- 7.8. As a consequence of the amalgamation of CFL with PFL in accordance with this Scheme, the recording of change in name from CFL to PFL, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 7.9. Without prejudice to the other provisions of this Scheme, PFL may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if required by any applicable law or otherwise, take such actions or execute such documents or deeds or make such applications to the Governmental Authorities or any third person for the purposes of transfer/vesting of the approvals, sanctions, consents, permits, rights, entitlements, contracts or arrangements to which CFL was entitled to or party to, as the case may be and such authority or third party shall pursuant to sanction of this Scheme by Adjudicating Body, deem to take on record in the name of PFL. PFL shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.
- 7.10. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of CFL occurs by virtue of this

Scheme itself, PFL may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (not limited to deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which CFL was a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. PFL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of CFL and to carry out or perform all such formalities and compliances as required by CFL.

- 7.11. PFL shall be entitled to the benefit of all insurance policies which have been issued in respect of CFL and the name of PFL shall be substituted as "Insured" in the policies as if PFL was initially a party.
- 7.12. PFL shall be entitled to all the development rights held in the name of CFL and the name of PFL shall be substituted in the document related thereto.
- 7.13. With effect from the Appointed Date, all debts, liabilities and obligations, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of CFL, as on the close of the business on the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of PFL. Upon the Scheme coming into effect, PFL shall, in relation to all debts, liabilities and obligations provided for and disclosed in the books of accounts and / or balance sheet of CFL meet, discharge and satisfy the same to the exclusion of CFL.

With effect from the Appointed Date, and subject to the provisions of this Scheme, the liabilities of CFL including, but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), and all duties and obligations (including any guarantees, indemnities, letter of creditor any other instrument or arrangement which may give rise to a contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Adjudicating Body and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing be transferred to and vested in or be deemed to have been transferred to and vested in PFL, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by PFL to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of PFL on the same terms and conditions as were applicable to CFL, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause. Further, any existing credit facilities which have been sanctioned to CFL by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall upon the Scheme coming into effect shall *ipso facto* extend to PFL.

- 7.14. Where any such debts, loans raised, liabilities, duties and obligations of CFL as on the Appointed Date have been discharged or satisfied by CFL after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of PFL.

- 7.15. With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of CFL shall also, without any further act or deed, be transferred to or be deemed to be transferred to PFL so as to become as and from the Appointed Date, as the guarantees, indemnities and contingent liabilities of PFL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.
- 7.16. The transfer and vesting of CFL as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of CFL, provided however, any reference in any security documents or arrangements, to which CFL is a party, wherein the assets of CFL have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to CFL as are vested in PFL by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of PFL, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of PFL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of CFL vested in PFL. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by CFL which shall vest in PFL by virtue of the vesting of CFL with PFL and PFL shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.
- 7.17. Without prejudice to the foregoing provisions, CFL and PFL may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the respective ROC, Sub Registrar of Assurances and any other Governmental Authorities to give formal effect to the above provisions, if required.
- 7.18. All inter party transactions between CFL and PFL as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due *inter-se* i.e. between CFL and PFL as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 7.19. All existing and future incentives, benefits, brought forward losses (if any), book unabsorbed depreciation, tax unabsorbed depreciation, un-availed credits including MAT credits and exemptions and other statutory benefits, including in respect of income tax, excise (including cenvat), customs, central goods and services tax, state goods and services tax, integrated goods and services tax, value added tax, sales tax, service tax etc. to which CFL is entitled to in terms of the various statutes / schemes / policies, etc. of Union and State Governments shall be available to and shall vest in PFL upon this Scheme becoming effective. Accordingly, upon the Scheme becoming effective, PFL is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, GST, other tax returns, and to claim

refunds/ credits, pursuant to the provisions of this Scheme. PFL is also expressly permitted to claim refunds and credits in respect of any transaction between or amongst CFL and PFL.

- 7.20. All taxes, including, income-tax, tax on book profits, service tax, GST, value added tax, central goods and service tax, state goods and service tax, integrated goods and services tax etc. paid or payable by CFL in respect of the operations and/ or the profits of CFL before the Appointed Date, shall be on account of CFL and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by CFL in respect of the profits or activities or operation of CFL after the Appointed Date, the same shall be deemed to be the corresponding item paid by PFL and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by CFL / PFL on payables to CFL/ PFL on account of inter corporate loans or balances between CFL and PFL which has been deemed not to be accrued, shall be deemed to be advance taxes paid by PFL and shall, in all proceedings, be dealt with accordingly.
- 7.21. Any refund, under the Income-tax Act, 1961, central goods and services tax, state goods and services tax, integrated goods and services tax, service tax laws, excise duty laws, central sales tax, GST laws, applicable state value added tax laws or other applicable laws / regulations dealing with taxes / duties / levies due to CFL consequent to the assessment made on CFL (including any refund for which no credit is taken in the accounts of CFL) as on the date immediately preceding the Appointed Date shall also belong to and be received by PFL, upon this Scheme becoming effective.
- 7.22. Any tax liabilities under the Income-tax Act, 1961, central goods and services tax, state goods and services tax, integrated goods and services tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies of CFL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to PFL.
- 7.23. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of CFL after the Effective Date shall be accepted by the bankers of PFL and credited to the account of PFL, if presented by PFL. Similarly, the banker of PFL shall honour all cheques issued by CFL for payment after the Effective Date. If required, CFL shall allow maintaining of banks accounts in the name of CFL by PFL for such time as may be determined to be necessary by CFL and PFL for presentation and deposition of cheques and pay orders that have been issued in the name of CFL. It is hereby expressly clarified that any legal proceedings by or against CFL in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of CFL shall be instituted, or as the case may be, continued, by or against, PFL after the coming into effect of the Scheme.
- 7.24. Pursuant to the order of the Adjudicating Body, PFL shall file the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or encumbrance of any license/ certificate and any other registration including but not limited to central goods and services tax, state goods and services tax, integrated goods and services tax, value added tax, excise, service tax, income tax, IEC Code, ESI, company

registration number, PF, etc. if any, for the record of the appropriate authorities, which shall take them on record.

8. ISSUE OF NEW SHARES

- 8.1. Upon the Scheme coming into effect and without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the “New Shares”) to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL (“New Shares Entitlement Ratio”). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of CFL whose names are recorded in the register of equity shareholders of CFL on the Record Date.
- 8.2. Mr. Bhavesh M. Rathod (Registered Valuer- Securities or Financial Assets) have issued the report dated November 14, 2022 on the aforesaid New Shares Entitlement Ratio adopted under this Scheme. Mark Corporate Advisors Private Limited, Merchant Banker, has provided its fairness opinion on the aforesaid New Shares Entitlement Ratio. The aforesaid report on New Shares Entitlement Ratio and Fairness Opinion has been duly considered by the Boards of Directors of CFL and PFL, respectively.
- 8.3. After detailed deliberation and discussions at the meeting held on November 15, 2022 of the Board of Directors of PFL, for the benefit of the shareholders of CFL, have decided to issue shares to the members of CFL in the ratio of 1:1 i.e. 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL.
- 8.4. PFL, shall, increase its authorised share capital, to the extent required, in order to issue the New Shares under this Scheme in accordance with the procedure prescribed under Section 61 of the Companies Act, 2013, without prejudice to the right of PFL to avail set off for the fees paid by CFL as per Clause 15 in terms of Section 232(3) (i) of the Act.
- 8.5. The New Shares, to be issued by PFL pursuant to Clause 8.1 above, shall be issued and allotted to all the members of CFL in Demat form i.e. dematerialized shares into the account in which shares of CFL are held or such other account as is intimated in writing by the shareholders to CFL and/ or its registrar provided such intimation has been received by CFL and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of CFL in physical form shall also receive the equity shares to be issued by PFL, in dematerialized form provided the details of their account with the depository participant are intimated in writing to CFL and/ or its registrar provided such intimation has been received by CFL and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of CFL in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of PFL, then such shares shall be kept in Demat Suspense Account which shall be operated by the Directors of PFL for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder’s account with the depository participant are intimated in

writing to PFL, if permitted under Applicable Law.

- 8.6. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of CFL, the Board of Directors, or any committee thereof, of CFL shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in CFL, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to CFL or PFL, as the case may be, in respect of such shares.
- 8.7. In the event the New Shares are required to be issued and allotted to such shareholders of CFL, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).
- 8.8. The New Shares, to be issued and allotted by PFL, in terms of this Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of PFL. The New Shares, to be issued and allotted, shall rank *pari-passu* in all respects with the existing shares of PFL, including in respect of dividends, if any, that may be declared by PFL, on or after the Effective Date.
- 8.9. The issue and allotment of the New Shares in PFL to the relevant shareholders of CFL as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Section 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the relevant Act.
- 8.10. The New Shares to be issued by PFL under this Scheme pursuant to Clause 8.1 in respect of any equity shares of CFL which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 and other applicable provisions of the relevant Act shall, pending allotment or settlement of dispute by the order of court or otherwise, also be held in abeyance by CFL and PFL.
- 8.11. For the purpose of issue of the New Shares to the equity shareholders of CFL, PFL may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by PFL of such New Shares.
- 8.12. Subsequent to the sanction of the Scheme, PFL will make an application for listing of its equity shares, including, the New Shares on the stock exchange in which the shares of CFL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circulars.
- 8.13. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange i.e. BSE Limited.
- 8.14. There shall be no change in the shareholding pattern or control in PFL between the Record Date and the listing of the shares of PFL by the relevant stock exchanges in terms of this Scheme.

8.15 PFL and CFL shall duly comply with various provisions of the LODR read with the SEBI Circulars.

9. CANCELLATION OF LOANS AND ADVANCES

9.1. Upon the Scheme coming into effect, all the loans, inter-corporate deposits, advances or any kind of debts, as the case may be, paid or subscribed by CFL in PFL and vice versa shall, without any further act or deed, get cancelled at their respective face value.

9.2. Upon the Scheme coming into effect, any instrument either issued by PFL or CFL in relation to any outstanding loans, advances and/or any kind of debts, as the case may be, as set out in Clause 9.1 shall also, without any further act or deed, get cancelled.

9.3. The obligations in respect of aforesaid loans, advances or any kind of debts, as the case may be, shall come to an end and a corresponding suitable effect shall be given in the books of accounts and records of PFL. If required reduction/ cancellation of such loans, advances or any kind of debts shall be reflected in the books of accounts and records of PFL.

10. DISSOLUTION OF CFL

10.1. Upon the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up. The name of CFL shall be struck off from the records of the Registrar of Companies, Mumbai and PFL shall make necessary filings in this regard.

10.2. Upon the Scheme coming into effect, CFL shall also surrender its RBI license.

PART IV ACCOUNTING TREATMENT

11. ACCOUNTING TREATMENT IN BOOKS OF PFL

11.1. Upon the Scheme being Effective, PFL, the Transferee Company shall account for the Amalgamation of CFL, the Transferor Company in its books of accounts with effect from the Effective Date in accordance applicable Indian Accounting Standards (Ind AS) 103 — “Business Combination” as issued by the Institute of Chartered Accountants of India and notified by Ministry of Corporate Affairs under the provisions of section 133 and other applicable provisions of Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

11.2. All the assets and liabilities of CFL, the Transferor Company are transferred to and vested in the PFL, the Transferee Company shall be recorded at their respective fair values as appearing in the books of accounts of the Transferor Company in accordance with the requirement of Ind AS.

11.3. The balance, if any, in the Reserves account or credit or debit balance of profit and loss account of Transferor Company, as the case may be, shall

be transferred to and aggregated with the corresponding reserves in the books of accounts of Transferee Company.

PART V

GENERAL CLAUSES

12. STAFF, WORKMEN AND EMPLOYEES

- 12.1. On the Scheme coming into effect, all the employees of CFL in service on such date shall be deemed to have become employees of PFL with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with PFL shall not be less favourable than those applicable to them with reference to CFL on the Effective Date. The position, rank and designation of the employees would however be decided by PFL. Any salary, compensation, fringe benefits, perquisites and other kind of consideration given by CFL from the Appointed Date till the Effective Date will be deemed to have been paid by PFL.
- 12.2. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the employees of CFL are concerned, upon the Scheme coming into effect, PFL shall, stand substituted for CFL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of CFL in relation to such Fund or Funds shall become those of PFL and all the rights, duties and benefits of the employees employed in CFL under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. The contributions made by CFL in respect of its employees to such Fund or Funds for any period subsequent to the Appointed Date shall be deemed to be contributions made by PFL. It is clarified that the services of the employees of CFL will be treated as having been continuous for the purpose of the said Fund or Funds.

13. CONTRACTS, DEEDS AND STATUTORY CONSENTS

- 13.1. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature of CFL which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of PFL, and may be enforced as fully and effectively as if, instead of CFL, PFL has been a party or beneficiary thereto. PFL shall, if necessary, to give formal effect to this Clause, enter into and / or issue and / or execute deeds, writings or confirmations or enter into arrangement, confirmation or novation to which CFL is a party.
- 13.2. PFL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which CFL is a party or any writings as may be necessary to be executed in order to give formal effect

to the above provisions. PFL shall be deemed to be authorised to execute any such writings on behalf and in the name of CFL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of CFL.

- 13.3. PFL shall be entitled, pending the sanction of the Scheme, to apply to the relevant Governmental Authorities (including, the Court, Tribunal, Debt Recovery Tribunal, as the case may be or any other agency, department or other authorities concerned as may be necessary under law), for such consents, approvals and sanctions which PFL, respectively, may require to own and operate all or any party of CFL.

14. VALIDITY OF EXISTING RESOLUTIONS

- 14.1. Upon coming into effect of this Scheme, the resolutions of CFL including the approvals that may have been obtained by CFL from its shareholders and which are valid and subsisting on the Effective Date, as are considered necessary by the Board of Directors of PFL shall be considered as resolutions of PFL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of PFL, shall be added to the limits, if any, under the like resolutions passed by PFL.

15. MERGING OF AUTHORISED SHARE CAPITAL

- 15.1. Upon the Scheme coming into effect, in accordance with the provisions of Section 232 of the Companies Act, 2013 the authorized share capital of CFL of Rs. 15,00,00,000 (*Rupees Fifteen Crores only*) shall stand combined / consolidated with the authorized share capital of PFL and on the Scheme coming into effect, the authorised share capital of PFL shall, without any further act, deed or action, stand increased (*post combination*) and reconstituted to Rs. 50,60,00,000/- (*Rupees Fifty Crores Sixty Lakhs only*) divided into 5,06,00,000 equity shares of Rs. 10/- each.

- 15.2. Clause V of the Memorandum of Association of PFL shall be amended by deleting the clause and replacing it by the following:

"The Authorised Share Capital of the Company is Rs. 50,60,00,000/- (Rupees Fifty Crores Sixty Lakhs only) divided into 5,06,00,000 equity shares of Rs. 10/- (Rupees Ten only) each."

- 15.3. It is hereby clarified that an increase in authorised share capital of PFL, if required, shall be effected as an integral part of this Scheme without any further act or deed on the part of PFL and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment. PFL shall not be obliged to follow the procedure or filing as required under Sections 13, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the relevant Act. It is further clarified that no registration fee / ROC fees, stamp duty etc., shall be payable by PFL. Upon the Scheme coming into effect, the fees paid by CFL on the authorised share capital of CFL shall, without any act or deed, be available as a set off to PFL in terms of Section 232(3) (i) of the Act.

- 15.4. The aforesaid quantum of merging of authorised share capital of CFL with PFL and consequent amendment to the Memorandum of Association of PFL is indicative in nature and the same shall be subject to change due to any increase in authorized share capital of CFL or PFL pursuant to the Appointed Date till the Scheme coming into effect. Any such increase in the authorised share capital of CFL or PFL pursuant to the Appointed Date till the Scheme coming into effect shall stand ipso facto added or clubbed to aggregate authorised share capital of PFL as set out in Clause 15.1 above.

16. LEGAL PROCEEDINGS

- 16.1. Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other Governmental Authorities enforceable by or against CFL including without limitation any restraining orders (including order under section 281B of the Income-tax Act, 1961) pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to CFL, whether by or against CFL, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of CFL or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against PFL in the same manner and to the same extent as would or might have been continued, prosecuted and / or enforced by or against CFL, as if this Scheme had not been implemented.
- 16.2. After the Appointed Date and until the Effective Date, CFL shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of PFL.
- 16.3. The transfer and vesting of the assets and liabilities under the Scheme and the continuance of the proceedings by or against PFL shall not affect any transaction or proceeding already completed by CFL between the Appointed Date and the Effective Date to the end and intent that PFL accepts all acts, deeds and things done and executed by and / or on behalf of CFL as acts, deeds and things done and executed by and on behalf of PFL.

17. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 17.1. With effect from the Appointed Date and up to the Effective Date:
- 17.1.1. CFL shall carry on its business and activities in the normal course of business till the vesting of the Transferor Undertaking and amalgamation of CFL with PFL on the Effective Date and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of CFL for and on account of and in trust for PFL;
- 17.1.2. all the profits or income accruing or arising to CFL in relation to the Transferor Undertaking or the expenditure or losses arising or incurred by CFL shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of PFL.
- 17.1.3. CFL shall carry on their business activities with general prudence and shall not, without prior written consent of PFL, alienate, charge or otherwise

deal with or dispose off any of its business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by CFL prior to the Appointed Date).

- 17.1.4. CFL shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, including Securities & Exchange Board of India (SEBI), BSE Limited and Calcutta Stock Exchange Limited. Wherever necessary for such consents, approval and sanctions which PFL may require including the registration, approvals, exemptions, reliefs, etc., as may be required to be granted under any law for time being in force for carrying on business by PFL.
- 17.1.5. CFL shall not make any modification to its capital structure, either by increase, decrease, reclassification, sub-division or reorganization or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of CFL and of PFL.
- 17.1.6. all the taxes of CFL in relation to the Transferor Undertaking paid or payable by CFL, including Income Tax Refunds receivable, Tax Credits such as TDS Deducted by Customers / Banks, CENVAT Credit Balances, Goods and Services Tax Credit Balances, Goods and Services Tax Refunds due and Service Tax Refunds due, etc. shall be deemed to be taxes paid or payable by or Credits available (as the case may be) for PFL; and
- 17.1.7. CFL shall, with simultaneous intimation to PFL, take major policy decisions in respect of its assets and liabilities and its present capital structure.

