

DSP MERRILL LYNCH LIMITED

Registered Office: Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel +91 22 66328000 **Fax No.** +91 22 66328580 **Website** www.ml-india.com

E-mail dg.secretarial@baml.com

CIN U74140M H1975PLC018618

NOTICE TO THE UNSECURED CREDITORS

Notice is hereby given that a Meeting of the Unsecured Creditors of DSP Merrill Lynch Limited ("Company") will be held on Wednesday, September 27, 2017 at 10.00 a.m. at 17th Floor, Board Room, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 to transact the following business:

To consider and approve the proposed Scheme of Amalgamation under Sections 233 read with Sections 52 and 66 of the Companies Act, 2013 read with Rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 between DSP Merrill Lynch Capital Limited ('Transferor Company') and DSP Merrill Lynch Limited ('Transferee Company' or 'Company') ("Scheme"):

To consider and if thought fit, to pass, with or without modification(s) and with requisite majority the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 233 read with Sections 52 and 66 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("Companies Act") read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, and the provisions of the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions of regulatory and other authorities (including the Reserve Bank of India, the Securities and Exchange Board of India and the stock exchanges), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Central Government, Registrar of Companies, Maharashtra ("Registrar") or the Official Liquidator of the Bombay High Court ("OL") or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board'), which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this Resolution), the amalgamation proposed in the Scheme of Amalgamation between DSP Merrill Lynch Capital Limited ("Transferor Company") and DSP Merrill Lynch Limited ('Transferee Company' or the "Company") ('Scheme') placed before this meeting, which provides for the amalgamation of the transferor company as a going concern and the transfer and vesting of the entire business and whole undertaking (including all of its assets and liabilities) in the Transferee Company, with effect from the Appointed Date viz. April 1, 2017, be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the proposed amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Central Government, while confirming the amalgamation embodied in the Scheme or by any authorities under law (including the Registrar and the OL), or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

For and on behalf of the Board of Directors
DSP MERRILL LYNCH LIMITED

Date:

Place: Mumbai

SAMRAT SANYAL
COMPANY SECRETARY
(Membership No. A-13863)

Registered Office:

Ground Floor, A Wing, One BKC, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051
CIN: U74140M H1975PLC018618 **website:** www.ml-india.com

NOTES

1. **A CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A CREDITOR OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. All alterations made in the Proxy Form should be initialled.
3. Only the Unsecured Creditors of the Company may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013 at the Creditors' Meeting. The Authorized Representative of a body corporate which is a Creditor of the Company may attend and vote at the Creditors' Meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Creditors' Meeting is deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
4. An explanatory statement pursuant to Section 230(3) of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 is appended hereto.
5. The Unsecured Creditors/Proxies/Authorised Representatives are advised to bring original photo identity for verification.
6. Route Map giving directions to reach the venue of the Annual General Meeting is given at the end of the notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 230(3) OF THE COMPANIES ACT, 2013
FOR THE MEETING OF CREDITORS OF THE COMPANY CONVENED UNDER SECTION 233 OF THE
COMPANIES ACT, 2013**

1. This is a statement accompanying the Notice convening the Meeting of the Unsecured Creditors of the Company, pursuant to the requirement under Section 233(1)(d) of the Companies Act, 2013 ("Companies Act") for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between DSP Merrill Lynch Capital Limited ('Transferor Company') and DSP Merrill Lynch Limited (Company' or the 'Transferee Company') ("Scheme").

A copy of the Scheme is attached herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from the Appointed Date, i.e. April 1, 2017 but shall be made operative from the Effective Date (as defined in the Scheme).

2. Background of Companies

- a.1. The Transferor Company is an unlisted public limited company, incorporated on April 7, 2005 under the Companies Act, 1956 presently having its registered office at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The Transferor Company was registered with the Reserve Bank of India as a non-deposit taking non-banking financial company. The Transferor Company was primarily engaged in financing and lending activities. It also undertakes principal transactions in securities, and other financial products including investment in units of mutual fund liquid schemes, fixed deposits and government securities, i.e. T-Bills. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

The Transferor Company at its Board Meeting held on 13th January, 2017 passed a resolution for discontinuance of Company's operations as a Non-Banking Financial Company ("NBFC") and at its subsequent Board Meeting held on 20th February, 2017 authorized the Company to apply to the Reserve Bank of India ('RBI') for voluntary surrender/cancellation of Certificate of Registration ('COR') obtained from RBI under Section 45-IA of the RBI Act.

An application was submitted with RBI on March 6, 2017 for surrender/cancellation of said COR. The said COR, bearing number N-13.01801, dated July 11, 2005, for carrying on the business of NBFC, stands cancelled vide RBI's Order dated August 10, 2017 as communicated to the Transferor Company vide RBI's letter dated August 22, 2017.

