

**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.


Canopy Finance Ltd.
Director/Authorised Signatory

- 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 Piralal 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 upto 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.

Arish



Canopy Finance Ltd.
[Signature]
Director/Authorised Signatory