18. RATIFICATION

Except as provided in the Clauses above, PFL shall accept all acts, deeds and things relating to the Transferor Undertaking, done and executed by and/or on behalf of CFL on and after the Appointed Date as acts, deeds and things done and executed by and / or on behalf of PFL, as the case may be.

19. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

At any time upto the Effective Date CFL shall not declare dividend, distribute profits, or issue or allot any right shares or bonus shares or any other security converting into equity shares or other share capital or obtain any other financial assistance converting into equity shares or other share capital, unless agreed to by the Board of Directors of PFL.

PART VII

GENERAL TERMS AND CONDITIONS

20. APPLICATION TO ADJUDICATING BODY

- 20.1. CFL and PFL shall, with all reasonable despatch, make applications / petitions (jointly, if permissible) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the relevant Adjudicating Body, for sanctioning of this Scheme and all matters

ancillary or incidental thereto.

21. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 21.1. Upon prior approval from the Adjudicating Body, CFL and PFL (by their respective Board of Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme (including but not limited to the terms and conditions thereof) or any conditions or limitations which the relevant Adjudicating Body, or any authorities under the law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.
- 21.2. For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of CFL and PFL, or any person authorised in that behalf by the concerned Board of Directors, may give and is / are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

22. CONDITIONALITY OF THE SCHEME

- 22.1. Unless otherwise decided by the Board of CFL and PFL, this Scheme is specifically conditional upon and subject to:
 - 22.1.1. the approval of the Scheme by the requisite majority of the respective members and such class of persons of CFL and PFL, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the relevant Adjudicating Body in this respect;
 - 22.1.2. the approval of the shareholders of transferor and transferee company through e-voting and / or other mode as may be required under any applicable law and the SEBI circular, after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Transferee Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. *The scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of Part – I (A)(10) (b) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if voted cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.*
 - 22.1.3. sanction of the relevant Adjudicating Body, being obtained under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Act, if so required on behalf of CFL and PFL;
 - 22.1.4. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
 - 22.1.5. approval of the Government of India and/ or Reserve Bank of India and/ or Securities and Exchange Board of India, if required and the consent of the BSE Limited and CSE where such approval or consent is necessary; and

- 22.1.6. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

23. EFFECTIVE DATE OF THE SCHEME

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Adjudicating Body and/or by the Board of Directors in terms of Clause 23 shall although be operative from the Effective Date but shall be deemed to be retrospectively effective from the Appointed Date in accordance with the provisions of Section 232 (6) of the Act.

24. REVOCATION OF THE SCHEME

- 24.1. In the event of any of the said sanction and approval referred to in the preceding Clauses 22 above not being obtained and/or the Scheme not being sanctioned by applicable Adjudicating Body and/or the Order(s) not being passed as aforesaid within two (2) years from the date of filing of the Company Application with the relevant Adjudicating Body, or within such further period(s) as may be agreed upon from time to time between CFL and PFL (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between CFL and PFL, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of CFL and PFL, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.
- 24.2. The Board of Directors of CFL and PFL, shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board of Directors of CFL and PFL are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/ certified/ authenticated orders with any authority could have adverse implication on both/ any of the companies or in case any condition or alteration imposed by the relevant Adjudicating Body or any other authority is not on terms acceptable to them.
- 24.3. If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

25. COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of CFL and PFL in relation to or in connection with or incidental to this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by CFL and PFL equally.

26. TERMINATION

Notwithstanding any other provision of this Scheme, either party may terminate this Scheme at any time by giving sixty (60) days written notice to the other party.

Arith



Canopy Finance Ltd.
[Signature]
Director/Authorised Signatory

Report
On
Share Exchange Ratio

Purple Finance Limited
("Transferee Company")
&
Canopy Finance Limited
("Transferor Company")

Bhavesh M Rathod
Chartered Accountants Registered Valuer - SFA
11D, White Spring, A wing, Rivali Park Complex,
Wester Express Highway, Borival East, Mumbai 400066.
Email : info.rathh@bmrval.com
Mobile : +91 9769 11 34 90



To,
The Board of Directors,
Purple Finance Limited,
Room No.11, 15th Floor,
Indu Chamber 349/353,
Samuel Street, Vadgadi,
Masjid Bunder(West)
Mumbai Mh 400003 In

To,
The Board of Directors,
Canopy Finance Limited
301 Corporate Arena Off,
Aarey Piramal X Road, 3rd Floor,
Behind Mahindra Gardens,
Goregaon West Mumbai City
Mh 400062 In

Re: Recommendation of Share Exchange Ratio for the purpose of proposed merger of Canopy Finance Limited with Purple Finance Limited.

Dear Sir(s)/Madam(s),

As per our discussions with the Management of Purple Finance Limited and Canopy Finance Limited (hereinafter collectively referred to as the "Management"), we have carried out the fair valuation of equity shares of Purple Finance Limited (hereinafter referred to as "the Transferee Company" or "PFL") and Canopy Finance Limited (hereinafter referred to as "the Transferor Company" or "CFL") to recommend the share exchange ratio for the proposed Scheme of Merger of Canopy Finance Limited with Purple Finance Limited (hereinafter collectively referred to as "Companies").

The cut-off date for the valuation exercise has been considered as 30th September 2022 ("Relevant Date", "Valuation date"). A summary of the analysis is presented in the accompanying report, as well as description, methodology and procedure we used and the factors we considered in formulating our opinion.

We believe that our report should be considered in whole, and the selective reading of the report may not give proper picture and may be misleading.

The report should be read in conjunction of this letter.

Thanking you.


Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)



Place: Mumbai
Date: 14/11/2022

UDIN:

22119158BDC&DE6063

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1. Purpose of Valuation.

During the financial year 22-23, we refer to our Engagement Letter dated 05.10.2022 and as informed by the managements of Purple Finance Limited and Canopy Finance Limited are considering a merger proposal of Canopy Finance Limited with Purple Finance Limited, (hereinafter referred to as "Amalgamation" or "Merger") pursuant to Section 230 to 232 of the Companies Act, 2013 (including statutory modifications or re-enactments thereof) for the time being in force, (hereinafter referred to as "Scheme"). Subject to necessary approvals, the merger of Canopy Finance Limited with Purple Finance Limited will be with effect from the Appointed Date of as may be approved by Hon'ble National Company Law Tribunal, Mumbai Bench. Further, as consideration for the proposed merger under Part III of the Scheme, equity shares of the Transferee Company would be issued to the equity shareholders of Transferor Company respectively.

In this connection, I, Bhavesh M Rathod, Registered Valuer-Securities or Financial Assets, have been appointed to recommend the fair equity share exchange ratio.

2. Background of the Companies

Canopy Finance Limited

Canopy Finance Limited ("CFL") CIN: L65910MH1981PLC380399 having its registered office at 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400 062 was originally incorporated under the name of "Kanisk Udyog Viniyog Limited" under the provisions of the Companies Act, 1956 on June 26, 1981 issued by the Registrar of Companies, West Bengal. Further Kanisk Udyog Viniyog Limited changed its name to "Kartavya Udyog Viniyog Limited" vide Certificate of Incorporation dated May 22, 2014. The name of the Company was further changed to "Canopy Finance Limited" vide Certificate of Incorporation dated May 23, 2016. The present Authorized Share Capital of CFL is Rs. 15,00,00,000/- divided into 1,50,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of CFL is Rs. 10,59,30,010/- divided into 1,05,93,001 Equity Shares of Rs. 10/- each.

CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is inter-alia engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure. They carry out all the objectives of a NBFC Company and is mainly dealing in lending loans and advances and Investment. The Company is a Non-Deposit Taking Company.

Further Details of the Company:

CIN	L65910MH1981PLC380399
Company / LLP Name	CANOPY FINANCE LIMITED
ROC Code	RoC-Mumbai
Registration Number	380399
Company Category	Company limited by Shares
Company Subcategory	Non-govt company



Bhavesh M Rathod

Registered Valuer – Securities or Financial Assets

Class of Company	Public
Authorised Capital (Rs)	150000000
Paid up Capital (Rs)	105930010
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	26/06/1981
Registered Address	301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West Mumbai Mumbai City MH 400052 IN
Email Id	info@canopyfinance.org
Whether Listed or not	Listed
Date of last AGM	30/09/2022
Date of Balance Sheet	31/03/2022

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0006815164	Manisha Agarwal	12/02/2019	Director
BLEPN7655N	Varun Newatia	24/03/2018	CFO(KMP)
0008071741	Varun Newatia	28/09/2018	Director
0008117881	Lalit Kumar Tapadia	21/05/2018	Managing Director
0008766256	Aneish Kumaran Kumar	25/05/2022	Director
AKTPG3956C	Priyanka Agarwal	02/12/2020	Company Secretary

Shareholding Pattern:

Name of Shareholders	Total	% Holding
Saguna Mercantile Private Limited	17,31,495	16.35%
Pranesh Dealmark Private Limited	7,05,475	6.66%
Others	81,56,030	76.99%
Total	1,05,93,000	100.00%

Face value per share is Rs. 10/-

Purple Finance Limited

Purple Finance Limited has been in existence for the last three decades, having been incorporated since 1993. The Company is registered with the Reserve Bank of India as a non-deposit taking NBFC and started limited lending activities in 2013. In 2022, five like-minded professionals came together with the existing founder of Purple Finance, Mr. Amitabh Chaturvedi, to build an MSME-focused, digital-first NBFC, catering to micro and small enterprises with secured business loans. This founding team of six professionals has more than 125 years of cumulative work experience in leadership roles in large and successful financial service organisations before commencing their journey with Purple Finance as founding members.

Company URL: - <https://www.purplefinance.in/>

Private & Confidential

Fair Value Report



Further Details of the Company:

CIN	U67120MH1993PLC075037
Company / LLP Name	PURPLE FINANCE LIMITED
ROC Code	RoC-Mumbai
Registration Number	075037
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	356000000
Paid up Capital (Rs)	230219530
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	09/11/1993
Registered Address	Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgad, Masjid Bunder(West) Mumbai MH 400003 IN
Email Id	mrinalini.sahal@purplefinance.in
Whether listed or not	Unlisted
Date of last AGM	07/06/2022
Date of Balance Sheet	31/03/2022

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0000057441	Amitabh Jitendra Chaturvedi	09/03/2022	Director
0000884844	Satyaprakash Satyanarayan Pathak	15/04/2013	Director
0002879519	Rajeev Deoras	09/03/2022	Director
0005315800	Minal Amitabh Chaturvedi	20/12/2013	Director
ADCPR0428E	Sabyasachi Rath	02/08/2022	CEO(KMP)
0008700427	Sunil Bhalchandra Jomraj	15/02/2020	Additional Director
ACZPC3411E	Sonal Amit Vira	03/10/2022	CFO(KMP)
BPXPN8814E	Ruchi Jitendra Nishar	01/11/2022	Company Secretary

Shareholding Pattern:

Shareholders	No. of Shares	% Holding
Satyaprakash Pathak	17,36,933	7.54%
Ranjana Pathak	51,08,984	22.19%
Amitabh Chaturvedi	66,21,173	28.76%
Asher Foods Pvt. Ltd.	35,48,572	15.41%
Others	60,06,291	26.09%
Total	2,30,21,953	100.00%

Face value per share is Rs. 10/-

3. Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.

No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

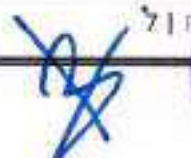
Our work does not constitute an audit or certification of the historical financial statements / prospective results, including the working results of the Companies referred to in this report, and should not be construed as such. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and is as per the agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors, including those impacted by prevailing market trends, in general, and industry. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of, concerning the financial position of both the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review, but have not carried out a due diligence or an audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied upon in this report have been obtained from sources considered by us to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and its consequential impact on the present exercise.

Our report should not be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law, including companies, taxation and capital market related laws, or as regards any legal implications or issues arising from such proposed merger.

This report is prepared only in connection with the proposed merger, exclusively for the use of the Companies and for submission to any regulatory/statutory authority, as may be required under any applicable law.

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Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed merger, as aforesaid, can be done only with our prior permission in writing.

The fee for the engagement and this report is not contingent upon the results reported.

Neither Bhavesh M Rathod, or its employees, nor any of their agents, make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All the aforesaid parties expressly disclaim any and all liability for or based on or relating to any such information contained in the valuation.

4. Approach & Methodology

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of Purple Finance Limited and Canopy Finance Limited are discussed hereunder:

1. Asset Approach:

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach:

Comparable Company Market (CCM) Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early stage company and different business model the problem aggravates further.



Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

In the present case, equity shares of CFL are listed on BSE and CSE, which are widely held, regularly and frequently traded with reasonable volume on the exchange. We have therefore used the market price approach to value the equity shares of CFL.

Equity shares of PFL are not listed on any stock exchange. We have therefore not considered the market price method to determine the fair value of equity shares of PFL.

3. Income Approach:

Discounted Cash Flows – ("DCF")

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows.

Canopy Finance Limited is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were not provided with the financial projections of these Companies by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of CFL.

Purple Finance Limited is a profit-making company and generates surplus cash. Going forward as well, PFL is expected to make profits and generate surplus cash in future. We have therefore used DCF method to determine the fair value of the equity shares of PFL.

Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.



In the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued the Equity Shares of Purple Finance Limited as on 30th September 2022 as per the DCF method for our analysis. For Canopy Finance Limited being a listed Company, we have considered valuation as per regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to arrive at fair value of equity shares.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Refer Annexures for working.

4. Sources of Information

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

Canopy Finance Limited

- Historical Data of Trading Price and Volume traded of the stock on Bombay Stock Exchange.

Further, we have also been informed by the Company that

- 1) The Equity Shares of the Company are listed on The Calcutta Stock Exchange and Bombay Stock Exchange Limited.
- 2) The Equity Shares are frequently traded on Bombay Stock Exchange Limited and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- 3) Historical Data of Trading Price and Volume traded of the stock of Canopy Finance Limited on Bombay Stock Exchange of India Ltd.
- 4) Other relevant details regarding the Companies, such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.

Purple Finance Limited

- a) Details of Shareholding and numbers of Equity Shares as on valuation date of PFL
- b) Projected financial statements of Canopy Finance Limited for period of 5 years from FY23 to FY27
- c) Other relevant details regarding the Companies, such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.



5. Determination of Exchange/Swap Ratio

The share exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transferor company and Transferee company for the proposed scheme of merger based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the recommended share exchange ratio.

To the equity shareholders of CFL:

1 (One) equity share of PFL having face value of INR 10 each fully paid up shall be issued for every 1 (One) equity shares held in CFL having face value of INR 10 each fully paid up.

Issued under my hand

Yours faithfully


Bhavesh M Rathod

Chartered Accountants

M No: 119158

Registered Valuer - Securities or Financial Assets

(Registration No: IBBI/RV/06/2019/10708)

Date: 14/11/2022

Place: Mumbai



UDIN:

22119158BDC&DE6063

6. Annexure 1

Computation of Share Exchange Ratio				
Valuation Approach	PFL (Transferee Company)		CFL (Transferor Company)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
	Asset Approach (**)	0.00	0%	0.00
Income Approach	36.09	100%	0.00	0%
Market Approach (***)	0.00	0%	0.00	0%
Market Price method (*)	0.00	0%	35.73	100%
Fair Value Per Share	36.09		35.73	
Exchange Ratio		0.99		
Exchange Ratio (R/off)		1.00		

Swap Ratio
For every 1 Share of Canopy Finance Limited, 1 Share of Purple Finance Limited will be issued

(*) Canopy Finance Limited being a listed Company & frequently traded on Bombay Stock Exchange, we have considered valuation as per regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to arrive at fair value of equity shares. Hence other approach is not considered.

(**) The Asset Approach is not adopted as this methodology shall not capture the future cash flow of the company.

(***) Under the Income Approach – DCF Method, Fair Value is calculated using Implied Terminal Value ("ITV") under which Discounted Cash Flows method ("DCF") blended with Comparable Companies Method ("CCM") method; for computing Terminal Value. Hence separate Market Approach is not considered.