- a.2. The Share Capital of the Transferor Company as on July 31, 2017 is as under:

Particulars	Amount (Rs.)
Authorized Capital	
21,00,00,000 Equity shares of Rs. 10/- each	2,10,00,00,000
Total	2,10,00,00,000
Issued Subscribed and Paid-up Capital	
20,50,00,000 Equity shares of Rs. 10/- each	2,05,00,00,000
Total	2,05,00,00,000

As on date, there has been no change in the authorized, issued, subscribed and paid up share capital of Transferor Company.

a.1. Details of Directors and promoters of the Transferor Company along with their addresses:-

Sr. No	Name of Promoter	Category	Address
1.	DSP Merrill Lynch Limited	Holding Company	Ground Floor, One BKC, A Wing, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051

1.	Ms. Ameer Parikh (DIN:00445583)	Independent Director	8 Draycott Park, # 05-05, Draycott 8, Singapore 259404
2.	Ms. Charulata Sippy (DIN: 07508021)	Independent Director	Flat No. 103, 10th Floor, Mehr Naz CHS. Ltd., Behind Taj President Hotel, Cuffe Parade, Mumbai 400005
3.	Ms. Deepali Tawde (DIN: 06934702)	Non-Executive Director	Flat No 161, Tower A-6, Akashneem CHS Godrej Garden Enclave Pirojshanagar, Vikhroli (East) Mumbai -400079
4.	Mr. Jayesh Mehta (DIN:00030636)	Non-Executive Director	8/55, Kailash Mansion, Tilak Road, Ghatkopar - East, Mumbai 400077

5.	Mr. Kumar Shah (DIN: 00033865)	Non-Executive Director	121, Sushant, Junction of 8th & 10th Road, Khar (West), Mumbai 400 052
6.	Mr. Sundararaman Ramamurthy (DIN: 05297538)	Non-Executive Director	1101, 11th floor, Emerald heights CHS Limited, Union Park, Trilok Kapoor Marg, Near R K studio, Chembur, Mumbai 400071

- a.4. There are no unsecured creditors for the Transferor Company as on 31st July, 2017.
- a.5. The Main Objects of the Transferor Company as set out in Clause III of the Memorandum of Association are as follows:
1. To carry on business as Loan and Investment and Finance Company and to provide finance or to make investment in any form whatsoever including investments in shares, stocks, securities, bonds, or other securities, commodities and to provide lease on hire purchase basis or on deferred payment basis or on any other basis, for all types of plant, equipment, machinery, vehicles and real estate and any other moveable and immovable properties whether in India or abroad, for industrial, commercial or other uses.
- a.6. The Transferee Company, DSP Merrill Lynch Limited, was incorporated on October 23, 1975, as D.S.P. Financial Consultants Limited, and subsequently its name was changed to DSP Merrill Lynch Limited with effect from December 18, 1996. Its PAN is AAACD0535G and CIN-U74140MH1975PLC018618. The email address of the company is dg.secretarial@baml.com.
- a.7. The share capital of the Transferee Company as on July 31, 2017 is as under:

Particulars	Amount
Authorized Capital	
73,750,000 Equity shares of Rs. 10/- each	73,75,00,000
810,000,000 cumulative redeemable preference shares of Rs. 10/- each	8,10,00,00,000
Total	8,83,75,00,000
Issued Capital	
2,31,55,039 Equity shares of Rs. 10/- each, fully paid up	23,15,50,390
Total	23,15,50,390

As on date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Company.

- a.8. The Transferee Company is an unlisted public limited company is registered with the Securities and Exchange Board of India as a Merchant Banker, Stock Broker, Depository Participant (with National Securities Depository Limited) and Research Analyst and is engaged in the business of investment banking, securities brokerage, underwriting, research and corporate & finance advisory services.
- a.9. Details of Promoter and Directors of the Transferee Company along with their addresses:

Sr. No.	Name of Promoter	Category	Address
1	GHS Singapore Holding Pte. Ltd.	Holding Company	2 Harbourfront Place, # 02-01 Bank of America Merrill Lynch, Harbourfront, Singapore 098499

Sr. No	Name of Director	Category	Address
1	Mr. Asit Bhatia (DIN: 05112750)	Chairman & Non-Executive Director	B/22, Keval Mahal, 64, Marine Drive, Mumbai 400 020
2	Ms. Ameer Parikh (DIN:00445583)	Independent Director	8 Draycott Park, # 05-05, Draycott 8, Singapore 2594043
3	Mr. Arbind Maheswari (DIN: 07415888)	Whole-time Director	Flat No. B/1406, Raheja Seawoods CHS, Western Express Highway, Goregoan East, Mumbai 4000634
4	Ms. Charulata Sippy (DIN: 07508021)	Independent Director	Flat No. 103, 10 th Floor, Mehr Naz CHS. Ltd. Behind Taj President Hotel, Cuffe Parade, Mumbai 4000055
5	Mr. Rajnarayan Balakrishnan (DIN: 06694243)	Whole-time Director	B-1503/4 Ashok Towers, Next to ITC Grand Hotel,] Dr B R Ambedkar Road, Parel, Mumbai 4000126
6	Mr. Sundararaman Ramamurthy (DIN:05297538)	Non-Executive	1101,11 th Floor, Emerald Heights CHS Limited, Union Park, Trilok Kapoor Marg, Near R K studio, Chembur, Mumbai 400071

a.10. The amount due to unsecured creditors of the Transferee Company as on July 31, 2017 is Rs. 13,884.27 million.