7. Annexure 2

Canopy Finance Limited

Pricing of frequently traded shares as per Regulation 164 (1) of Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018

Method		In INR
90 trading days' volume weighted average price	A	32.25
10 trading days' volume weighted average price	B	35.73
Higher of A & B	C	35.73

Volume Weighted Average price for 90 trading days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	30-Sep-22	-	-
2	29-Sep-22	-	-
3	28-Sep-22	-	-
4	27-Sep-22	-	-
5	26-Sep-22	12,829	4,66,868
6	23-Sep-22	-	-
7	22-Sep-22	-	-
8	21-Sep-22	-	-
9	20-Sep-22	-	-
10	19-Sep-22	7,271	2,51,293
11	16-Sep-22	-	-
12	15-Sep-22	-	-
13	14-Sep-22	-	-
14	13-Sep-22	-	-
15	12-Sep-22	2,451	81,005
16	09-Sep-22	-	-
17	08-Sep-22	-	-
18	07-Sep-22	-	-
19	06-Sep-22	-	-
20	05-Sep-22	8,119	2,54,298
21	02-Sep-22	-	-
22	01-Sep-22	-	-
23	30-Aug-22	-	-
24	29-Aug-22	2,500	76,500
25	26-Aug-22	-	-
26	25-Aug-22	-	-
27	24-Aug-22	-	-



28	23-Aug-22	-	-
29	22-Aug-22	312	10,651
30	19-Aug-22	-	-
31	18-Aug-22	-	-
32	17-Aug-22	-	-
33	16-Aug-22	-	-
34	12-Aug-22	4,354	1,55,517
35	11-Aug-22	8,797	2,99,110
36	10-Aug-22	1,60,147	51,96,770
37	08-Aug-22	57,950	17,93,474
38	05-Aug-22	2,150	67,688
39	04-Aug-22	-	-
40	03-Aug-22	100	3,020
41	02-Aug-22	282	8,516
42	01-Aug-22	20	600
43	29-Jul-22	-	-
44	28-Jul-22	25	783
45	27-Jul-22	180	5,938
46	26-Jul-22	-	-
47	25-Jul-22	-	-
48	22-Jul-22	-	-
49	21-Jul-22	-	-
50	20-Jul-22	-	-
51	19-Jul-22	5	157
52	18-Jul-22	442	13,765
53	15-Jul-22	-	-
54	14-Jul-22	25	750
55	13-Jul-22	3,080	96,653
56	12-Jul-22	208	6,386
57	11-Jul-22	112	3,183
58	08-Jul-22	-	-
59	07-Jul-22	-	-
60	06-Jul-22	-	-
61	05-Jul-22	-	-
62	04-Jul-22	615	19,391
63	01-Jul-22	-	-
64	30-Jun-22	-	-
65	29-Jun-22	-	-
66	28-Jun-22	-	-
67	27-Jun-22	2,020	55,321
68	24-Jun-22	-	-
69	23-Jun-22	-	-
70	22-Jun-22	-	-
71	21-Jun-22	-	-
72	20-Jun-22	934	26,772
73	17-Jun-22	-	-
74	16-Jun-22	-	-



Bhavesh M Rathod

Registered Valuer – Securities or Financial Assets

75	15-Jun-22	-	-
76	14-Jun-22	-	-
77	13-Jun-22	2,708	78,921
78	10-Jun-22	-	-
79	09-Jun-22	-	-
80	08-Jun-22	-	-
81	07-Jun-22	-	-
82	06-Jun-22	5	139
83	03-Jun-22	-	-
84	02-Jun-22	-	-
85	01-Jun-22	-	-
86	31-May-22	-	-
87	30-May-22	12,705	3,90,146
88	27-May-22	-	-
89	26-May-22	-	-
90	25-May-22	-	-
Total		2,90,346	93,63,615

Total Turnover	93,63,615
Total No. of Shares traded	2,90,346
Volume Weighted Average Price for 90 trading Days	32.25

Volume Weighted Average Price for 10 trading Days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	30-Sep-22	-	-
2	29-Sep-22	-	-
3	28-Sep-22	-	-
4	27-Sep-22	-	-
5	26-Sep-22	12,829	4,66,868
6	23-Sep-22	-	-
7	22-Sep-22	-	-
8	21-Sep-22	-	-
9	20-Sep-22	-	-
10	19-Sep-22	7,271	2,51,293
Total		20,100	7,18,161

Total Turnover	7,18,161
Total No. of Shares traded	20,100
Volume Weighted Average Price for 10 trading Days	35.73



8. Annexure 3

Purple Finance Limited

Discounted Cash Flows

We have been provided with the business projection of the Company for Five years by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFF") based on these financial statements is set out below:

(INR Million)

Number of Months	6	12	12	12	12
Particulars	FY23	FY24	FY25	FY26	FY27
PAT	-3.59	-6.87	-10.69	34.56	88.22
Add: Depreciation	0.86	0.81	0.64	0.51	0.41
Less: Capex	-3.38	0.00	0.00	0.00	0.00
(Increase)/ decrease in working capital	-22.96	-6.73	-52.31	-156.32	-139.22
Free cash flow to firm ("FCFF")	-29.07	-12.79	-62.56	-121.25	-50.59
Net Debt Taken / (Repaid)	-0.24	0.00	0.00	0.00	0.00
Other Non Current Assets	-12.91	-1.99	3.06	-78.03	51.27
Free cash flow to Equity ("FCFE")	-42.22	-14.79	-59.50	-199.28	0.68
Annual factor	0.50	1.00	1.00	1.00	1.00
Discounting period (end year)	0.50	1.50	2.50	3.50	4.50
PV factor	24.29%	0.90	0.72	0.58	0.38
PV of FCFE	-37.85	-10.67	-34.56	-83.12	0.26

PV of FCFE for the horizon period	-175.98	A
Implied Terminal Value	651.07	
PV factor	0.38	
PV of terminal value	244.77	B
Enterprise value	68.79	A+B
Add: Investments	6.55	
Add: Cash & Bank	7.75	
Fair Value of Equity	83.09	
No of Share	2,30,21,953	
Value Per Share (in INR)	36.09	

Assumptions

Cost of Equity	24.29%
Long Term Growth Rate	2.00%
Market Return (Rm)	14.29%

Terminal Value

The Terminal Value has been calculated using the Implied Terminal Value. Discounted Cash Flows method ("DCF") blended with Comparable Companies Method ("CCM") method, for computing Terminal Value of Purple Finance since it is an operating entity and has a robust business model; as this method captures value based on earnings potential of the business

Calculation of Implied Terminal Value

Sl. No.	Name	P/BV
1	Bajaj Finserve Limited	6.74
2	Cholamandalam Investment and Finance Company Limited	5.01
3	L&T Finance Holdings Limited	1.00
4	Shriram City Union Finance Limited	1.17
5	MAS Financial Services Limited	2.22
		3.23
	Less: Size discount	-1.33
		1.90
	Less: Discount for lack of marketability	-0.38
	Selected multiple	1.52
	Book value for terminal year	428.51
	Implied terminal value	651.07

Using these cash flows and a discount rate of **24.29 %**, we estimate the equity value of the Company **Rs. 83.09 Crores**.

Discount Factor

Organisation Specific Discount Rate

- Cost of Equity of 24.29 % is taken as Discounting rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999 to Sep. 30, 2022 is 14.29 %
 - We have considered Premium of 10.00 % towards risk and illiquidity

	Rate	Source
Market Return (Rm)	14.29 %	Return of BSE 500 for the period of Feb 01, 1999, to Sep 30, 2022.
Company Specific Risk	10.00%	Contingency of revenues, projected high-profitability, achievability of projections.

November 15, 2022

MCAPL: MUM: 2022-23: 0131

To,
Purple Finance Limited
Room No. 11, 1st Floor,
Indu Chamber, 349/353,
Samuel Street,
Vadgadi, Masjid Bunder (West),
Mumbai- 400 003

Sub : Fairness Opinion Certificate on the Valuation of Shares in the matter of proposed Scheme of Merger by Absorption ("Scheme") of Canopy Finance Limited ("Transferor Company"/ "CFL") with Purple Finance Limited ("Transferee Company" / "PFL") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Dear Sir/Madam,

The Board of Directors of **Purple Finance Limited** ("Transferee Company" / "PFL") has appointed us for handling certain matters including issuance of Fairness Opinion Certificate on the Share Exchange Ratio recommended by Mr. Bhavesh M Rathod, Registered Valuer having IBBI Registration Number IBBI/RV/06/2019/10708 (hereinafter referred to as "**the Valuer**") for the proposed Scheme of Merger by Absorption ("Scheme") of Canopy Finance Limited ("Transferor Company"/ "CFL") with Purple Finance Limited ("Transferee Company" / "PFL") ("**the Proposed Transaction**").

1. BACKGROUND:

- 1.1 The Board of Directors of both the Companies have considered proposal for Merger by Absorption of CFL with PFL and as a consideration for the Proposed Transaction, equity shareholders of PFL will be issued equity shares of PFL.
- 1.2 In this regard, Mr. Bhavesh M Rathod Registered Valuer having IBBI Registration Number IBBI/RV/06/2019/10708 was appointed to carry out the valuation with a view to recommend an exchange ratio of shares in the event of above-mentioned Merger by Absorption.
- 1.3 We have been appointed by the Board of Directors of **Purple Finance Limited** ("Transferee Company" / "PFL") to give Fairness Opinion on the Share Exchange Ratio recommended by the Valuer.
- 1.4 The Appointed Date of the Scheme is 1st October, 2022 and Effective date is the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai by the Transferor and Transferee Company.
- 1.5 Our scope of work includes commenting only on the fairness of the Share Exchange Ratio recommended by the Valuers from financial point of view and not on the fairness or economic rationale of the Proposed Transaction per se. This opinion does not address any other aspects or implications related to the Proposed Transaction or any other transactions and also does not address the relative merits of the Merger by Absorption as compared to alternative transactions or strategies that might be available.
- 1.6 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013.



Page 1 | 4

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com

2. COMPANY PROFILE:

- 2.1 Canopy Finance Limited ("CFL"), the Transferor Company having CIN: L65910MH1981PLC380399 is having its registered office at 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400 062. The Equity Shares of the Company are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").

CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is inter-alia engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure.

- 2.2 Purple Finance Limited ("PFL"), the Transferee Company having CIN: U67120MH1993PLC075037 is having its registered office at Room No. 11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003. The Equity Shares of PFL are not listed on any Stock Exchanges.

PFL a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number 13.01268 dated July 20, 1999 and is inter-alia currently engaged in the business of offering small secured business loans across India predominantly in tier III & tier IV cities.

3. SOURCE OF INFORMATION

For the purpose of the valuation, we have relied upon the following source of information provided by the management of the CFL and PFL;

- (i) Memorandum and Articles of Association;
- (ii) Audited Financial Statements of half year ended September 30, 2022 along with Independent Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferor Company;
- (iii) Audited Financial Statements of half year ended September 30, 2022 along with Independent Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferee Company;
- (iv) Copy of Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M Rathod Registered Valuer, having IBBI Registration Number IBBI/RV/06/2019/10708 Registered Valuer having IBBI Registration;
- (v) Draft Scheme of Arrangement; and
- (vi) Brief overview and the operations of the companies.
- (vii) Discussion with the Valuer

4. PROCEDURES PERFORMED:

For arriving at the fairness opinion, we have performed the following procedures:

- Analysis of the audited financial statements of the Specified Companies for the year ending March 31, 2020 to March 31, 2022 and Audited Financial Statements of half year ended September 30, 2022;
- Considered Report of the Valuer for recommendation of the Share Exchange Ratio;
- Considered Draft Scheme;
- Considered Equity share capital of the Specified Companies as at the Report date;



- Discussions with the Valuers regarding the valuation approach and methodology adopted, key parameters and seeking relevant clarifications;
- Performed such other analyses and considered such other information and factors that we deemed appropriate.

5. EXCLUSIONS AND LIMITATIONS

- 3.1 Conclusions reached by us are dependent on the information provided to us being complete & accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.
- 3.2 This certificate is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

6. VALUATION METHODOLOGY ADOPTED BY THE VALUER

- 4.1 In arriving at the relative value of the equity shares for the companies in the Merger by Absorption ("Scheme") of Canopy Finance Limited ("Transferor Company"/ "CFL") with Purple Finance Limited ("Transferee Company" / "PFL") and their respective shareholders and creditors the Valuer have determined the values independently and has considered the methods relevant and applicable as mentioned below:

• Canopy Finance Limited

- **Asset Approach :** The Asset Approach is not adopted as this methodology will not capture the future cash flow of the company.
- **Income Approach:** Canopy Finance Limited is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were therefore not used DCF method to determine the fair value of the equity shares of CFL.
- **Market Approach:** Canopy Finance Limited being a listed Company & frequently traded on BSE Limited, hence the valuer has considered valuation a per regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to arrive at fair value of equity shares.

• Purple Finance Limited

- **Asset Approach :** The Asset Approach is not adopted by the Valuer as this methodology will not capture the future cash flow of the company.
- **Income Approach:** Purple Finance Limited is a profit-making company and generates surplus cash. Going forward as well, PFL is expected to make profits and generate surplus cash in future. The Valuer has therefore used DCF method to determine the fair value of the equity shares of PFL. The valuation is done by a IBBI Registered Valuer.
- **Market Approach:** The company is not Listed on any Stock exchange in India, hence this approach is not utilized.

- 4.2 Accordingly, for the purpose of working out of share exchange swap ratio for merger:

- 4.2.1 The Fair Valuation of shares of the Transferor Company i.e. CFL determined on the basis of the above-mentioned methods has arrived at Rs. 35.73/- per equity share.



MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF5379J1ZY

The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
 Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com



4.2.2 The Fair Valuation of shares of the Transferee Company i.e. PFL determined on the basis of above mentioned methods has arrived at Rs. 36.14/- per equity share.

7. CONCLUSION

We have reviewed the methodology as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending a ratio of entitlement/ exchange.

On the basis of the foregoing points, we are of the opinion that the valuation done by Mr. Bhavesh M Rathod Registered Valuer, having IBBI Registration Number IBBI/RV/06/2019/10708 is fair & reasonable for the proposed share exchange ratio (Rounded Off) of 1 (one) equity shares of Face Value of ₹10/- each of PFL for every 1 equity shares of Face Value of ₹10/- each held in CFL.

Thanking you,

For Mark Corporate Advisors Private Limited

A handwritten signature in blue ink, appearing to read 'Rajendra Kanoongo', is written over a horizontal line.

Rajendra Kanoongo
Jt. Managing Director

Place: Mumbai

DCS/AMAL/PB/R37/2807/2023-24

June 27, 2023

The Company Secretary,
Canopy Finance Limited.
 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor,
 Behind Mahindra Gardens, Goregaon West,
 Mumbai, Maharashtra, 400062

Dear Sir,

Sub: Observation letter regarding the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited and their respective Shareholders.

We are in receipt of the Scheme of Merger by Absorption Canopy Finance Limited by Purple Finance Limited and their respective Shareholders as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 26, 2023 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c. "Company shall ensure compliance with the SEBI circulars issued from time to time."
- d. "The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
- e. "Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g. "Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."
- h. "Company is advised that both the Companies shall disclose the following as a part of the Explanatory Statement or Notice or Proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013:
 - Need for the Demerger, Rationale of the Scheme, Synergies of businesses of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme
 - Detailed reason for merging and rationale for merging of Listed entity into unlisted entity
 - Value of Assets and Liabilities of CFL that are being transferred to PFL and Post Merger Balance Sheet of PFL
 - Valuation methods and assumption considered for arriving at Share Swap Ratio

- i. "Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."
- j. "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- k. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- l. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- m. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- n. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Purple Finance Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Purple Finance Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Purple Finance Limited is at the discretion of the Exchange. In addition to the above, the listing of Purple Finance Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Purple Finance Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of Purple Finance Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Purple Finance Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - "There shall be no change in the shareholding pattern of Purple Finance Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

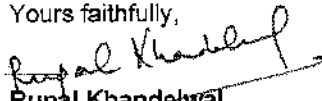
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Rupal Khandelwal
Deputy General Manager


Prasad Bhide
Senior Manager



The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001

Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017

Website : www.cse-india.com, E-mail : cseadm@cse-india.com

Ref.No. CSE/ID/ 15853/2023

CIN: U67120WB1923PLC004707

July 04, 2023

The Company Secretary
CANOPY FINANCE LIMITED
301 Corporate Arena Off,
Aarey Piramal X Road, Behind Mahindra Gardens,
Goregaon.

Dear Sir,

Sub: Observation letter for draft Scheme of Merger of Absorption of Canopy Finance Limited by Purple Finance Limited and their respective shareholders.

We are in receipt of the draft Scheme of Merger by Absorption Canopy Finance Limited by Purple Finance Limited and their respective Shareholders as required under SEBI Circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI vide its letter dated June 26, 2023 has inter alia given the following comment(s) on draft scheme of arrangement:

- Company shall ensure to disclose all the details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approved of the Scheme.
- "Company shall ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall ensure compliance with the SEBI circulars issued from time to time"
- Company shall duly comply with various provisions of the Circulars" and ensure the liabilities of Transferor Company are transferred to the Transferee Company.
- Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridge prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposed accompanying resolution to be passed, which is sent to the shareholders for seeking approval.
- Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.
- Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.
- Company is advised that both the companies shall ensure to disclose th following as a part of explanatory statement or notice or proposal accompanying resolution to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the companies Act 2013.

Need for the Demerger, Rationale of the Scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.

Detailed reason for merging and rationale for merging of Listed entity into unlisted entity.

Value of Assets and Liabilities of CFL that are being transferred to PFL and post Merger Balance sheet of PFL.

Valuation methods and assumption considered for arriving at Share Swap Ratio.

(contd.....p/2)

@

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@sebi.gov.in
CIN: U67120WB1923PLC004707

-2-

- Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be demat form only.
- Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the Scheme document.
- Company shall ensure that no changes to the draft scheme except those mandated by the regulators /authorities / tribunals shall be made without specific written consent of SEBI.
- Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the companies are obliged to bring the observations to the notice to NCLT.
- Company to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued there under including obtaining the consent from the creditors for the proposed scheme.
- It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI /Stock Exchanges. Hence the companies are not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing /de-listing /continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further where applicable in the explanatory statement of the notice to be sent by the company to the shareholders while seeking approval of the scheme it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Purple Finance Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirement of SEBI Circular No.CFD/DIL/3/CIR/2017-21 dated March 10, 2017. Further, Purple Finance Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The company shall fulfill the Exchange's criteria for the listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Purple Finance Limited is at the discretion of the Exchange. In addition to the above, the listing of Purple Finance Limited, pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the company satisfying the following conditions:

1. To submit the information Memorandum containing all the information about Purple Finance Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the web site of the Exchange. Further, the company is also advised to make the same available to the public through its website.

(contd....p/3)

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@se-india.com
CIN: U67120WB1923PLC004707

-3-

2. To publish an advertisement in the newspapers containing all details of Purple Finance Limited in line with the details required as per the aforesaid SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as CSE.
3. To disclose all the material information about Purple Finance Limited on a continuous basis so as to make the same public. in addition to the requirements, if any specified in Listing Agreement for disclosures about the subsidiaries if any.
4. The following provisions shall be incorporated in the scheme:
 - The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - "There shall be no change in the shareholding pattern of Purple Finance Limited between the record date and the listing which may affect the status of this approval."

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (LODR) Regulation, 2015. The validity of this Observation Letter shall be Six Months from the date of this Letter. Within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.

Chandrani
4/7/23
(Chandrani Datta)
Company Secretary.

Kanban
04/7/23

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, Aarey Piramal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

23rd December, 2022

To,
BSE Limited,
Department of Corporate Services
Floor 1, P. J. Towers,
Dalal Street,
Mumbai 400 001

Sub: Submission of "Report on Complaints" in the format as prescribed in Annexure II in SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Canopy Finance Limited ("the Transferor Company"/ "the Company"/ "CFL") by Purple Finance Limited ("the Transferee Company"/ "PFL") as per section 230 to 232 of the Companies Act, 2013.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NA			

For Canopy Finance Limited
Canopy Finance Ltd.