a.11. The main objects of the Transferee Company as set out in Clause III of its Memorandum of Association are as follows

- 1. To act as financial consultants, management consultants and provide advice, services, consultancy in various fields, general administrative, secretarial, commercial, financial, legal, economic, labour, industrial public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
- 2. To act as consultants in financing industrial enterprises:
 - 2A. To finance industrial enterprises whether by means of loans or otherwise.
 - 2B. To carry on the business of an Investment Trust Company and to underwrite, sub-underwrite, to invest in, and acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities or bodies and shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued and/or guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere.
 - 2C. To act as a stock broker, portfolio managers, depository participants, custodians of securities, foreign institutional investor or any other intermediary associated with the securities market.

b. **Rationale of the Scheme**

The Board of Directors of the Transferor Company discussed and deliberated upon the Transferor Company's business profile and concluded that it is in the best interests of the Transferor Company and its stakeholders to cease its operations as a RBI registered NBFC. Consequently, it was proposed to amalgamate the Transferor Company in to its parent company i.e. Transferee Company. The amalgamation of the Transferor Company with the Transferee Company would inter alia provide the following benefits to the stakeholders of both companies:

- (I) incremental operational and administrative synergies accruing to both companies and
- (ii) combination/consolidation of resources, expertise and energies

c. **Relationship subsisting between the Transferor Company and the Transferee Company**

c.1. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

d. **Salient Features of the Scheme**

d.1. The Scheme provides for the amalgamation of the Transferor Company, a wholly owned subsidiary of the Transferee Company with the Transferee Company pursuant to Section 233, read with Sections 52 and 66, Companies Act read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- d.2. The Scheme does not affect the rights and interests of the members or creditors of the Transferee Company and does not involve a re-organisation of share capital of the Applicant Company. Pursuant to the Scheme, all assets and liabilities of the Transferor Company, which is a 100% subsidiary of the Transferee Company in any event, would be transferred to the Transferee Company. As on date, the assets of the Transferee Company exceed its liabilities and would be sufficient to discharge the said liabilities in future. The assets and liabilities of the Transferor Company will be appropriated under the Scheme by the Transferee Company and the shareholding and other rights of the members of the Company will remain unaffected as no new shares are being issued and there is no change in the capital structure.
- d.3. It is further submitted that as far as the rights of Secured Creditors are concerned, they will not be affected as post-merger of the Transferor Company with the Transferee Company, they will continue to hold charges over the respective assets and there will be no dilution in securities provided to the Secured Creditors. The net worth of the Transferee Company prior to giving effect to the Scheme as at March 31, 2017 is Rs. 27,854.60 million. The Transferor Company has a positive net worth and the appropriation of all the assets and liabilities of the Transferor Company under the Scheme, by the Transferee Company, will not affect or adversely impact the rights of the creditors of the Transferee Company in view of the strength of the financial position of the Transferee Company as well as the Transferor Company and the aggregate assets of the Transferee Company and the Transferor Company are in excess of, and are more than sufficient to meet all its respective external liabilities. It is further submitted that pursuant to the proposed amalgamation of the Transferor Company with the Transferee Company, the debt repayment capacity of the Transferee Company will not be adversely affected. As far as the rights of the Unsecured Creditors of the Transferee Company are concerned, they will not be affected adversely by the proposed Scheme as the assets of the Transferee Company post arrangement are substantially in excess of the corresponding liabilities.
- d.4. The Appointed Date for the draft Scheme is fixed as on April 1, 2017.
- d.5. Upon the Scheme becoming effective, with effect from the Appointed Date, the name of the Transferor Company would be struck off from the records of the Registrar of Companies.
- d.6. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, therefore, there would be no issue of shares by the Transferee Company and the shares held by the Transferee Company in the Transferor Company shall automatically get cancelled, without any further act or deed.
- d.7. On the Scheme becoming effective, all the employees of the Transferor Company shall become the employees of the Transferee Company respectively, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date.

- d.8. On the Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Transferor Company's undertaking (including all assets and liabilities) in Transferee Company in terms of this Scheme, the entire paid up share capital in the Transferor Company fully held by the Transferee Company shall be extinguished on the Effective Date and all such equity shares of the Transferor Company held by the Transferee Company (either in its own name or held in the name of its nominee(s)) shall be cancelled and/or shall be deemed to be cancelled.
- d.9. Upon coming into effect of the Scheme, the authorised share capital of the Transferor Company shall be deemed to be added to the authorised share capital of the Transferee Company.
- d.10. This Scheme is and shall be conditional upon and subject to the following approvals:
- (i) Approval of and agreement to the Scheme, by the requisite majority of the equity shareholders of the Transferor Company and the Transferee Company respectively, in terms with Section 233 of the Companies Act at a general meeting of the respective company.
 - (ii) Approval of and agreement to the Scheme as required under Section 233(1), Companies Act from the requisite majority of creditors of the Transferor Company and the Transferee Company respectively.
 - (iii) Confirmation order under Section 233 of the Companies Act or sanction order under Section 232 of the Companies Act, as the case may be, being obtained by the Transferor Company and the Transferee Company from the Central Government or the Hon'ble National Company Law Tribunal, Mumbai Bench, in case the Central Government files an application pursuant to Section 233(5), Companies Act, as may be applicable.
 - (iv) Approval of the RBI to the Transferor Company's application dated March 6, 2017 for the voluntary surrender of the registration No. N-13.01801, dated July 11, 2015 obtained by the Transferor Company to carry on the business of a non-banking financial institution. As stated earlier, RBI has cancelled the said registration vide its order dated 10th August, 2017.
 - (v) Approval for the 'change in status or constitution' of the Transferee Company by the Bombay Stock Exchange and National Stock Exchange respectively, on which the Transferee Company is registered as a trading member and a clearing member under the SEBI (Stock Brokers and sub-Brokers) Regulations, 1992 in line with the requirement under SEBI Circular CIR/MIRSD/2/2011 dated June 2, 2011.
- e. Valuation Report and Approvals:**
- e.1. For the purposes of the proposed Amalgamation, G.M. Kapadia & Co., Chartered Accountants vide Valuation Certificate dated 21st July, 2017 enclosed as Annexure B has clarified that the Transferor Company is wholly owned by the Transferee Company and therefore there would be no issue of shares by the Transferee Company in this regard.

- e.2. Pursuant to the recommendation at the Audit Committee Meeting of the Company held on July 21, 2017 the Board of Directors accorded approval to the said Scheme at its Meeting held on July 21, 2017.
- e.3. Further, the Board of Directors of the Transferor Company at its Board Meeting held on July 21, 2017 by resolution approved the proposed Scheme, as detailed below:

Name of Director	Voted in favor	Voted Against	Did not participate or vote
Ms. Ameer Parikh	Yes	-	-
Ms. Charulata Sippy	Yes	-	-
Ms. Deepali Tawde	Yes	-	-
Mr. Jayesh Mehta	Yes	-	-
Mr. Kumar Shah	-	-	Leave of absence
Mr. Sundararaman Ramamurthy	Yes	-	-

- e.4. The Board of Directors of the Transferee Company have at its board meeting held on July 21, 2017 by resolution approved the proposed Scheme, as detailed below:

Name of Director	Voted in favor	Voted Against	Did not participate or vote
Ms. Ameer Parikh	Yes	-	-
Mr. Arbind Maheswari	-	-	Leave of absence
Mr. Asit Bhatia	-	-	Leave of absence
Ms. Charulata Sippy	Yes	-	-
Mr. Rajnarayan Balakrishnan	Yes	-	-
Mr. Sundararaman Ramamurthy	Yes	-	-

- e.5. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- e.6. The Scheme along with related documents was filed with the Registrar of Companies, Maharashtra ("Registrar") and the Official Liquidator, Bombay High Court ("OL") in Form GNL – 1 on July 24, 2017 and was open for objections/suggestions. The Company has not received any objections/suggestions as on date.
- e.7. A copy of Solvency Certificate of the Company dated July 21, 2017 filed with the Registrar in Form CAA No. 10 pursuant to Section 233(1)(c) of the Companies Act, 2013 is enclosed as **Annexure C** to this explanatory statement.

- e.8. A copy of the certificate issued by statutory auditor of the Company to the effect that the accounting treatment, if any, proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act is enclosed as **Annexure D**.
- e.9. A statement of net worth along with the statutory auditors report thereon as of March 31, 2017.
- e.10. The Company will make an application under Section 233 and other applicable provisions of the Companies Act read with Rule 25 of the Compromise Rules to the Central Government for confirming the Scheme.
- e.11. No investigation proceedings are pending under the provisions of Chapter XIV of the Companies Act or under the applicable provisions of the Companies Act, 1956 in respect of the Company.
- e.12. A copy of the Scheme has been filed by the Company with the Registrar and the OL on July 24, 2017 July 24, 2017 pursuant to Section 233 of the Companies Act read with Rule 25(4), Companies (Compromises, Arrangements and Amalgamations), Rules, 2016 in Form GNL - 1.
- e.13. No winding up petition is pending against the Company.
- e.14. In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay respective costs, charges and expenses for and or in connection with the Scheme.
- f. As far as the equity shareholders are concerned there will be no dilution in their shareholding in the Company. The Scheme is not expected to have any adverse effect on the key managerial personnel, directors, and employees of the Company. Further, no change in the Board of Directors of the Company is envisaged on account of the Scheme.