Director/Authorised Signatory

Lalit Kumar Tapadia
Managing Director
DIN: 08117881

Place: Mumbai

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, Aarey Piralal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062Ph: 9867309169/022-67585876
Website: www.canopyfinance.org
Email Id: info@canopyfinance.org23rd December, 2022To,
Listing Department,
Calcutta Stock Exchange Limited,
7, Lyons Range
Kolkata-700001.

CSE Scrip Code: 021114

Sub: Submission of "Report on Complaints" in the format as prescribed in Annexure II in SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021

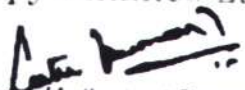
Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Scheme of Merger by Absorption of Canopy Finance Limited ("the Transferor Company"/ "the Company"/ "CFL") by Purple Finance Limited ("the Transferee Company"/ "PFL") as per section 230 to 232 of the Companies Act, 2013.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NA			

For Canopy Finance Limited
Canopy Finance Ltd.

Director/Authorised Signatory
Lalit Kumar Tapadia
Managing Director
DIN: 08117881

Place: Mumbai

CIN: I65910MH1981PLC380399

**Registered Office: 301 Corporate Arena Off, Aarey Piramal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062**

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CANOPY FINANCE LIMITED AT ITS MEETING HELD ON NOVEMBER 15, 2022 AT 301, CORPORATE ARENA OFF, AAREY PIRAMAL X ROAD, BEHIND MAHINDRA GARDENS, GOREGAON (WEST), MUMBAI- 400062 EXPLAINING EFFECT OF THE SCHEME OF MERGER BY ABSORPTION (“SCHEME”) OF CANOPY FINANCE LIMITED (“CFL”/ “TRANSFEROR COMPANY”/ “THE COMPANY”) BY PURPLE FINANCE LIMITED (“PFL”/ “TRANSFEEEE COMPANY”) ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, IF ANY

The proposed Scheme of Merger by Absorption (“Scheme”) of Canopy Finance Limited (“CFL”/ “Transferor Company”/ “the Company”) by Purple Finance Limited (“PFL”/ “Transferee Company”) was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on November 15, 2022.

The provisions of Section 232(2)(c) of the Companies Act, 2013, requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel (“KMP”), Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders along with the notice convening the Meeting.

Having regard to the aforesaid provision, the following documents were placed before the Board of Directors of the Company:

- i. Draft Scheme of Merger by Absorption.
- ii. Valuation Report dated November 14, 2022, issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (“**Registered Valuer**”) in relation to the shares to be issued by the Transferee Company to the Shareholders of the Transferor Company pursuant to the Scheme;
- iii. Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, a SEBI Registered Merchant Banker on the said Valuation Report;
- iv. Certificate issued by M/s. SDG & CO, Chartered Accountants, the Statutory Auditors of the Company, pursuant Part- I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
- v. Report of the Audit Committee dated November 15, 2022 recommending the Scheme to the Board for approval.
- vi. Report of the Independent Directors Committee dated November 15, 2022 recommending the Scheme to the Board for approval.

CANOPY FINANCE LIMITED

CIN: I65910MH1981PLC380399

**Registered Office: 301 Corporate Arena Off, Aarey Piralal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062**

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

Rationale of the Scheme:

The Scheme of Merger by Absorption of CFL by PFL is based on the following rationale:

- CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company (“CFL”) with the Transferee Company (“PFL”).
- Economies of scale will play a bigger role as the consolidated entity’s operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- The combined Net Worth of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
- This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger net worth capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
- The Promoter of CFL and PFL will jointly control PFL.
- There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

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Valuation

As per the Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) has determined the Share Exchange Ratio as 1:1 i.e. i.e., 1 (one) equity share of Rs. 10/- each of PFL will be issued against 1 (one) equity share of the Face value of Rs. 10/- each held by the shareholders of CFL.

Upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL ("New Shares Entitlement Ratio").

Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of the Company:

Disclosure about the effect of the Scheme on the following persons:

Sr. No.	Category	Effect of the Scheme
1.	Shareholders	<p>There is no adverse effect of the Scheme on the Shareholders of CFL. Pursuant to this Scheme, as part of the consideration for merger, PFL will issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL ("New Shares Entitlement Ratio").</p> <p>The New Shares which will be issued and allotted by PFL in terms of this Scheme shall rank pari- passu in all respects with the existing shares of the PFL, including in respect of dividends, if any, that may be declared by the PFL, on or after the Effective Date.</p>
2.	Promoters	<p>There is no adverse effect of the Scheme on the Promoter Shareholders of CFL. The Promoter of CFL and PFL will jointly control PFL.</p>
3.	Non-Promoter Shareholders	<p>There is no adverse effect of the Scheme on the Non-Promoter Shareholders of CFL.</p>
4.	Key Managerial Personnel (KMP) (other than Directors)	<p>There is no Adverse effect of the Scheme on the KMPs (other than Directors) of CFL.</p>
5.	Directors	<p>Pursuant to the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up and hence the existing Directors of CFL will cease to exist.</p>

CANOPY FINANCE LIMITED

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Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

6.	Depositors	CFL does not have any public deposits and accordingly, it does not have any depositors so the question of the scheme having effect on depositor does not arise.
7.	Creditors	CFL has no creditors as on date and therefore, the effect of the Scheme on creditors does not arise.
8.	Debenture Holders	CFL has no outstanding debenture and therefore, the effect of the Scheme on debenture holders does not arise.
9.	Deposit Trustee & Debenture Trustee	CFL does not have any public deposit and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in CFL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise.
10.	Employees of the Company	There is no Adverse effect of the Scheme on the Employees of CFL.

Adoption of the Report by the Directors

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of Board of Directors of Canopy Finance Limited

Canopy Finance Ltd.



Director/Authorised Signatory

Lalit Kumar Tapadia

Managing Director

DIN: 08117881

Place: Mumbai

Date: 15th November, 2022



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PURPLE FINANCE LIMITED AT ITS MEETING HELD ON NOVEMBER 15, 2022 AT ROOM NO.11, 1ST FLOOR, INDU CHAMBER 349/353, SAMUEL STREET, VADGADI, MASJID BUNDER(WEST) MUMBAI – 400 003 EXPLAINING EFFECT OF THE SCHEME OF MERGER BY ABSORPTION (“SCHEME”) OF CANOPY FINANCE LIMITED (“CFL”/ “TRANSFEROR COMPANY”) BY PURPLE FINANCE LIMITED (“PFL”/ “TRANSFeree COMPANY”/ “THE COMPANY”) ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, IF ANY

The proposed Scheme of Merger by Absorption (“Scheme”) of Canopy Finance Limited (“CFL”/ “Transferor Company”) by Purple Finance Limited (“PFL”/ “Transferee Company” / “the Company”) was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on November 15, 2022.

The provisions of Section 232(2)(c) of the Companies Act, 2013, requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel (“KMP”), Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders along with the notice convening the Meeting.

Having regard to the aforesaid provision, the following documents were placed before the Board of Directors of the Company:

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- iii. Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, a SEBI Registered Merchant Banker on the said Valuation Report;
- iv. Certificate issued by M/s. Vasant Agre & Associates, Chartered Accountants, the Statutory Auditors of the Transferee Company, pursuant to Part- I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;

Rationale of the Scheme:

The Scheme of Merger by Absorption of CFL by PFL is based on the following rationale:

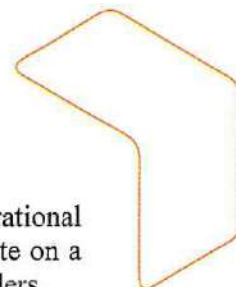
- CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company (“CFL”) with the Transferee Company (“PFL”).

Purple Finance Limited

Registered Office: 11, Indu Chambers, 349/353, Samuel Street, Masjid Bunder West, Mumbai - 400003

Corporate Office: 705/706, 7th Floor Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru nanak Hospital, Bandra (E), Mumbai - 400051

Tel. no.: +91-226916 5100 | www.purplefinance.in | CIN NO. U67120MH1993PLC075037



- Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- The combined Networth of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
- This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger network capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
- The Promoter of CFL and PFL will jointly control PFL.
- There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

Valuation

As per the Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) has determined the Share Exchange Ratio as 1:1 i.e. i.e., 1 (one) equity share of Rs. 10/- each of PFL will be issued against 1 (one) equity share of the Face value of Rs. 10/- each held by the shareholders of CFL.

Upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs

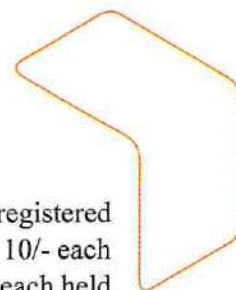
Purple Finance Limited

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Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the “New Shares”) to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL (“New Shares Entitlement Ratio”).

Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of the Company:

Disclosure about the effect of the Scheme on the following persons:

Sr. No.	Category	Effect of the Scheme
1.	Shareholders	There is no adverse effect of the Scheme on the Shareholders of PFL. Pursuant to this Scheme, as part of the consideration for merger, PFL will issue and allot in aggregate 1,05,93,001 (One Crore Five Lacs Ninety-Three Thousand and One) Equity Shares of Rs. 10/- each (the “New Shares”) to the registered fully paid-up equity shareholders of CFL in the ratio of 1:1 i.e., 1 (one) equity share of Rs. 10/- each credited as fully paid up in PFL for every 1 (one) equity share of the Face value of Rs. 10/- each held by them in CFL (“New Shares Entitlement Ratio”). The New Shares which will be issued and allotted by PFL in terms of this Scheme shall rank pari- passu in all respects with the existing shares of the PFL, including in respect of dividends, if any, that may be declared by the PFL, on or after the Effective Date.
2.	Promoters	There is no adverse effect of the Scheme on the Promoter Shareholders of PFL. The Promoter of CFL and PFL will jointly control PFL.
3.	Non-Promoter Shareholders	There is no adverse effect of the Scheme on the Non-Promoter Shareholders of PFL.
4.	Key Managerial Personnel (KMP) (other than Directors)	There is no Adverse effect of the Scheme on the KMPs (other than Directors) of PFL.
5.	Directors	There is no Adverse effect of the Scheme on the Directors of PFL.
6.	Depositors	PFL does not have any public deposits and accordingly, it does not have any depositors so the question of the scheme having effect on depositor does not arise.
7.	Creditors	There is no adverse effect of the Scheme on the Creditors of PFL.
8.	Debenture Holders	PFL has no outstanding debenture and therefore, the effect of the Scheme on debenture holders does not arise.
9.	Deposit Trustee & Debenture Trustee	PFL does not have any public deposit and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise.

Purple Finance Limited

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		Further, there are no debenture holders or debenture trustee in PFL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise.
10.	Employees of the Company	There is no Adverse effect of the Scheme on the Employees of PFL.

Adoption of the Report by the Directors

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

**For and on behalf of Board of Directors of
Purple Finance Limited**

RAJEEV DEORAS
Executive Director

DIN: 02879519

Place: Mumbai

Date: 15th November, 2022



Purple Finance Limited

Registered Office: 11, Indu Chambers, 349/353, Samuel Street, Masjid Bunder West, Mumbai - 400003

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ABRIDGED PROSPECTUS

This Abridged Prospectus discloses applicable information of the unlisted entity i.e., Purple Finance Limited in compliance with Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 and SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") including amendments thereof.

THIS ABRIDGED PROSPECTUS CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

PURPLE FINANCE LIMITED
CIN: U67120MH1993PLC075037

Registered Office: Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West) Mumbai – 400003, Maharashtra **Corporate Office:** 705/706, 7th Floor, Hallmark Business Plaza, Opposite Gurunanak Hospital, Bandra (East) Mumbai- 400051 **Tel No.:** 022-69165120 **Website:** www.purplefinance.in **Email id:** compliance@purplefinance.in **Contact Person:** Ms. Mrinalini Sahai, Head – Legal & Compliance

This Document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular and sets out the disclosures in the abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable. Canopy Finance Limited (hereinafter referred to as "the Transferor Company" or "CFL") is listed on BSE Limited ("BSE") and Calcutta Stock Exchange Limited ("CSE") (hereinafter referred to as "Stock Exchanges"). Pursuant to the Scheme of Merger by Absorption of CFL by Purple Finance Limited (hereinafter referred to as "the Issuer Company" or "the Transferee Company" or "PFL"), PFL shall issue 1,05,93,001 new Equity Shares of Rs. 10/- each to the existing shareholders of CFL. The new Equity Shares so issued by PFL will be listed on BSE and CSE (on which the existing Equity Shares of CFL is listed) under Regulation 19 (2) (b) of the Securities Contract (Regulation) rules, 1957, as amended. The requirements with respect to General Information Document are not applicable and this abridged prospectus should be read accordingly.

You may download this Abridged Prospectus, alongwith the Scheme and the Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M. Rathod, Registered Valuer- Securities or Financial Assets and Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, Merchant Banker, from the website of PFL i.e. www.purplefinance.in and the website of BSE i.e. www.bseindia.com and CSE i.e. www.cse-india.com

PROMOTERS OF TRANSFEREE COMPANY

Mr. Amitabh Chaturvedi, Mrs. Minal Chaturvedi, Mr. Abhishek Chaturvedi and Asher Foods Private Limited.

SCHEME AND LISTING DETAILS

This is the Scheme of Merger by Absorption of Canopy Finance Limited (hereinafter referred to as "the Transferor Company" or "CFL") by Purple Finance Limited (hereinafter referred to as "the Transferee Company" or "PFL") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Pursuant to the Scheme of Merger, PFL shall issue 1,05,93,001 new Equity Shares of Rs. 10/- each to the existing shareholders of CFL. The New Equity Shares issued by PFL are proposed to be listed on BSE and CSE. Accordingly, PFL will be listed on BSE and CSE. The Promoter of CFL and PFL will jointly control PFL. Upon the Scheme coming into effect, CFL shall be dissolved without winding up. The name of CFL shall be struck off from the records of the Registrar of Companies, Mumbai and PFL shall make necessary filings in this regard. The details with respect to the meeting of the shareholders through Video Conferencing (VC)/Other Audio Visual Means (OAVM) {only through remote e-Voting} of CFL as convened in accordance with sections 230 to 232 of the Companies Act, 2013 and e-Voting required as per the SEBI Circular and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the Scheme would be placed



ABRIDGED PROSPECTUS

before the shareholders, will be published in the newspapers as may be directed by the Hon'ble National Company Law Tribunal ("NCLT"), Bench at Mumbai.

NAME OF THE STATUTORY AUDITOR

M/s. Jogin Raval and Associates, Chartered Accountants (FRN: 128586W and Membership no. 122197)

DETAILS OF PROMOTERS OF TRANSFEREE COMPANY

1. **Mr. Amitabh Chaturvedi** (PAN: ACIPC1660L) aged 55 years, is a Chartered Accountant by qualification and has over 30 years of proven experience in the BFSI domain with strategic expertise in Banking, Asset Management, Insurance, Lending and Wealth Management functions.
2. **Mr. Abhishek Chaturvedi** (PAN: AUYP3551A) aged 29 years, a Finance graduate from Regent's University London, is the Founder of Merito, a data analytics platform for ecommerce brands. Prior to founding Merito, he had a career in finance. He spent 4 years at ICICI Bank in Dubai, as part of the corporate banking team where he managed a portfolio consisting of some of the largest corporate houses in the Middle East.
3. **Mrs. Minal Chaturvedi** (PAN: AGBPC4012B) aged 58 years, is a Commerce graduate from Mumbai University and has 10 years' experience in the corporate lending and syndication. In her previous role as Executive Director at Purple Finance, she was responsible for business development. Currently she serves as a Non-Executive Director on Purple Finance's board. Minal is also a yoga practitioner, who holds several certifications in therapeutic yoga.
4. **Asher Foods Private Limited ("AFPL")** (PAN: AADCA3246L) was incorporated on 12th November, 2001. The registered Office of AFPL is situated at Room No.11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West) Mumbai – 400003, Maharashtra. AFPL is engaged in the business of Food packaging. The Promoter of AFPL is Mr. Amitabh Chaturvedi.