A. Pre & Post Scheme Capital Structure as on July 31, 2017

Transferee Company

		Pre-Scheme as on July 31, 2017		Post-Scheme	
		No. of Shares	Amount (Re.)	No. of Shares	Amount (Re.)
A.	Authorised Share Capital:				
	Equity	73,750,000	737,500,000	283,750,000	2,837,500,000
	Preference	810,000,000	8,100,000,000	810,000,000	8,100,000,000
	Total Authorised Capital	883,750,000	8,837,500,000	1,093,750,000	10,937,500,000
B.	Issued, Subscribed & Paid-Up Capital:				
	Equity	23,155,039	231,550,390	23,155,039	231,550,390
	Preference	-	-	-	-
	Total Issued, Subscribed & Paid-Up Capital	23,155,039	231,550,390	23,155,039	231,550,390

Transferor Company

		Pre-Scheme* as on July 31, 2017	
		No. of Shares	Amount (Rs.)
A.	Authorised Share Capital:		
	Equity	21,00,00,000	2,10,00,00,000
	Preference	-	-
	Total Authorised Capital	21,00,00,000	2,10,00,00,000
B.	Issued, Subscribed & Paid-Up Capital:		
	Equity	20,50,00,000	2,05,00,00,000
	Total Issued, Subscribed & Paid-Up Capital	20,50,00,000	2,05,00,00,000

*Note: Since the Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares are being issued pursuant to the Scheme therefore there shall be no change in the capital structure post scheme.

A. Pre & Post Scheme Shareholding pattern and Capital Structure of the Transferee Company as on July 31, 2017
Transferee Company

Name of Shareholders	Pre- Scheme			Name of Shareholders	Post Scheme		
	No. of Equity Shares	% Share holding	Equity Share Capital (Amount in Rs.)		No. of Equity Shares	% Shareholding	Equity Share Capital (Amount in Rs.)
GHS Singapore Holding Pte. Ltd.	23,143,897	99.95%	231,438,970	GHS Singapore Holding Pte. Ltd.	23,143,897	99.95%	231,438,970
Public	11,142	0.05%	111,420	Public	11,142	0.05%	111,420

Transferor Company

Sr. No.	Name of Shareholders	Pre-Scheme#		
		No. of Equity Shares	% Share holding	Equity Share Capital (Amount in Rs.)
1	DSP Merrill Lynch Limited (DSPML)	204,999,994	100	2,049,999,940
2	Mr. Kumar Shah (Nominee of DSPML)	1	-	10
3.	Mr. Jayesh Mehta (Nominee of DSPML)	1	-	10
4.	Mr. Sundararaman Ramamurthy (Nominee of DSPML)	1	-	10
5.	Mr. Asit Bhatia (Nominee of DSPML)	1	-	10
6.	Mr. Arbind Maheswari (Nominee of DSPML)	1	-	10
7.	Mr. Rajnarayan Balakrishnan (Nominee of DSPML)	1	-	10
	Total	205,000,000	100.00%	2,050,000,000

Post merger, the Transferor Company shall be dissolved without winding up consequently there shall be no change in the shareholding pattern of the Transferee Company post the Scheme.

- g. The following documents shall be available for inspection by the creditors of the Company at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.
- g.1. Memorandum of Association and Article of Association of the Transferor Company and the Transferee Company.
- g.2. Audited Financial Statements of the Transferor Company for last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and the Audited Financial Statements including Consolidated Financial Statements of the Transferee Company for last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015.
- g.3. Copy of the Scheme of Amalgamation dated July 24, 2017, between the Transferor Company and the Transferee Company.
- g.4. The Valuation Certificate.
- g.5. Copies of the resolution passed by the respective Board of Directors of the Transferor Company and the Transferee Company approving the Scheme.
- g.6. Certificate issued by Auditor of the Company to the effect that the accounting treatment, if any, proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act.



A subsidiary of
Bank of America Corporation

For and on behalf of the Board of Directors
DSP MERRILL LYNCH LIMITED

Date:

Place: Mumbai

SAMRAT SANYAL
COMPANY SECRETARY
(Membership No. A-13863)

Registered Office:

Ground Floor, A Wing, One BKC, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051
CIN: U74140M H1975PLC018618 **website:** www.ml-india.com

DSP MERRILL LYNCH LIMITED

Registered Office: Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel +91 22 66328000 **Fax No.** +91 22 66328580 **Website** www.ml-india.com

E-mail dg.secretarial@baml.com

CIN U74140M H1975PLC018618

FORM OF PROXY

I/We _____ the undersigned being the Creditor of DSP Merrill Lynch Limited, do hereby appoint Mr./Mrs. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of Unsecured Creditors of DSP Merrill Lynch Limited to be held on Wednesday, September 27, 2017 at 17th Floor, Board Room, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 at 10.00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed amalgamation embodied in the Scheme of Amalgamation between DSP Merrill Lynch Capital Limited (Transferor Company) and DSP Merrill Lynch Limited (Transferee Company) and at such meeting, and any adjournment/adjournments thereof, to vote, for me/us and in my/our name(s) _____ (herein, if 'for' insert 'FOR', if 'against' insert 'AGAINST' and in the later case strike out the words "either with or without modifications" after the word "Amalgamation") the said amalgamation embodied in the Scheme of Amalgamation either with or without modifications as my/our proxy may approve.