Other than above, the following persons/ entities belong to Promoter Group of the Company:

Ranjana Pathak, Satyaprakash Pathak, Anil Kumar, M.K. Investment Consultancy Private Limited, Ashray Charitable Trust, Rajeev Deoras, Sabyasachi Rath, Sonal Vira, Souvik Dasgupta, Mrinalini Sahai, Tomorrow Capital Enterprises Private Limited, Surendra Sodhi, Debashish Mishra, Sunil Mittal, Dilip Kumar Mittal, Rushabh Shah, Swati Mahapatra, Ashis Mohanty, Venugopalan Swaminathan, Raoul Kapoor and Capt. Ajit Sharma & Sangeeta Sharma.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

PFL having CIN: U67120MH1993PLC075037, was originally incorporated as a Private Limited Company under the name of "Devipura Balaji Securities & Investments Private Limited" under the provisions of the Companies Act, 1956 on November 09, 1993 issued by the Registrar of Companies, Mumbai, Maharashtra. The Company was subsequently converted into Public Limited Company as "Devipura Balaji Securities & Investments Limited" vide fresh Certificate of Incorporation dated July 25, 1998. Devipura Balaji Securities & Investments Limited acquired K K Financial Services Private Limited on September 13, 2013 to commence/carry on the business of non-banking financial institution without accepting deposits. The Company received the certificate of registration from Reserve Bank of India ("RBI") dated July 20, 1999 having Registration no. 13.01268. Pursuant to the aforesaid acquisition, the company applied for name change to Registrar of Companies, Mumbai and received a fresh Certificate of Incorporation for name change to Purple Finance Limited dated November 26, 2013. The Company also received an approval from RBI for name change for name change to Purple Finance Limited with effect from January 06, 2014. PFL ventured into retail MSME secured lending in October 2022 and operates in tier II, III & tier IV cities, offering loans to micro entrepreneurs of ₹3 lakh to ₹20 lakh. PFL leverages technology to make its processes more efficient. It has built a robust tech platform for underwriting that enables seamless and paperless loan approvals. PFL has opened 13 branches has empowered more than 500 lives through best of technology adoption and giving them access to affordable, adequate and timely credit. PFL started its lending operation in a record time of less than three months. In an era where MSMEs are the backbone of our economy, PFL's role as a lending company has never



ABRIDGED PROSPECTUS

been more critical. PFL has not only provided financial support but also served as a guiding force for a number of small entrepreneurs, helping them turn their dreams into thriving businesses. PFL intends to become a new age digital NBFC *inter-alia* currently engaged in the business of offering small size secured business loans across India predominantly in tier II, III & tier IV cities. PFL with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

BOARD OF THE DIRECTORS					
Sr. No.	Name	Designation (Independent/ Whole Time/ Executive/ Nominee)	Address	Experience	Directorship held in other companies
1.	Mr. Amitabh Chaturvedi	Executive Director	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.	He has over 30 years of proven experience in the BFSI domain with strategic expertise in Banking, Asset Management, Insurance, Lending and Wealth Management functions.	NIL
2.	Mr. Rajeev Deoras	Executive Director	1906, Rustomjee Seasons, D Wing, Nanasaheb Dharmadhikari Road, Bandra East, Mumbai-400051.	He has 37 years of experience in building corporate banking, credit, risk and private equity functions. He has held senior leadership roles in SBI, ICICI Bank, Kotak Mahindra Bank, Dhanlaxmi Bank, ADCB and Essel Finance. He has set up banking franchises and enterprise risk management practices.	1. Fino Paytech Limited
3.	Mrs. Minal Chaturvedi	Non-Executive Director	Flat No-2904, Sumer Trinity Tower No-2/B, New Prabhadevi Road, Mumbai-400025.	She has 15 years' experience in the corporate lending and syndication. She was earlier responsible for business development. She's a commerce graduate from Mumbai University. Apart from this, Minal is also renowned yoga practitioner, who holds several certifications in therapeutic yoga.	1. Jigsaw Financial Technology Private Limited
4.	Mr. Satyaprakash Pathak	Non-Executive Director	1103, B Wing, Sonam Heights, Phase XV, New Golden Nest, Bhayander East,	He is a finance graduate having more than 30 years of working experience in the finance & tax advisory domain.	1. Flomic Global Logistics Limited



ABRIDGED PROSPECTUS

			Thane-401105	He is also one of our co-founders along with Mr. Amitabh Chaturvedi and has been on the Board of Purple Finance since 2013. He oversees the finance, compliance and accounting functions at Purple.	
5.	Mr. Ajay Kumar Pandey	Independent Director	1402, Glendale, Hiranandani Gardens, Powai, Mumbai-400076.	He has over 35 years of versatile senior management experience in Information Technology, Power, Energy and Infrastructure sectors across developed and developing markets in USA, Africa and Asia. He has expertise in the functional areas viz. Business Leadership, Strategy, Telecoms, Power & Infrastructure and Urban Planning.	1. Nelco Limited 2. Nelco Network Products Limited
6	Ms. Sumeet Sandhu	Independent Director	528 F, Block F, Shaheed Bhagat Singh Nagar, Model Town (Ludhiana), Ludhiana-141002, Punjab.	She has over 22 years of experience across Investments & Insurance, in the financial industry and has launched new segments, products and channels as well as set up new businesses from ground up to build market share and create value. She has worked across India and UAE with organizations such as Finbuddys, Abu Dhabi Islamic Bank, Barclays, Mashreq, and HDFC Bank.	NIL

OBJECTS OF THE ISSUE NOT APPLICABLE

SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre- Merger		Post- Merger	
		No. Shares held	%	No. Shares held	%
1.	Promoter/ Promoter Group	2,20,21,935	95.66	2,42,20,096	72.05



ABRIDGED PROSPECTUS

2.	Public	10,00,018	4.34	93,94,858	27.95
	Total	2,30,21,953	100.00	3,36,14,954	100.00

RESTATED AUDITED FINANCIALS

Particulars	(Rupees in Lacs.)			
	Latest Stub Period 30.06.2023	For F.Y. ended 31.03.2023	For F.Y. ended 31.03.2022	For F.Y. ended 31.03.2021
Total Income from Operations (Net)	63.20	136.76	-173.95	138.86
Net Profit/ (Loss) Before Tax and Extraordinary Items	-240.83	-704.05	-614.20	23.37
Net Profit/ (Loss) After Tax and Extraordinary Items	-240.90	-706.48	-618.40	20.95
Equity Share Capital	2302.20	2302.20	2053.86	385.10
Reserves & Surplus	-856.12	-621.43	-441.06	1846.10
Net Worth	1444.62	1679.18	1608.35	2226.58
Basic earnings per share (Rs.)	-1.05	-3.19	-15.51	0.54
Diluted earnings per share (Rs.)	-1.05	-3.19	-15.51	0.54
Return on Net Worth (%)	-16.66%	-42.03%	-38.34%	0.94%
Net Assets Value per share (Rs.)	6.28	7.30	7.85	57.94

Note: The above financials are audited by M/s. Jogin Raval & Associates, Chartered Accountants, FRN:128586W, Peer Review Certified Auditor.

INTERNAL RISK FACTORS

- Credit Risk:** Credit risk is the risk of loss resulting from the failure of a borrower to honour its financial or contractual obligations. The Company has robust underwriting processes to minimize the credit risk. Further, the Portfolio is across segment with a low average ticket size of approximately 6 lac which reduces the credit concentration and mitigates the risk.
- Market Risk:** Market is the risk of loss from changes in the market prices and rates including interest rates, equity prices, foreign exchange rates, property rates, etc. PFL is predominantly exposed to interest rate risk and property rate risk. PFL has interest rate policy approved by the Board and is monitored by the Asset Liability Committee to monitor and contain this risk. PFL Credit Policy prescribes a loan to value (LTV) for different types of properties. Lower LTV mitigates the fluctuations in the property prices.
- Liquidity Risk:** It is important for the Company that liquid resources are available for growth of the Company. Liquidity Management is thus very important for the Company. The Company has Asset Liability Management Approach approved by the Board and has constituted an Asset Liability Management Committee to manage the liquidity risk by ensuring sufficient liquidity needed for a smooth functioning as well as growth.
- Operation Risk:** Operation is the risk of loss due to inadequate or failed internal processes, people and systems or from external events. We have a dedicated operation function to have robust process



ABRIDGED PROSPECTUS

- guidelines to control through system platforms and monitored through dashboards. Our vendors of loan origination systems and loan management systems have provided robust platforms which they monitor continuously.
5. **Fraud Monitoring and Control:** PFL has robust fraud control and mitigation processes. A risk control unit has been created which helps control in property documents, KYCs of customers. The Company has in place a whistle blower policy as fraud prevention measure.
 6. **Fund Raising:** Capital in the form of debt and equity both are critical to our business. Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the domestic markets including capital markets and international markets affecting the Indian economy including the effect of micro and macroeconomic events and financial conditions or continuing lack of liquidity in the market.

SUMMARY OF OUSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved: **NIL**
- B. Brief details of top 5 material outstanding litigations against the company and amount involved: **NIL**
- C. Regulatory Action, if any- disciplinary action taken by SEBI or Stock Exchanges against the Promoters in last 5 financial years including action, if any. - **NIL**
- D. Brief details of outstanding criminal proceedings against Promoters - **NIL**


ANY OTHER IMPORTANT INFORMATION AS PER THE TRANSFEREE COMPANY

NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India established under Section 3 of Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of Companies Act 2013, Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For Purple Finance Limited


Rajeev Deoras
Executive Director
DIN: 02879519
Place: Mumbai
Date: October 10, 2023





DUE DILIGENCE CERTIFICATE

October 10, 2023

To,
Board of Directors
Purple Finance Limited
Room No. 11, 1st Floor, Indu Chamber 349/353,
Samuel Street, Vadgadi, Masjid Bunder (West),
Mumbai-400 003,
Maharashtra.

Dear Sir(s)/Madam,

Sub : Certificate on adequacy and accuracy of disclosures made in Abridged Prospectus of Purple Finance Limited

Ref : Merger by Absorption of Canopy Finance Limited (hereinafter referred to as "**Transferor Company**" or "**CFL**") by Purple Finance Limited (hereinafter referred to as "**Transferee Company**" or "**PFL**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

- 1) We, Mark Corporate Advisors Private Limited, refer to our engagement letter dated April 14, 2022 inter-alia includes certifying the adequacy and accuracy of disclosure of information pertaining to Merger by Absorption of CFL by PFL with their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
- 2) SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and amendment thereof, if any ("**SEBI Circular**") prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendment thereto ("**SEBI (ICDR) Regulations, 2018**").
- 3) With regard to the Abridged Prospectus as prepared by the PFL, we have examined information, undertakings, certificates, confirmations, documents and explanations provided by the PFL, which will be circulated to the members at the time of seeking their consent to the proposed Scheme of Merger by Absorption of CFL by PFL as a part of explanatory statement to the notice.
- 4) The Abridged Prospectus contains applicable information pertaining to as required in terms of SEBI Circulars which, in our view are adequate and accurate to enable the members to make a well-informed decision on the proposed Scheme of Merger by Absorption of CFL ("**Transferor Company**") by PFL ("**Transferee Company**").

A handwritten signature in blue ink, appearing to be "H. J.", is located at the bottom left of the page.

Page 1 | 2

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAFCM5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3208 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com



Disclaimer and Limitation:

- 1) Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus.
- 2) We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of PFL will trade following the Scheme.
- 3) This certificate is a specific purpose certificate issued in terms of and in compliance with SEBI Circular and hence it should not be used for any other purpose or transaction.
- 4) This certificate is issued on the basis of examination of information and documents provided by PFL and information which is available in the public domain and wherever required, the appropriate representation from PFL has also been obtained.
- 5) We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- 6) We express no opinion whatsoever and make no recommendations at all and accordingly take no responsibility as to whether shareholders/investors should buy, sell or hold any stake in the PFL or any of its related parties.
- 7) Our opinion is not nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Merger with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

For **Mark Corporate Advisors Private Limited**



Rajendra Kanoongo
Jt. Managing Director

Place: Mumbai

CANOPY FINANCE LIMITED				
CIN: L65910MH1981PLC380399				
BALANCE SHEET AS AT 31ST MARCH 2023				
Amount (Rs in '000')				
S/N	Particulars	Note No	As at 31st March, 2023	As at 31st March, 2022
ASSETS				
I	FINANCIAL ASSETS			
(a)	Cash & Cash Equivalents	1	880	220
(b)	Receivables			
	(i) Trade Receivables	2(a)	-	1,229
	(ii) Other Receivables	2(b)	-	3,900
(c)	Loans	3	80,606	43,875
(d)	Investments	4	36,464	25,325
	Total financial assets		1,17,950	73,849
II	NON-FINANCIAL ASSETS			
(a)	Property, Plant and Equipment - Laptop	5	11	29
(b)	Inventories	6	162	215
	Total non-financial assets		172	244
	Total Assets		1,18,122	74,092
LIABILITIES & EQUITY				
I	LIABILITIES			
1	Financial Liabilities			
(a)	Payables			
	(i) Trade Payables	7	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables		-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b)	Other financial liabilities	8	222	42
	Total financial liabilities		222	42
2	Non-Financial Liabilities			
(a)	Provisions	9	625	110
(b)	Deferred Tax liabilities (Net)	10	454	769
	Total non financial liabilities		1,080	879
II	Equity			
(a)	Equity Share capital	11	1,05,930	92,930
(b)	Other Equity	12	10,890	(19,758)
	Total equity		1,16,820	73,172
	Total Liabilities & Equity		1,16,122	74,092

See accompanying notes to the financial statements
The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For SDG & Co.
Chartered Accountants
Firm Registration Number- 137864W

Ajay S Yadav
Partner
Membership no. - 170602
UDIN: 23170602B6

Place:- Mumbai
Dated :- 8th May, 2023



For and on behalf of Board of Directors

Canopy Finance Ltd. Canopy Finance Ltd.

Varun Newatia
Director/Authorised Signatory

Varun Newatia
Director & CFO
DIN: 08071741

Lalit Kumar Tapadia
Director/Authorised Signatory

Lalit Kumar Tapadia
Managing Director
DIN: 08117881

Canopy Finance Ltd.
Priya Bishwakarma

Priya Bishwakarma
Company Secretary
Director/Authorised Signatory

CANOPY FINANCE LIMITED
CIN: L65910MH1981PLC380399
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Amount (Rs in '000')

S/N	Particulars	Note No	As at 31st March, 2023	As at 31st March, 2022
	Revenue from Operations	13		
(i)	Interest Income		4,057	596
(ii)	Dividend Income		241	251
(iii)	Unrealized Net Gain/(Loss) on fair value changes		(1,822)	3,482
(iv)	Sale of Securities		96	24,606
(v)	Others (to be specified)			
	- Professional fees		1,800	
	- Intraday Profit/ Loss		-	394
	- Profit on F & O		26	5,884
	- Long Term Capital Gain		2,909	1,057
	- Short Term Capital Gain		2,696	(1,376)
I	Total Revenue from operations		10,003	34,894
II	Other Income			
III	Total Income (I+II)		10,003	34,894
	Expenses			
	Purchases of Securities	14	-	24,414
	Changes in Inventories of Securities	15	54	574
	Employee Benefits Expenses	16	1,010	2,130
	Depreciation, amortization and impairment	17	18	7
	Others expenses	18	4,063	2,064
IV	Total Expenses		5,154	29,189
V	Profit/(loss) before exceptional items and tax (III - IV)		4,849	5,706
VI	Exceptional items			
VII	Profit/(loss) before tax (V - VI)		4,849	5,706
VIII	Tax Expense:			
	(1) Current Tax		461	-
	(2) Deferred Tax		(315)	615
	(3) Provision for Standard Assets		55	(4)
IX	Profit/(loss) for the period from continuing operations(VII-VIII)		4,649	5,095
X	Profit/(loss) from discontinued operations			
XI	Tax Expense of discontinued operations			
XII	Profit/(loss) from discontinued operations(After tax) (X-XI)			
XIII	Profit/(loss) for the period (IX+XII)		4,649	5,095
XIV	Appropriation			
	Transfer to NBFC Reserve		930	1,019
XV	Profit/(loss) for the period (XIII-XIV)		3,719	4,076
XVI	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
XVII	Total Comprehensive Income for the year (XV+XVI)		3,719	4,076
XVIII	Earnings per equity share (Face value of Rs 10 per share)			
	Basic (Rs.)		0.35	0.44
	Diluted (Rs.)		0.35	0.44

See accompanying notes to the financial statements
The Notes referred to above form an integral part of the Statement of Profit and Loss.
This is the Statement of Profit and Loss referred to in our report of even date.

For SDG & Co.
Chartered Accountants
Firm Registration Number- 137864W

Ajay S Yadav
Partner
Membership no. - 170602
UDIN: 23170602B6V8GA97
Place:- Mumbai
Dated :- 08th May, 2023



For and on behalf of Board of Directors
Canopy Finance Ltd. Canopy Finance Ltd.

Varun Newatia
Director/Authorised Signatory
Lalit Kumar Tapadia
Managing Director/Authorised Signatory
DIN: 08071741 DIN: 08117881

Canopy Finance Ltd.
Prity Bishwakarma
Company Secretary
Director/Authorised Signatory

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

Particulars	Amount (Rs in '000')	
	As at 31st March, 2023	As at 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	4,849	5,706
<u>Adjustment for:</u>		
(a) Depreciation	18	7
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,867	5,713
<u>Adjustment for:</u>		
(a) Trade Receivables	1,229	980
(b) Other Receivables	3,000	(950)
(c) Inventories	54	574
(d) Other Financial Liabilities	180	(3,538)
(e) Other Non-Financial Liabilities	-	-
(f) Trade Payables	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	4,462	(2,934)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
Extraordinary Items Prior Period		
(a) Prior period Expenses/Income	-	-
(b) Income Tax/Deferred Tax	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	9,330	2,779
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Sale of Investments	(10,939)	(5,036)
(b) Purchase of Fixed Assets	-	(36)
NET CASH FLOW IN INVESTING ACTIVITIES	(10,939)	(5,072)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceeds from issue of share capital (including share premium)	39,000	-
(b) Increase in Loans	(36,731)	1,753
(c) Increase in Borrowings	-	-
NET CASH FLOW IN FINANCING ACTIVITIES	2,269	1,753
Net Increase (Decrease) in Cash (A + B + C)	660	(540)
Opening Balance of Cash & Cash Equivalents	220	760
Closing Balance of Cash & Cash Equivalents	880	220
	As at 31st March, 2023	As at 31st March 2022
Components of cash & cash equivalents:		
Cash & cash equivalents at the end of the year		
(a) Cash in hand	396	93
(b) Balances with Bank (Current account)	484	127

EXPLANATIONS

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
- Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.

For SDG & Co.
Chartered Accountants,
Firm Registration Number- 137864W

Ajay S Yadav
Partner
Membership no. - 170602
UDIN: 23170602BGVQm1770

Place: Mumbai
Dated :- 8th May, 2023



For and on behalf of Board of Directors
Canopy Finance Ltd. **Canopy Finance Ltd.**

Varun Newatia
Director/Authorised Signatory
Director & CFO
DIN: 08071741

Lalit Kumar Tapadia
Director/Authorised Signatory
Managing Director
DIN: 08117881

Canopy Finance Ltd.