Affix 1/- Revenue Stamp

*Strike out what is not necessary

Dated this _____ day of _____ 2017

Name: _____

Address: _____

Signature of the Unsecured Creditors

Signature of Proxy

Notes:

- (1) Please affix Revenue Stamp before putting Signature.
- (2) All alterations made in the Form of Proxy should be initialled.
- (3) The Proxy must be deposited at the Registered Office of the Company at least 48 hours before the time for holding the meeting
- (4) In case of multiple proxies, the proxy later in the time shall be accepted.
- (5) Proxy need not be a creditor.

DSP MERRILL LYNCH LIMITED

Registered Office: Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel +91 22 66328000 **Fax No.** +91 22 66328580 **Website** www.ml-india.com

E-mail dg.secretarial@baml.com

CIN U74140M H1975PLC018618

ATTENDANCE SLIP

CREDITORS MEETING ON WEDNESDAY, SEPTEMBER 27, 2017 AT 10.00 A.M.

I/We hereby record my/our presence at the Meeting of the Unsecured Creditors of the Company, convened pursuant to Section 233 (1) of Companies Act, 2013 at 17th Floor, Board Room, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on Wednesday, September 27, 2017 at 10.00 a.m.

Name and Address of the Unsecured Creditors **(IN BLOCK LETTERS)**:

Signature: _____

Name of the Proxy Holders* **(IN BLOCK LETTERS)** _____

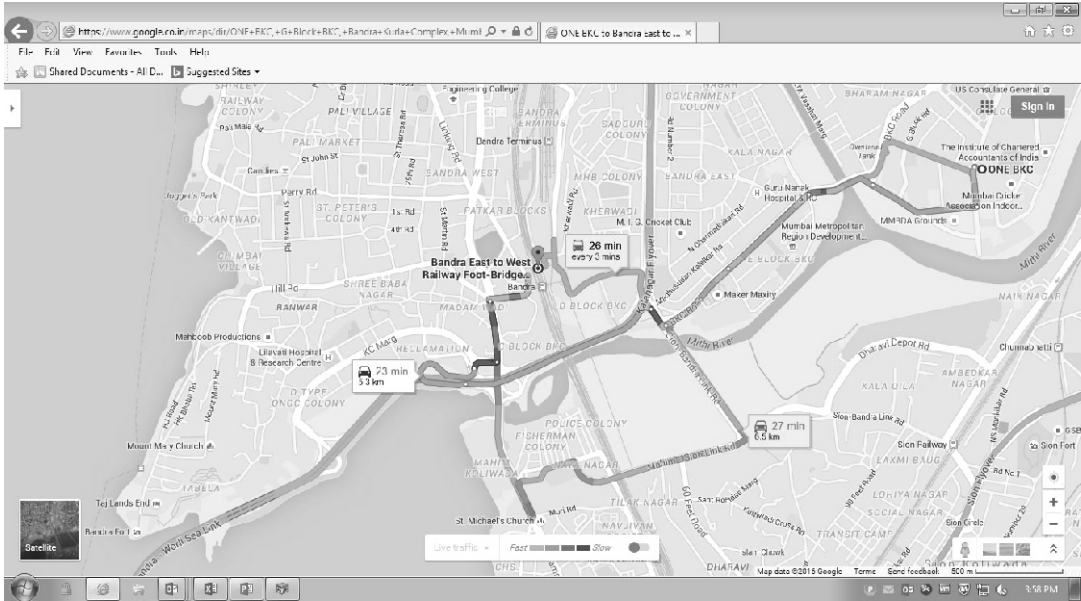
Signature: _____

* (To be filled in by the Proxy in case he/she attends instead of the Unsecured Creditors)