Prity Bishwakarma
Director/Authorised Signatory
Company Secretary

PURPLE FINANCE LIMITED
[CIN No. U67120MH1993PLC075037]
Balance Sheet as at 31st March, 2023

(Rupees in '000)

Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,30,219.53	2,05,386.19
(b) Reserves and Surplus	3	-62,143.36	-44,106.15
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,886.47	2,692.26
(b) Long-term provisions	5	745.03	0.00
(3) Current liabilities			
(a) Short-term borrowings	6	1,077.90	1,269.89
(b) Other current liabilities	7	6,657.07	5,538.00
(c) Short-term provisions	8	340.64	190.07
TOTAL		1,78,783.28	1,70,970.25
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipments and Intangible assets			
(i) Property, Plant and Equipment	9	8,534.79	7,660.35
(ii) Intangible assets	10	14,480.05	0.00
(b) Non-current investments	11	13,492.68	22,743.20
(c) Deferred tax assets (net)		151.77	445.21
(d) Loans and advances - Financing Activity	12	33,985.36	4,778.86
(e) Other non-current assets	13	3,998.75	1,150.54
(2) Current assets			
(a) Current Investments	14	20,095.86	61,369.35
(b) Cash and cash equivalents	15	45,514.43	389.23
(c) Loans and advances - Financing Activity	12	31,729.46	64,073.51
(d) Other current assets	16	6,800.13	8,360.00
TOTAL		1,78,783.28	1,70,970.25

NOTES ON ACCOUNTS &
SIGNIFICANT ACCOUNTING POLICIES

1 & 23

AS PER OUR REPORT ATTACHED

FOR VASANT AGRE AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN Registration No: 116453W

[VASANT B. AGRE]
Membership No. 04344
PROPRIETOR
Mumbai, 20th April, 2023
UDIN : 23043447BGXIMR7116



[SONAL VIRA]
CHIEF FINANCIAL OFFICER

FOR PURPLE FINANCE LIMITED

[RAJEEV DEORAS]
DIN No. 02879519
DIRECTOR

[SABYASACHI RATH]
CHIEF EXECUTIVE OFFICER

[AMITABH CHATURVEDI]
DIN No. 00057441
DIRECTOR

[RUCHI NISHAR]
COMPANY SECRETARY
Membership No. A68260
Mumbai, 20th April, 2023



PURPLE FINANCE LIMITED
[CIN No. U67120MH1993PLC075037]
Profit and Loss Statement for the year ended 31st March, 2023

(Rupees in '000)

Particulars	Note No.	Current Year	Previous Year
I. Revenue from operations			
[a] Interest Income		10,760.37	9,050.08
[b] Other Operating Income		1,674.46	0.00
II. Other income	17	1,241.55	-26,445.44
III. Total Income (I + II)		13,676.39	-17,395.36
IV. Expenses:			
Employee benefits expenses	18	49,764.93	9,422.13
Depreciation and amortization expense	19	2,708.71	1,469.30
Finance costs	20	276.43	501.07
Other expenses	21	23,158.52	9,714.20
Provisions and Contingencies	22	8,172.47	22,918.26
Total Expenses		84,081.05	44,024.96
V. Profit before exceptional and extraordinary items and tax (III-IV)		-70,404.66	-61,420.33
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-70,404.66	-61,420.33
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		-70,404.66	-61,420.33
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax expense		293.44	16.93
Excess /(Short) Provision For Income Tax		-50.45	403.00
XI. Profit / (Loss) for the year from continuing operations (VII-VIII)		-70,647.66	-61,840.26
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (X - XI)		-	-
XV. Profit/(Loss) for the year (IX + XII)		-70,647.66	-61,840.26
XVI. Earning per equity share:			
Basic & Diluted		(3.19)	(3.01)

NOTES ON ACCOUNTS &
SIGNIFICANT ACCOUNTING POLICIES

1 & 23

AS PER OUR REPORT ATTACHED

FOR VASANT AGRE AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN Registration No. 116453W

[VASANT B. AGRE]
Membership No. 043447
PROPRIETOR
Mumbai, 20th April, 2023
UDIN : 23043447BGXIMR7116



[SONAL VIRA]
CHIEF FINANCIAL OFFICER

FOR PURPLE FINANCE LIMITED

[RAJEEV DEORAS] [AMITABH CHATURVEDI]
DIN No. 02879519 DIN No. 00057441
DIRECTOR DIRECTOR

[SABYASACHI RATH]
CHIEF EXECUTIVE OFFICER

[RUCHI NISHAR]
COMPANY SECRETARY
Membership No. A68260
Mumbai, 20th April, 2023



PURPLE FINANCE LIMITED

[CIN No. U67120MH1993PLC075037]

Cash Flow Statement for the year ended 31st March, 2023

(Rupees in '000)

Particulars	Year ended 31 st March, 2023		Year ended 31 st March, 2022	
A CASH FLOWS FROM OPERATING ACTIVITIES :				
Net profit before taxation		-70,404.66		-61,420.33
Adjustments for:				
Depreciation and amortisation for the year	2,708.71		1,469.30	
Provision on Standard & Substandard Assets	8,172.47		22,918.26	
Provision for Gratuity	921.38		-	
Expense on Employee Stock Option Scheme (ESOP)	2,493.76		-	
Dividend income	-608.63		-427.49	
(Profit)/ loss on sale of investments	-941.45		26,872.93	
		12,746.23		50,833.01
Operating Profit Before Working Capital Changes		-57,658.43		-10,587.32
Changes in Working Capital				
(Increase)/ Decrease in current assets	1,742.03		-1,371.09	
Increase/(Decrease) in current liabilities and provisions	1,119.07		4,956.30	
		2,861.10		3,585.21
Cash Generated from Operations		-54,797.33		-7,002.11
Income Taxes Paid (Net of Refunds)	157.64		-928.15	
		157.64		-928.15
Net Cash from Operating Activities	[A]	-54,639.69	[A]	-7,930.26
B CASH FLOWS FROM INVESTING ACTIVITIES :				
Additions to PPE and Intangibles assets	-18,063.20		-213.91	
Sale / (Purchase) of investments	50,524.01		61,674.01	
Payment of Dividend on Equity Shares	0.00		-1,167.13	
Dividend Income	608.63		427.49	
Provision for diminution in value of investments	-8,198.25		-22,894.74	
Net profit / (loss) on sale of investments	941.45		-26,872.93	
		25,812.65		10,952.80
Net Cash from/(used in) Investing Activities	[B]	25,812.65	[B]	10,952.80
C CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds from issue of share capital	74,950.02		0.00	
Payment of long-term borrowings	-805.78		-1,960.58	
Payment of Short-term borrowings	-191.99		-1,337.11	
		73,952.25		-3,297.69
Net Cash Used in Financing Activities	[C]	73,952.25	[C]	-3,297.69
Net Increase / (Decrease) in Cash and Cash Equivalents	[A+B+C]	45,125.21	[A+B+C]	-275.16



PURPLE FINANCE LIMITED

[CIN No. U67120MH1993PLC075037]

Cash Flow Statement for the year ended 31st March, 2023

(Rupees in '000)

Particulars	Year ended		Year ended	
	31 st March, 2023		31 st March, 2022	
Cash and Cash Equivalents at the Beginning of the Year				
Cash and Bank balances		389.23		664.38
Cash and cash equivalents at the end of the year				
Cash and Bank balances		45,514.43		389.23

Notes :

- 1 Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
- 2 Cash and cash equivalents represent cash and bank balances.
- 3 Previous year figures have been regrouped/reclassified wherever applicable.

FOR VASANT AGRE AND ASSOCIATES

CHARTERED ACCOUNTANTS

FRN Registration No: 116453W

[VASANT B. AGRE]

Membership No. 043447

PROPRIETOR

Mumbai, 20th April, 2023

UDIN : 23043447BGXIMR7116



[SONAL VIRA]
CHIEF FINANCIAL OFFICER

FOR PURPLE FINANCE LIMITED

[RAJEEV DEORAS]

DIN No. 02879519

DIRECTOR

[AMITABH CHATURVEDI]

DIN No. 00057441

DIRECTOR



[SABYASACHI RATH]
CHIEF EXECUTIVE OFFICER

[RUCHI NISHAR]
COMPANY SECRETARY
Membership No. A68260
Mumbai, 20th April, 2023

CANOPY FINANCE LIMITED				
Reg Office: 301, Corporate Arena Off, Aarey Piramal X Road, Behind Mahindra Gardens, Mumbai- 400062				
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED AS ON 30th JUNE, 2023				
CIN: L65910MH1981PLC380399				
(Amount in '000' except per share value)				
	Particulars	Quarter ended		Year ended
		30-Jun-23	31-Mar-23	31-Mar-23
		Unaudited	Audited	Unaudited
I	Revenue from operations			
	(a) Interest Income	954	1,037	903
	(b) Dividend	99	39	82
	(c) Sale of Shares	-	(0)	96
	(d) Professional fees	-	1,800	-
	(e) Other Revenues from Operations	-	-	1,800
	- Profit/(Loss) from Future & Options	-	-	26
	- Capital Gain	1,516	(1,133)	2,438
	- Intraday Profit/Loss	-	2,696	-
	- Unrealized Profit/Loss on Investment	1,099	(2,411)	(2,343)
	Total Revenue from operations	3,669	2,028	1,176
II	Other Income	-	-	-
III	Total Income (I+II)	3,669	2,028	1,176
IV	Expenses			
	(a) Purchase of Stock- in-trade	-	-	-
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	(0)	54
	(c) Employee benefits expense	435	205	313
	(d) Depreciation	-	5	-
	(e) Other expenses	684	347	545
	Total Expenses	1,118	557	912
V	Profit/(Loss) from Operations before exceptional items and tax (III-IV)	2,550	1,471	264
VI	Exceptional Items	-	-	-
VII	Profit (loss) before Tax	2,550	1,471	264
VIII	Tax Expenses			
	(a) Current tax	-	369	-
	(b) Deferred tax	189	(216)	(402)
	(c) Provision for Standard Assets	-	(24)	-
	(d) Transfer to Statutory Reserves	-	570	-
	Total tax expenses	189	699	(402)
IX	Profit/(Loss) for the period for continuing operations (VII-VIII)	2,361	772	666
X	Profit/(Loss) from Discontinued Operations	-	-	-
XI	Tax Expenses for Discontinued Operations	-	-	-
XII	Profit/(Loss) from Discontinued Operations after tax (X-XI)	-	-	-
XIII	Profit/ Loss for the period (IX-XII)	2,361	772	666
XIV	Other comprehensive income			
	a i) Items that will not be reclassified to profit or loss	-	-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	b i) Items that will be reclassified to profit or loss	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Total Comprehensive Income for the period comprising of Profit/Loss and Other Comprehensive Income) (XIII-XIV)	2,361	772	666
	Paid-up Equity Share Capital (Face Value Rs:10/- per share)	1,05,930	1,05,930	92,930
	Other equity excluding Revaluation Reserves			10,890
	Earnings Per Share (EPS) (in Rs) (Face value of Rs 10 per share)			
	Basic	0.22	0.07	0.07
	Diluted	0.22	0.07	0.07

Place: Mumbai
Date: 27/07/2023

For Canopy Finance Limited

Canopy Finance Ltd.

Lalit Kumar Tapadia
Director/Authorised Signatory

Lalit Kumar Tapadia
Managing Director
Din No: 08117881

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, AareyPiramal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062

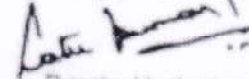
Ph: 9867309169/022-67585876
Website: www.canopyfinance.org
Email Id: info@canopyfinance.org

Notes:

1. The above results have been reviewed by the audit committee and thereafter were approved and taken on record by the Board of Directors at its meeting held on 27th July, 2023.
2. Figures of the Previous Year /Period have been regrouped/ recasted wherever necessary.
3. The Statutory Auditors of the Company have carried a Limited Review Report of the above results for the above period.
4. The above results will be available on Company's website www.canopyfinance.org
5. The Company is primarily engaged in the financing activity and there are no separate reportable segments identified as per the IND AS 108 - segment reporting.
6. Current year provision for taxation will be determined and made at the end of the current year i.e. F.Y.2023-24.

FOR CANOPY FINANCE LIMITED

Canopy Finance Ltd.



Director/Authorised Signatory

Lalit Kumar Tapadia
Managing Director
Din No: 08117881



SDG & CO

Chartered Accountants

Independent Auditor's Review Report On Quarterly Financial Results of the Company

To
The Board of Directors
M/s Canopy Finance Limited
CIN: L65910MH1981PLC380399
301 Corporate Arena Off, Aarey Piramal X Road, 3rd Floor,
Behind Mahindra Gardens, Goregaon West Mumbai- 400062

We have reviewed the accompanying statement of standalone unaudited financial results of **CANOPY FINANCE LIMITED** for the quarter ended as on 30th June, 2023 (“the statement”) attached herewith, being submitted by Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the ‘Listing Regulations’).

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement of principles laid done in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our Responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SDG & Co,
Chartered Accountants,
FRN: 137864W

Ajay Kumar
Shivbalak
Yadav

Digitally signed by Shivbalak Yadav
DN: cn=Shivbalak Yadav, o=SDG & CO,
ou=Chartered Accountants, email=shivbalak.yadav@sdgandco.com,
c=IN

Ajay S Yadav
Partner
Membership No: 170602
Place: Mumbai
Date: 27/07/2023
UDIN: 23170602BGVQIA6109

912, Corporate Annexe, Sonawala Road, Near Udyog Bhawan, Goregaon East, Mumbai – 400063
Landline. No.: +91 22 26856461; E-mail ID: prof.sdgandco@gmail.com; Website: www.sdgco.in

PURPLE FINANCE LIMITED
 [CIN No. U67120MH1993PLC075037]
 Balance Sheet as at 30th June, 2023

(Rupees in '000)

Particulars	Note No.	As at 30 June 2023	As at 31 March 2023
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,30,219.53	2,30,219.53
(b) Reserves and Surplus	3	-85,612.44	-62,143.36
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,603.70	1,886.47
(b) Long-term provisions	5	886.07	745.03
(3) Current liabilities			
(a) Short-term borrowings	6	1,098.96	1,077.90
(b) Other current liabilities	7	5,019.22	6,657.07
(c) Short-term provisions	8	371.47	340.64
TOTAL		1,53,586.51	1,78,783.28
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipments and Intangible assets			
(i) Property, Plant and Equipment	9	9,062.02	8,534.79
(ii) Intangible assets	10	14,123.87	14,480.05
(b) Non-current investments	11	12,881.81	13,492.68
(c) Deferred tax assets (net)		145.35	151.77
(d) Loans and advances - Financing Activity	12	67,242.48	33,985.36
(e) Other non-current assets	13	4,328.18	3,998.75
(2) Current assets			
(a) Current Investments	14	21,555.63	20,095.86
(b) Cash and cash equivalents	15	10,928.12	45,514.43
(c) Loans and advances - Financing Activity	12	7,150.59	31,729.46
(d) Other current assets	16	6,168.46	6,800.13
TOTAL		1,53,586.51	1,78,783.28

NOTES ON ACCOUNTS &
 SIGNIFICANT ACCOUNTING POLICIES

1 & 23

FOR PURPLE FINANCE LIMITED



[AMITABH CHATURVEDI]
 DIN No. 00057441
 DIRECTOR



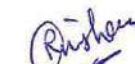
[RAJEEV DEORAS]
 DIN No. 02879519
 DIRECTOR



[SABYASACHI RATH]
 CHIEF EXECUTIVE OFFICER



[SONAL VIRA]
 CHIEF FINANCIAL OFFICER



[RUCHI NISHAR]
 COMPANY SECRETARY
 Membership No. A68260
 Mumbai, 21st September, 2023



PURPLE FINANCE LIMITED
 [CIN No. U67120MH1993PLC075037]
 Profit and Loss Statement for the Quarter ended 30th June 2023

(Rupees in '000)

Particulars	Note No.	Quarter ended '30th June, 2023	Previous Year
I. Revenue from operations			
[a] Interest Income		2,697.73	10,760.37
[b] Other Operating Income		1,387.62	1,674.46
II. Other Income	17	2,234.23	1,241.55
III. Total Income (I + II)		6,319.58	13,676.39
IV. Expenses:			
Employee benefits expenses	18	22,752.90	49,764.93
Depreciation and amortization expense	19	971.79	2,708.71
Finance costs	20	56.07	276.43
Other expenses	21	6,600.61	23,158.52
Provisions and Contingencies	22	21.70	8,172.47
Total Expenses		30,403.07	84,081.05
V. Profit before exceptional and extraordinary items and tax (III-IV)		-24,083.49	-70,404.66
VI. Exceptional items		0.00	0.00
VII. Profit before extraordinary items and tax (V - VI)		-24,083.49	-70,404.66
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		-24,083.49	-70,404.66
X. Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax expense		6.42	293.44
Excess /(Short) Provision For Income Tax		0.00	-50.45
XI. Profit / (Loss) for the Period from continuing operations (VII-VIII)		-24,089.91	-70,647.66
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (after tax) (X - XI)		0.00	0.00
XV. Profit/(Loss) for the Period (IX + XII)		-24,089.91	-70,647.66
XVI. Earning per equity share:			
Basic & Diluted		-1.05	-3.19

NOTES ON ACCOUNTS &
 SIGNIFICANT ACCOUNTING POLICIES

1 & 23

FOR PURPLE FINANCE LIMITED


 [AMITABH CHATURVEDI]
 DIN No. 00057441
 DIRECTOR


 [RAJEEV DEORAS]
 DIN No. 02879519
 DIRECTOR


 [SABYASACHI RATH]
 CHIEF EXECUTIVE OFFICER


 [SONAL VIRA]
 CHIEF FINANCIAL OFFICER


 [RUCHI NISHAR]
 COMPANY SECRETARY
 Membership No. A68260
 Mumbai, 21st September, 2023



PURPLE FINANCE LIMITED

[CIN No. U67120MH1993PLC075037]

Cash Flow Statement for the Quarter ended 30th June 2023

(Rupees in '000)

	Particulars	Quarter ended		Year ended	
		30th June, 2023		31 st March, 2023	
A	CASH FLOWS FROM OPERATING ACTIVITIES :				
	Net profit before taxation		-24,083.49		-70,404.66
	Adjustments for:				
	Depreciation and amortisation for the Period	971.79		2,708.71	
	Provision on Standard & Substandard Assets	21.70		8,172.47	
	Provision for Gratuity	150.18		921.38	
	Expense on Employee Stock Option Scheme (ESOP)	620.84		2,493.76	
	Dividend income	-24.55		-608.63	
	(Profit)/ loss on sale of investments	-2,209.69		-941.45	
			-469.73		12,746.23
	Operating Profit Before Working Capital Changes		-24,553.22		-57,658.43
	Changes in Working Capital				
	(Increase)/ Decrease in current assets	-8,335.58		1,742.03	
	Increase/ (Decrease) in current liabilities and provisions	-1,637.86		1,119.07	
			-9,973.44		2,861.10
	Cash Generated from Operations		-34,526.66		-54,797.33
	Income Taxes Paid (Net of Refunds)	-40.44		157.64	
			-40.44		157.64
	Net Cash from Operating Activities	[A]	-34,567.10	[A]	-54,639.69
B	CASH FLOWS FROM INVESTING ACTIVITIES :				
	Additions to PPE and Intangibles assets	-1,142.83		-18,063.20	
	Sale / (Purchase) of investments	-848.90		50,524.01	
	Dividend Income	24.55		608.63	
	Provision for diminution in value of Investments	0.00		-8,198.25	
	Net profit / (loss) on sale of investments	2,209.69		941.45	
			242.50		25,812.65
	Net Cash from/(used in) Investing Activities	[B]	242.50	[B]	25,812.65
C	CASH FLOWS FROM FINANCING ACTIVITIES :				
	Proceeds from issue of share capital	0.00		74,950.02	
	Payment of long-term borrowings	-282.77		-805.78	
	Payment of Short-term borrowings	21.05		-191.99	
			-261.72		73,952.25
	Net Cash Used in Financing Activities	[C]	-261.72	[C]	73,952.25
	Net Increase / (Decrease) in Cash and Cash Equivalents	[A+B+C]	-34,586.31	[A+B+C]	45,125.21



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PURPLE FINANCE LIMITED

[CIN No. U67120MH1993PLC075037]

Cash Flow Statement for the Quarter ended 30th June 2023

(Rupees in '000)


Particulars	Quarter ended 30th June, 2023		Year ended 31 st March, 2023	
Cash and Cash Equivalents at the Beginning of the Period				
Cash and Bank balances		45,514.43		389.23
Cash and cash equivalents at the end of the Period				
Cash and Bank balances		10,928.12		45,514.43

Notes :

- 1 Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
- 2 Cash and cash equivalents represent cash and bank balances.
- 3 Previous year figures have been regrouped/reclassified wherever applicable.