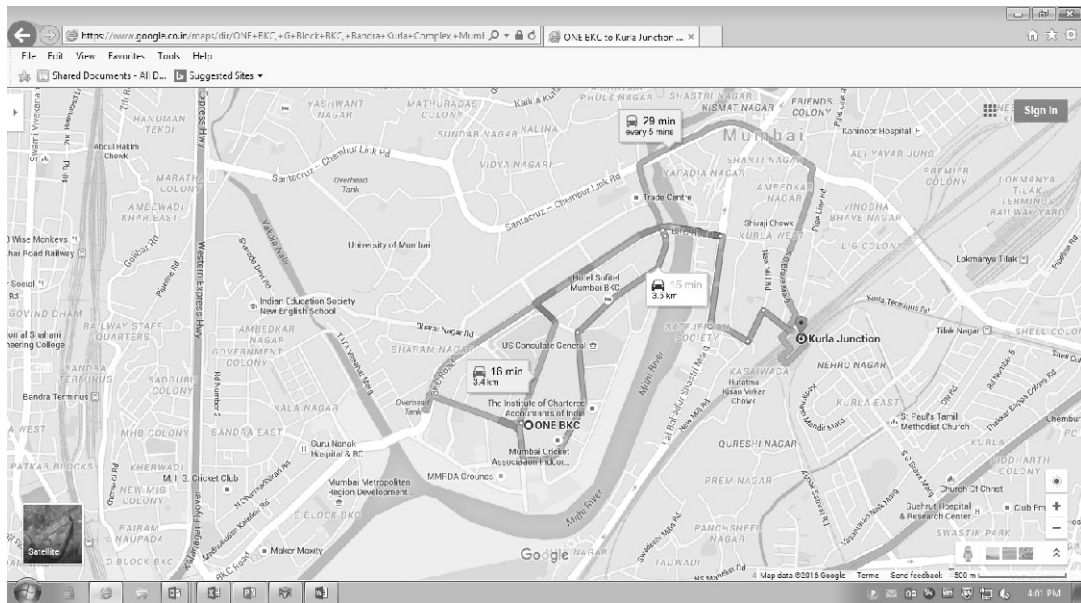
Notes:

Unsecured Creditors attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.

One BKC, G Block, Bandra Kurla Complex, Mumbai – 400051
From Bandra Station



One BKC, G Block, Bandra Kurla Complex, Mumbai – 400051
From Kurla Station



SCHEME OF AMALGAMATION

OF

DSP MERRILL LYNCH CAPITAL LIMITED ... **Transferor Company**
(a wholly owned subsidiary of DSP Merrill Lynch Limited)

WITH

DSP MERRILL LYNCH LIMITED ... **Transferee Company**

Under Sections 233 read with Sections 52 and 66 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. PREAMBLE

- 1.1 This scheme of amalgamation ("Scheme") is presented for the amalgamation of DSP Merrill Lynch Capital Limited ("DSPMLC" or the "Transferor Company") with DSP Merrill Lynch Limited ("DSPML" or the "Transferee Company"), pursuant to Section 233 read with Sections 52 and 66 and of the Companies Act, 2013 ("Companies Act") read with the Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Companies Rules").

2. DESCRIPTION OF COMPANIES

DSPML

- 2.1 DSPML is an unlisted public limited company, incorporated under the Companies Act, 1956 ("1956 Act") presently having its registered office at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. DSPML was incorporated on October 23, 1975, as D.S.P. Financial Consultants Limited, and the name was changed to DSP Merrill Lynch Limited with effect from December 18, 1996. DSPML is registered with the Securities and Exchange Board of India ("SEBI") as a Merchant Banker, Stock Broker, Depository Participant (with National Securities Depository Limited) and Research Analyst and is engaged in the business of investment banking, securities brokerage, underwriting, research and corporate & finance advisory services.

DSPMLC

- 2.2 DSPMLC, a wholly owned subsidiary of DSPML, is an unlisted public limited company, incorporated on April 7, 2005 under the 1956 Act (as defined hereinafter), presently having its registered office at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. DSPMLC is registered with the Reserve Bank of India ("RBI") as a non-deposit taking non-banking financial company ("NBFC"). DSPMLC is primarily engaged in financing and lending activities. It also undertakes principal transactions in securities, and other financial products including investment in units of mutual fund liquid schemes, fixed deposits and government securities i.e. T- Bills.
- 2.3 In terms of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, DSPMLC has been categorized as a "systematically important non-deposit taking non-banking financial company" based on its total asset size being more than Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) as shown in the last audited balance sheet. As of March 6, 2017, DSPMLC has applied to the RBI for voluntarily withdrawing its NBFC registration.

3. RATIONALE AND PURPOSE OF THE SCHEME

- 3.1 The board of directors ("Board") of DSPMLC discussed and deliberated upon the company's business profile and concluded that it is in the best interests of DSPMLC and its stakeholders to cease its operations as a RBI registered NBFC. Consequently, it was proposed to amalgamate DSPMLC in to its parent company, DSPML which would inter alia provide the following benefits to the stakeholders of the said companies:
- (i) incremental operational and administrative synergies accruing to both DSPML and DSPMLC; and
 - (ii) combination/ consolidation of resources, expertise and energies

3.1 Accordingly the respective Board of Directors of DSPMLC and DSPML have formulated this Scheme for the transfer and vesting of the Undertaking of DSPMLC with and into DSPML pursuant to the provisions of Sections 233 of the Companies Act read with Rule 25 of the Companies Rules.