FOR PURPLE FINANCE LIMITED


[AMITABH CHATURVEDI]
DIN No. 00057441
D I R E C T O R


[SONAL VIRA]
C H I E F F I N A N C I A L O F F I C E R


[RAJEEV DEORAS]
DIN No. 02879519
D I R E C T O R


[RUCHI NISHAR]
C O M P A N Y S E C R E T A R Y
Membership No. A68260
Mumbai, 21st September, 2023


[SABYASACHI RATH]
C H I E F E X E C U T I V E O F F I C E R



CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, Aarey Piramal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

REPORT OF THE AUDIT COMMITTEE OF CANOPY FINANCE LIMITED RECOMMENDING THE SCHEME OF MERGER BY ABSORPTION OF CANOPY FINANCE LIMITED ("THE TRANSFEROR COMPANY"/ "THE COMPANY"/ "CFL") AND PURPLE FINANCE LIMITED ("THE TRANSFEREE COMPANY"/ "PFL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members Present:

Mrs. Manisha Agarwal	Chairman of the Audit Committee
Mr. Anish Kumar Kumar	Member of the Audit Committee
Mr. Varun Newatia	Member of the Audit Committee

In Attendance:

Ms. Priyanka Agarwal	Company Secretary
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1. BACKGROUND

- 1.1. A meeting of the Audit Committee ("Committee") of Canopy Finance Limited was held on November 15, 2022 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Merger by Absorption of Canopy Finance Limited ("the Transferor Company"/ "the Company"/ "CFL") and Purple Finance Limited ("the Transferee Company"/ "PFL") and their respective shareholders and creditors as per section 230 to 232 of the Companies Act, 2013.
- 1.2. Canopy Finance Limited ("CFL"), the Transferor Company having CIN: L65910MH1981PLC380399 is having its registered office at 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400 062. The Equity Shares of the Company are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").
- 1.3. Purple Finance Limited ("PFL"), the Transferee Company having CIN: U67120MH1993PLC075037 is having its registered office at Room No. 11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003. The Equity Shares of PFL are not listed on any Stock Exchanges.
- 1.4. The proposed Scheme provides for Merger by Absorption of Canopy Finance Limited by Purple Finance Limited
- 1.5. The Scheme is subject to receipt of approvals of Board of Directors, shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE Limited ("BSE"), Calcutta Stock Exchange

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

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Goregaon West, Mumbai-400062

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

Limited ("CSE"), Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") and the NCLT, Mumbai.

- 1.6. This report of the Committee is made in order to comply with the requirements the Master circular being circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including amendments thereof ("SEBI Circulars") and after considering the following documents that were placed before the Committee:
- i. The Draft Scheme of Arrangement;
 - ii. Certificate issued by M/s. SDG & CO, Chartered Accountants, the Statutory Auditors of the Company, pursuant Part- 1 paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
 - iii. Valuation Report dated November 14, 2022, issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 ("**Registered Valuer**") in relation to the shares to be issued by the PFL to the Shareholders of the CFL pursuant to the Scheme;
 - iv. Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on the said Valuation Report;
 - v. Audited Half-yearly Financial Statements dated September 30, 2022 along with the Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferor Company;
 - vi. Audited Half-yearly Financial Statements dated September 30, 2022 along with the Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferee Company;
 - vii. Pre and Post Scheme Shareholding Pattern of the Transferor Company and the Transferee Company.

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

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Website: www.canopyfinance.org
Email Id: info@canopyfinance.org

2. PROPOSED SCHEME OF MERGER BY ABSORPTION

2.1 The Salient features of the Scheme:

The Scheme of arrangement, inter- alia, provides the following:

- i. The Appointed Date of the Scheme is 1st October, 2022 and Effective date is the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai by the Transferor and Transferee Company.
- ii. The entire assets, liabilities, Investments, business and undertaking (including, the Transferor Undertaking) of CFL shall, with effect from the Appointed Date and without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in PFL, as a going concern, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013.
- iii. Upon the Scheme coming into effect and without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot 1,05,93,001 (One Crore Five Lacs Ninety Three Thousand and One) Equity Shares of Rs. 10/- each credited as fully paid-up in the capital of PFL to the Equity Shareholders of CFL for every 1 (One) Equity Share of the Face value of Rs. 10/- each held by the shareholders of CFL ("New Shares Entitlement Ratio"). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of CFL whose names are recorded in the register of equity shareholders of CFL on the Record Date.
- iv. Subsequent to the sanction of the Scheme, PFL will make an application for listing of its equity shares, including, the New Shares on the stock exchange in which the shares of CFL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments.
- v. Upon the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up. The name of CFL shall be struck off from the

CANOPY FINANCE LIMITED

CIN: L65910MH1981PLC380399

Registered Office: 301 Corporate Arena Off, Aarey Piralal X Road, Behind Mahindra Gardens,
Goregaon West, Mumbai-400062

Ph: 9867309169/022-67585876

Website: www.canopyfinance.org

Email Id: info@canopyfinance.org

records of the Registrar of Companies, Mumbai and PFL shall make necessary filings in this regard.

- vi. Upon the Scheme coming into effect, CFL shall also surrender its RBI license.
- vii. The Promoter of CFL and PFL will jointly control PFL.

2.2 Need and Rationale of the Scheme of Merger by Absorption:

The Audit Committee noted the rationale and need of Scheme of Merger by Absorption of CFL by PFL as under:

- CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company ("CFL") with the Transferee Company ("PFL").
- Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- The combined Networth of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
- This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger network capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- The Merger will result in significant reduction in multiplicity of legal and

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regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.

- The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
- The Promoter of CFL and PFL will jointly control PFL.
- There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

2.3 Synergies of business of the entities involved in the Scheme:

- CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is inter-alia engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure. They carry out all the objectives of a NBFC Company and is mainly dealing in lending loans and advances.
- PFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration no. 13.01268 intends to become a new age digital NBFC inter-alia currently engaged in the business of offering small secured business loans across India predominantly in tier III & tier IV cities. Purple Finance Limited with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

Upon Merger, the benefits and synergies of business of the entities involved in the Scheme are set out in Point No. 2.2 above shall be derived by the Company.

2.4 Impact of the scheme on the shareholders:

The Scheme will result in consolidation of businesses of the Transferor Company and get housed in the Transferee Company. Consolidation will be in the interest of stakeholders of Transferee Company and Transferor Company to have an increased capability for running these businesses and pursue growth opportunities.

The Audit Committee also noted that the Scheme is subject to the majority approval of the public shareholders of the Company. The Audit Committee was of the opinion that the Scheme is not detrimental to the interests of the shareholders of the Company.

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2.5 Cost benefit analysis of the Scheme:

The Committee has reviewed in detail the costs associated with regards to the implementation of Merger by Absorption. Except the transaction cost/ cost of implementation of the Scheme, there are no additional costs involved for the proposed Scheme. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities.

3. RECOMMENDATION OF THE AUDIT COMMITTEE

Taking into consideration the documents stated herein above, the Audit Committee recommends the draft Scheme of Merger by Absorption for favorable consideration by the Board of Directors of the Company and be presented for approval of BSE, CSE, the SEBI, RBI and NCLT Mumbai and other applicable Regulatory authorities.

For Canopy Finance Limited
Canopy Finance Ltd.

Manisha Agarwal

Manisha Agarwal
Director/Authorised Signatory/
Chairman of the Audit Committee

DIN: 06815164

Date: November 15, 2022

Place: Mumbai

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF CANOPY FINANCE LIMITED RECOMMENDING THE SCHEME OF MERGER BY ABSORPTION OF CANOPY FINANCE LIMITED ("THE TRANSFEROR COMPANY"/ "THE COMPANY"/ "CFL") AND PURPLE FINANCE LIMITED ("THE TRANSFEREE COMPANY"/ "PFL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Members Present	
Mrs. Manisha Agarwal	Independent Director and Chairman of the Meeting
Mr. Aneish Kumaran Kumar	Independent Director
Mr. Suresh Shivanna Salian	Independent Director

In Attendance:	
Ms. Priyanka Agarwal	Company Secretary

1. Background

- 1.1. A meeting of the Committee of Independent Directors ("**ID Committee**") of Canopy Finance Limited was held on November 15, 2022 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Merger by Absorption of Canopy Finance Limited ("the **Transferor Company**"/ "the **Company**"/ "**CFL**") and Purple Finance Limited ("the **Transferee Company**"/ "**PFL**") and their respective shareholders and creditors as per section 230 to 232 of the Companies Act, 2013.
- 1.2. Canopy Finance Limited ("**CFL**"), the Transferor Company having CIN: L65910MH1981PLC380399 is having its registered office at 301, Corporate Arena Off, Aarey Piramal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400 062. The Equity Shares of the Company are listed on BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE").
- 1.3. Purple Finance Limited ("**PFL**"), the Transferee Company having CIN: U67120MH1993PLC075037 is having its registered office at Room No. 11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003. The Equity Shares of PFL are not listed on any Stock Exchanges.
- 1.4. The proposed Scheme provides for Merger by Absorption of Canopy Finance Limited by Purple Finance Limited

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- 1.5. The Scheme is subject to receipt of approvals of Board of Directors, shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE Limited ("BSE"), Calcutta Stock Exchange Limited("CSE"), Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") and the NCLT, Mumbai.
- 1.6. This report of the Committee is made in order to comply with the requirements the Master circular being circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including amendments thereof ("SEBI Circulars") and after considering the following documents that were placed before the Committee:
 - i. The Draft Scheme of Arrangement;
 - ii. Certificate issued by M/s. SDG & CO, Chartered Accountants, the Statutory Auditors of the Company, pursuant Part- 1 paragraph A.5 as per Annexure 1 of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
 - iii. Valuation Report dated November 14, 2022, issued by Mr. Bhavesh M. Rathod, (Registered Valuer- Securities or Financial Assets) IBB1 Registration No. IBB1/RV/06/2019/10708 ("Registered Valuer") in relation to the shares to be issued by the PFL to the Shareholders of the CFL pursuant to the Scheme;
 - iv. Fairness Opinion Report dated November 15, 2022 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on the said Valuation Report;
 - v. Audited Half-yearly Financial Statements dated September 30, 2022 along with the Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferor Company;
 - vi. Audited Half-yearly Financial Statements dated September 30, 2022 along with the Auditor's Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferee Company;
 - vii. Pre and Post Scheme Shareholding Pattern of the Transferor Company and the Transferee Company.

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2. Proposed Scheme of Merger by Absorption

The Independent Directors have reviewed the Draft Scheme, further they reviewed the Valuation Report and noted the recommendation made therein. They also noted the Fairness Opinion Report which has confirmed that the Valuation Report is fair.

2.1 The Salient features of the Scheme:

The Scheme of arrangement, inter- alia, provides the following:

- i. The Appointed Date of the Scheme is 1st October, 2022 and Effective date is the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai by the Transferor and Transferee Company.
- ii. The entire assets, liabilities, Investments, business and undertaking (including, the Transferor Undertaking) of CFL shall, with effect from the Appointed Date and without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in PFL, as a going concern, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013.
- iii. Upon the Scheme coming into effect and without any further act or deed on the part of PFL, PFL will, in consideration of transfer and vesting of CFL into PFL in terms of this Scheme, issue and allot 1,05,93,001 (One Crore Five Lacs Ninety Three Thousand and One) Equity Shares of Rs. 10/- each credited as fully paid-up in the capital of PFL to the Equity Shareholders of CFL for every 1 (One) Equity Share of the Face value of Rs. 10/- each held by the shareholders of CFL ("New Shares Entitlement Ratio"). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of CFL whose names are recorded in the register of equity shareholders of CFL on the Record Date.
- iv. Subsequent to the sanction of the Scheme, PFL will make an application for listing of its equity shares, including, the New Shares on the stock exchange in which the shares of CFL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments.

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- v. Upon the Scheme coming into effect, CFL shall, without any further act or deed, stand dissolved without winding up. The name of CFL shall be struck off from the records of the Registrar of Companies, Mumbai and PFL shall make necessary filings in this regard.
- vi. Upon the Scheme coming into effect, CFL shall also surrender its RBI license.
- vii. The Promoter of CFL and PFL will jointly control PFL.

2.2 Need and Rationale of the Scheme of Merger by Absorption:

- CFL and PFL are largely engaged in the same line of business activities. The proposed merger will enable the integration of the business activities of the Transferor Company ("CFL") with the Transferee Company ("PFL").
- Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- The combined Network of both the entities will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity raising.
- This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger network capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these resources in the combined entity.
- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.

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- The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- The merger of CFL with PFL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.
- The Promoter of CFL and PFL will jointly control PFL.
- There is no likelihood that any shareholder or creditor or employee of CFL and PFL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

3. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed the rationale in detail, salient features and expected benefits of the Scheme. The ID Committee noted that the proposed Scheme will result in consolidation of businesses of the Transferor Company and get housed in the Transferee Company. Consolidation will be in the interest of stakeholders of Transferee Company and Transferor Company to have an increased capability for running these businesses and pursue growth opportunities.

The ID Committee also opined that the Scheme is in the best interests of the shareholders of the Company and will not adversely affect the rights or interests of the shareholders of the Company.

In view of the above, the Independent Directors are of the opinion that the draft Scheme is not detrimental to the interests of the shareholders of the Company.

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4. Recommendation of the Committee of Independent Directors

Taking into consideration the documents stated herein above, the ID Committee recommends the draft Scheme of Arrangement for favorable consideration by the Board of Directors of the Company, BSE Limited, Calcutta Stock Exchange Limited, Reserve Bank of India, the Securities and Exchange Board of India, NCLT and other applicable Regulatory authorities.

For Canopy Finance Limited,
Canopy Finance Ltd.

Manisha Agarwal

Manisha Agarwal
Member/Authorised Signatory

Chairman of the ID Committee

DIN: 06815164

Date: November 15, 2022

Place: Mumbai

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CERTIFIED TRUE COPY OF RESOLUTIONS PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF CANOPY FINANCE LIMITED HELD ON TUESDAY, NOVEMBER 15, 2022 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 301, CORPORATE ARENA, OFF AAREY PIRAMAL X ROAD, 3RD FLOOR, BEHIND MAHINDRA GARDENS, GOREGAON WEST, MUMBAI-400062 AT 4.30 P.M.

APPROVAL OF SCHEME OF MERGER BY ABSORPTION OF CANOPY FINANCE LIMITED BY PURPLE FINANCE LIMITED:

The Chairman briefed the Board of Directors of the Company (the “Board”) about the resolution passed on **5th April, 2022** wherein the Board had discussed and deliberated over the Merger by Absorption of Canopy Finance Limited (“CFL” or “*Transferor Company*” or “*the Company*”) by Purple Finance Limited (“PFL” or “*Transferee Company*”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the “Scheme”) in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Circular”) with special reference to the feasibility of conveniently combining the businesses/undertakings with the Company and other synergic, administrative, operational and monetary advantages derived upon combining of their businesses.

The Board pursuant to said Merger being *in principle* discussed and approved the proposal of Scheme of Merger by Absorption of the Company by Purple Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Room No. 11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003, subject to the approval of the draft Scheme by the Board. The Board also appointed various consultants and advisors to carry out the aforesaid process of merger.

The Chairman further informed the Board that CFL and the Company are largely engaged in the same line of business activities which will be beneficial for CFL and its shareholders pursuant to the Scheme coming into effect. The proposed merger will enable the integration of the business activities of the Transferor Company (“CFL”) with the Transferee Company (“PFL”). The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.

The Chairman placed before the Board the following:

- a) Draft Scheme of Merger by Absorption;
- b) Valuation Report issued by Mr. Bhavesh M. Rathod (Registered Valuer- Securities or Financial Assets) in relation to the shares to be issued by PFL to the Shareholders of the CFL pursuant to the Scheme;
- c) Fairness Opinion Report issued by Mark Corporate Advisors Private Limited, the Merchant Banker on the said Valuation Report;

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- d) Certificate issued by M/s. SDG & CO, Chartered Accountants, the Statutory Auditors of the Transferor Company, pursuant to Part- I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
- e) Report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

The Chairman further informed the Board that a meeting of the Audit Committee of the Board and a meeting of the Committee of Independent Directors of the Board was held on 15th November, 2022 in order to consider the draft Scheme. The members of the Audit Committee and the Committee of Independent Directors found the proposed Scheme to be in the best interest of the Company and its shareholders, creditors and other stakeholders and recommended the draft Scheme to the Board of Directors of the Company.

The Chairman placed before the Board, the Audit Committee Report dated 15th November, 2022 and Report from the Committee of Independent Directors dated 15th November, 2022 recommending the Scheme.

The Board, after discussion, passed the following resolution in this regard:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time and in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Circular”), subject to the Memorandum of Association and Articles of Association of the Company, approval from BSE Limited (“BSE”), approval from Calcutta Stock Exchange Limited (“CSE”), approval from Reserve Bank of India (“RBI”), approval from Securities and Exchange Board of India (“SEBI”), approval from the members of the Company, approval from its creditors and subject to the sanction of the National Company Law Tribunal (“NCLT”) constituted under the Companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Merger of Absorption of the Company by Purple Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Room No. 11, 1st Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003, and their respective shareholders and creditors (“Scheme”) placed before the Board and initialled by the Chairman for the purpose of identification be and is hereby approved with effect from October 01, 2022 being the appointed date.

RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons, whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/or creditors of the Company or convening the meeting of the shareholders and/or creditors of the Company and other concerned persons/ parties

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and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the Valuation Report issued by Mr. Bhavesh M. Rathod (Registered Valuer- Securities or Financial Assets), Fairness Opinion issued by Mark Corporate Advisors Private Limited on the said Valuation Report, the recommendation and report of Audit Committee and the recommendation and report of Committee of Independent Directors submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of the PFL, PFL will, in aggregate, issue and allot 1,05,93,001 (One Crore Five Lacs Ninety Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to registered fully paid-up equity shareholders of the CFL/Transferor Company/ the Company on the Record Date, as decided by the Board in the ratio of 1:1; i.e. against 1 (One) Equity Share of the Face value of Rs.10/- each of the CFL (Transferor Company), 1 (One) Equity Share of the Face value of Rs. 10/- each of the PFL (Transferee Company) shall be issued to the shareholders of CFL.

RESOLVED FURTHER THAT upon the Scheme coming into effect, the Company shall without any further act or deed, stand dissolved without winding up.

RESOLVED FURTHER THAT Mr. Lalit Kumar Tapadia, the Managing Director of the Company and/ or Mr. Varun Newatia, Director of the Company and/ or Ms. Priyanka Agarwal, Company Secretary of the Company be and are hereby severally authorised to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the BSE, CSE, SEBI, RBI, NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT the report of the board of directors explaining the effect of the scheme of Merger by Absorption on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required to be annexed to the notice and explanatory statement as per section 232(2) of Companies Act 2013, submitted before the meeting, duly initialed by the Chairman of the Meeting for the purpose of identification, and signed on behalf of the Board of Directors of the Company by Mr. Lalit Kumar Tapadia, the Managing Director of the Company be and is hereby adopted.

RESOLVED FURHTER THAT BSE Limited will be the designated Stock Exchange for the purpose of co-ordinating with SEBI in respect of the above referred Scheme of Merger by Absorption in accordance with the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("SEBI Circular").

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RESOLVED FURTHER THAT Mr. Lalit Kumar Tapadia, the Managing Director of the Company and/ or Mr. Varun Newatia, Director of the Company and/ or Ms. Priyanka Agarwal, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things including but not limited to the following and execute all necessary documents in connection with the above:

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all matter of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;
2. To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
3. To file applications and / or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;
4. To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and /or meeting as per the applicable laws and / or as per direction of the NCLT;
5. Filing of Valuation Report as prepared by Mr. Bhavesh M. Rathod (Registered Valuer- Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by issued by Mark Corporate Advisors Private Limited;
6. File the Scheme of Amalgamation with the BSE, CSE and SEBI and to obtain approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and any other regulatory governmental authorities.
7. To file requisite undertaking, affidavit, certificates or other documents and / or liaise with SEBI, BSE, CSE, the Regional Director, Registrar of Companies, Stamp Authorities, Sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;
8. To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, CSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;
9. To engage Advocates and any counsel / advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;

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10. To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
11. To make application to BSE, CSE, SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
12. To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions as may be required and in accordance with the provisions of the Articles of Association of the Company;
13. To make such alterations and change and/ or modifications in the aforesaid applications and/ or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;
14. And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit;
15. To settle any question or difficulty that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;

RESOLVED FURTHER THAT Mr. Lalit Kumar Tapadia, the Managing Director of the Company and/ or Mr. Varun Newatia, Director of the Company and/ or Ms. Priyanka Agarwal, Company Secretary of the Company be and are hereby severally authorised to do all acts and deed required to give effect to the above resolutions and the Scheme, including the power to delegate such authorization to any other officer, on behalf of the company to give effect to this resolution.

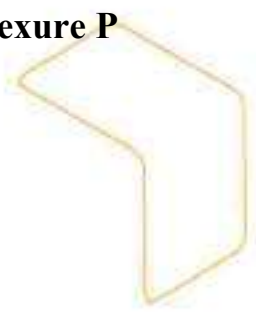
RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director or Company Secretary or Authorised Signatory of the Company and the same be submitted to the concerned authorities and they be requested to act thereon.”

//CERTIFIED TO BE TRUE//
For Canopy Finance Limited

Canopy Finance Ltd.

Director/Authorised Signatory

Lalit Kumar Tapadia
Managing Director
DIN: 08117881



CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF PURPLE FINANCE LIMITED HELD ON TUESDAY, NOVEMBER 15, 2022 AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT 705/706, 7TH FLOOR, HALLMARK BUSINESS PLAZA, OPPOSITE GURUNANAK HOSPITAL, BANDRA EAST, MUMBAI- 400051 AT 4.30 P.M.

APPROVAL OF SCHEME OF MERGER BY ABSORPTION OF CANOPY FINANCE LIMITED BY PURPLE FINANCE LIMITED:

The Board of Directors of the Company (the "Board") in their meeting held on 5th April, 2022 have identified and approved the proposed merger with Canopy Finance Limited, a company listed on BSE Limited ("BSE") and Calcutta Stock Exchange Limited ("CSE") incorporated under the Companies Act, 1956 and having its registered office situated at 301, Corporate Arena, Off Aarey Piralal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai-400062 ("CFL") with the Company by the way of a Scheme of Merger by Absorption under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the "Scheme") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("SEBI Circular").

The Board informed that CFL and the Company are largely engaged in the same line of business activities which will be beneficial for CFL and its shareholders pursuant to the Scheme coming into effect. The proposed merger will enable the integration of the business activities of the Transferor Company ("CFL") with the Transferee Company ("PFL"). The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and optimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of both CFL and PFL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.

The following documents shall be placed before the Board:

- a) Draft Scheme of Merger by Absorption;
- b) Valuation Report issued by Mr. Bhavesh M. Rathod (Registered Valuer- Securities or Financial Assets) in relation to the shares to be issued by PFL to the Shareholders of the CFL pursuant to the Scheme;
- c) Fairness Opinion Report issued by Mark Corporate Advisors Private Limited, the Merchant Banker on the said Valuation Report;

Purple Finance Limited

Registered Office: 11, Indu Chambers, 349/353, Samuel Street, Masjid Bunder West, Mumbai - 400003
 Corporate Office: 705/706, 7th Floor Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru nanak Hospital, Bandra (E), Mumbai - 400051
 Tel. no.: +91-2269165100 | www.purplefinance.in | CIN NO. U57120MH1993PLC075037



- d) Certificate issued by M/s. Vasant Agre & Associates, Chartered Accountants, the Statutory Auditors of the Transferee Company, pursuant to Part-I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
- e) Report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

After deliberate discussions the following resolutions were passed:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time and in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Circular”), subject to the Memorandum of Association and Articles of Association of the Company, approval from BSE Limited (“BSE”), approval from Calcutta Stock Exchange Limited (“CSE”), approval from Reserve Bank of India (“RBI”), approval from Securities and Exchange Board of India (“SEBI”), approval from the members of the Company, approval from its creditors and subject to the sanction of the National Company Law Tribunal (“NCLT”) constituted under the Companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Merger of Absorption of Canopy Finance Limited, a company listed on BSE Limited (“BSE”) and Calcutta Stock Exchange Limited (“CSE”) incorporated under the Companies Act, 1956 having its registered office situated at 301, Corporate Arena, Off Aarey Piralal X Road, 3rd Floor, Behind Mahindra Gardens, Goregaon West, Mumbai-400062 (“CFL”) by the Company and their respective shareholders and creditors (“Scheme”) placed before the Board and initialled by the Chairman for the purpose of identification be and is hereby approved with effect from October 01, 2022 being the appointed date.

RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons, whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/ or creditors of the Company or convening the meeting of the shareholders and/ or creditors of the Company and other concerned persons/ parties and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

Purple Finance Limited

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RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the Valuation Report issued by Mr. Bhavesh M. Rathod (Registered Valuer-Securities or Financial Assets) and Fairness Opinion issued by Mark Corporate Advisors Private Limited on the said Valuation Report, submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of the Company, the Company will, in aggregate, issue and allot 1,05,93,001 (One Crore Five Lacs Ninety Three Thousand and One) Equity Shares of Rs. 10/- each (the "New Shares") to registered fully paid-up equity shareholders of the CFL (Transferor Company) on the Record Date, as decided by the Board in the ratio of 1:1; i.e. against 1 (One) Equity Share of the Face value of Rs.10/- each of the CFL (Transferor Company), 1 (One) Equity Share of the Face value of Rs. 10/- each of the PFL (Transferee Company) shall be issued to the shareholders of CFL.

RESOLVED FURTHER THAT Mr. Amitabh Chaturvedi and/or Mr. Rajeev Deoras, Executive Directors of the Company, be and are hereby severally authorized to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the BSE, CSE, SEBI, RBI NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT Mr. Amitabh Chaturvedi and/or Mr. Rajeev Deoras, Executive Directors of the Company, be and are hereby severally authorized to do, or cause to be done all such acts, deeds and things, and/ or file all such documents, as may be necessary for the Transfer of the assets and liabilities of CFL into the Company upon the Scheme coming into effect, including but not limited to intimation to financial institutions, creditors and debtors of CFL regarding the merger, application to the concerned governmental authorities or third party for transfer of all approvals and licenses in name of the Company, to enter into agreements with any party to any contract or arrangements to which CFL was party to or any writing as may be necessary to effect the transfer of the rights and interest therein in the name of the Company and such other things as may be required.

RESOLVED FURTHER THAT the report of the Board of Directors explaining the effect of the Scheme of Merger by Absorption on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required to be annexed to the notice and explanatory statement as per section 232 (2) of Companies Act 2013, submitted before the meeting duly initialed by the Chairman of the Meeting for the purpose of

Purple Finance Limited

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identification, and signed on behalf of the Board of Directors of the Company by Mr. Amitabh Chaturvedi, the Executive Director of the Company be and is hereby adopted.

RESOLVED FURTHER THAT Mr. Amitabh Chaturvedi and/or Mr. Rajeev Deoras, Executive Directors of the Company, be and are hereby severally authorized to do all such acts, deeds and things including but not limited to the following and execute all necessary documents in connection with the above:

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all matter of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;
2. To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
3. To file applications and / or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;
4. To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and /or meeting as per the applicable laws and / or as per direction of the NCLT;
5. Filing of Valuation Report as prepared by Mr. Bhavesh M. Rathod, (Registered Valuer-Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by issued by Mark Corporate Advisors Private Limited;
6. File the Scheme of Amalgamation with the BSE, CSE and SEBI and to obtain approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and any other regulatory governmental authorities.
7. To file requisite undertaking, affidavit, certificates or other documents and / or liaise with SEBI, BSE, CSE, the Regional Director, Registrar of Companies, Stamp Authorities, Sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;

Purple Finance Limited



8. To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, CSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;
9. To engage Advocates and any counsel / advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;
10. To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
11. To make application to BSE, CSE, SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
12. To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions as may be required and in accordance with the provisions of the Articles of Association of the Company;
13. To make such alterations and change and/ or modifications in the aforesaid applications and/ or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;
14. And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit;
15. To settle any question or difficulty that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;

RESOLVED FURTHER THAT Mr. Amitabh Chaturvedi and/or Mr. Rajeev Deoras, Executive Directors of the Company be and are hereby severally authorized to do all acts and deed required to give effect to the above resolutions and the Scheme, including the power to delegate such authorization to any other officer, on behalf of the company to give effect to this resolution.

Purple Finance Limited



RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director of the Company and the same be submitted to the concerned authorities and they be requested to act thereon."

CERTIFIED TRUE COPY
For PURPLE FINANCE LIMITED

AMITABH CHATURVEDI
EXECUTIVE DIRECTOR
DIN: 00057441



RAJEEV DEORAS
EXECUTIVE DIRECTOR
DIN: 02879519



Purple Finance Limited



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



CO.DOS.DSD.No.S6436/02-13-001/2022-2023

January 05, 2022

Speed Post

The Chairman

M/s Purple Finance Limited

Room No.11, 1st Floor, Indu Chamber 349/353,
Samuel Street, Vadgadi, Masjid Bunder (West),
Mumbai- 400003

Madam/Dear Sir,

Application for prior approval for Merger by Absorption of Canopy Finance Limited by Purple Finance Limited by way of Reverse Merger

Please refer to your letter dated November 16, 2022 and further communication on the captioned subject. In this regard the Bank does not have any objection to the proposed Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited by way of Reverse Merger.

2. Further, the Certificate of Registration (CoR) issued to Canopy Finance Limited is non-transferable and will stand cancelled from the date of scheme getting approval of Hon'ble NCLT. In this regard you are advised to submit the following to the Bank **within 15 days** of receipt of NCLT order:

- Original CoR of Canopy Finance Limited for cancellation upon merger.
- Copy of NCLT order approving the Scheme of Merger mentioned above.
- Amalgamated Audited/provisional financials of the resulting company.

3. Kindly acknowledge the receipt.

Your faithfully,

(Awadhesh Kumar Kureel)
General Manager

पर्यवेक्षण विभाग (विनियामक सेवा समूह), 3री मंजिल, मुम्बई सेंट्रल रेल्वे स्टेशन के सामने, भायखला, मुंबई - 400008
Department of Supervision (Regulatory Services Group), 3rd Floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai 400008
फोन Tel: (91-22) 23084121; फैक्स Fax: (91-22) 23022011 ई-मेल e-mail : rsgdos@rbi.org.in
हिन्दी आसान है, इसका प्रयोग बढ़ाइए

Caution: RBI never sends mails, SMS or makes calls asking for personal information like bank account details, passwords etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

Annexure R

PURPLE FINANCE LIMITED

[CIN No. U67120MH1993PLC075037]

Unaudited Consolidated Balance Sheet as at 30th September 2022 [Post Merger]

(Rupees in '000)

Particulars	Note No.	PFL Pre Meger 'As at 30 th September 2022	CFL Pre Meger 'As at 30 th September 2022	PFL Post Merger 'As at 30 th September 2022
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	2	2,30,219.53	1,05,930.01	3,36,149.54
(b) Reserves and Surplus	3	(14,064.67)	5,690.67	(8,374.00)
(2) Non-current liabilities				
(a) Long-term borrowings	4	2,435.83	-	2,435.83
(b) Deferred tax liabilities (Net)		(171.64)	403.92	232.28
(3) Current liabilities				
(a) Short-term borrowings	5	1,037.06	-	1,037.06
(b) Trade payables	6	-	4,728.56	4,728.56
(c) Other current liabilities	7	3,466.31	162.10	3,628.41
(d) Short-term provisions	8	129.37	402.19	531.56
TOTAL		2,23,051.80	1,17,317.45	3,40,369.25
II. ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipements and Intangible assets				
(i) Property, Plant and Equipment	9	9,136.38	19.57	9,155.95
(ii) Intangible assets	10	7,405.05	-	7,405.05
(b) Non-current investments	11	21,915.64	-	21,915.64
(c) Other non-current assets	12	3,510.92	-	3,510.92
(2) Current assets				
(a) Inventories	13	-	161.51	161.51
(b) Current investments	14	43,629.67	14,106.61	57,736.28
(c) Cash and cash equivalents	15	77,499.05	27,832.39	1,05,331.44
(d) Loans and advances - Financing Activity	16	51,749.08	75,197.37	1,26,946.45
(e) Other current assets	17	8,206.01	-	8,206.01
TOTAL		2,23,051.80	1,17,317.45	3,40,369.25

FOR PURPLE FINANCE LIMITED

Amitabh
chaturvedi

Digitally signed by
Amitabh chaturvedi
Date: 2023.10.10
17:48:46 +05'30'

[AMITABH CHATURVEDI]
DIN No. 00057441
D I R E C T O R

RAJEEV
DEORAS

Digitally signed by
RAJEEV DEORAS
Date: 2023.10.10
17:47:39 +05'30'

[RAJEEV DEORAS]
DIN No. 02879519
D I R E C T O R

SONAL
AMIT VIRA

Digitally signed by
SONAL AMIT VIRA
Date: 2023.10.10
17:51:40 +05'30'

[SONAL VIRA]
C H I E F F I N A N C I A L O F F I C E R

SABYASA
CHI RATH

Digitally signed by
SABYASACHI
RATH
Date: 2023.10.10
17:50:28 +05'30'

[SABYASACHI RATH]
C H I E F E X E C U T I V E O F F I C E R

RUCHI
JITENDRA
NISHAR

Digitally signed by
RUCHI
JITENDRA NISHAR
Date: 2023.10.10
17:48:00 +05'30'

[RUCHI NISHAR]
C O M P A N Y S E C R E T A R Y
Membership No. A68260
Date: 10th October, 2023