4. DEFINITIONS

- 4.1 "1956 Act" means the Companies Act, 1956, or any modifications or re-enactments or amendments thereof from time to time.
- 4.2 "Amalgamation" means as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 4.3 "Appointed Date" means 1st April, 2017.
- 4.4 "Appropriate Authority" shall mean the (i) Central Government or (ii) the Tribunal, in case the Central Government files an application pursuant to Section 233(5), Companies Act, as may be applicable.
- 4.5 "Board" means the board of directors of the Transferor Company and/ or the Transferee Company, as the case may be, and shall include a committee of the Board constituted for the implementation of this Scheme.
- 4.6 "Central Government" means the Regional Director, Western Division, Ministry of Corporate Affairs, Government of India.
- 4.7 "Companies Act" means the Companies Act, 2013, or any modifications or re-enactments or amendments thereof from time to time.
- 4.8 "Companies Rules" means Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 4.9 "DSPML" or the "Transferee Company" means a public unlisted company incorporated under the 1956 Act and having its registered office at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
- 4.10 "DSPMLC" or the "Transferor Company" means a public unlisted company incorporated under the 1956 Act and having its registered office at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
- 4.11 "Effective Date" the date on which the certified/ authenticated copies of the confirmation or sanction order of the Appropriate Authority, as the case may be, are filed with the RoC by the Transferor Company and the Transferee Company.
- 4.12 "Exchanges" shall mean the Bombay Stock Exchange and the National Stock Exchange respectively, on which DSPML is registered as a trading member and clearing member under the SEBI (Stock Brokers and Sub brokers) Regulations, 1992.
- 4.13 "Governmental Authority" means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any tribunal, or any court, or board having jurisdiction.
- 4.14 "Proceedings" means any suit, appeal, petition, complaint, application or other legal proceedings of whatsoever nature.

- 4.15 "RBI" means the Reserve Bank of India.
- 4.16 "RoC" means the Registrar of Companies, Maharashtra at Mumbai, which has jurisdiction over the Transferor Company and the Transferee Company.
- 4.17 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form as approved by the Board of Directors of the Transferor Company and the Transferee Company or with any modification(s) made under Clause 22 of this Scheme.
- 4.18 "SEBI" means the Securities and Exchange Board of India.
- 4.19 "Tribunal" means the Hon'ble National Company Law Tribunal, Mumbai Bench.
- 4.20 "Undertaking" shall mean the entire business of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:
- (a) All the assets and properties (tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to leasehold rights of the Transferor Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), , credits (including tax credits), Minimum Alternate Tax Credit entitlement ("MAT Credit"), CENVAT credit, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company.

- (b) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Transferor Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations and that may be required to carry on the operations of the Transferor Company.
- (c) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company's business activities and operations.
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (e) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, , or any other or like benefits under the said acts or under and in accordance with any law or act, in India.
- (f) All debts (secured and unsecured), liabilities including tax liabilities, contingent liabilities, debentures, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.
- (g) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.
- (h) All employees of the Transferor Company as on the Effective Date

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Companies Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

4.21 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date.

4.22 The headings shall not affect the construction of this Scheme.

4.23 The singular shall include the plural and vice versa.

5. DATE OF COMING INTO EFFECT

5.1 The date of coming into effect of the Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Appropriate Authority in terms of the Scheme, shall be the Effective Date, although operative from the Appointed Date.

6. SHARE CAPITAL

6.1 The share capital of DSPMLC as per the last audited financial statement of accounts for the year ended as on March 31, 2017 is as under:

Particulars	Amount (Rs.)
<u>Authorized Capital</u>	
21,00,00,000 Equity shares of Rs. 10/- each	2,10,00,00,000
Total	2,10,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
20,50,00,000 Equity shares of Rs. 10/- each	2,05,00,00,000
Total	2,05,00,00,000

6.2 The entire subscribed & paid-up share capital of DSPMLC is held by DSPML & its nominees.

6.3 Subsequent to March 31, 2017 and up to the date of approval of the Scheme by the Board of Directors of DSPMLC, there has been no change in the authorized, issued and paid up share capital of DSPMLC.

6.4 The share capital of DSPML as per the last audited financial statement of accounts for the year ended as on March 31, 2017 is as under:

Particulars	Amount (Rs.)
<u>Authorized Capital</u>	
73,750,000 Equity shares of Rs. 10/- each	73,75,00,000
810,000,000 cumulative redeemable preference shares of Rs. 10/- each	8,10,00,00,000
Total	8,83,75,00,000
<u>Issued, subscribed and paid-up share capital</u>	
2,31,55,039 Equity shares of Rs. 10/- each, fully paid up	23,15,50,390
Total	23,15,50,390

6.5 Subsequent to March 31, 2017 and up to the date of approval of the Scheme by the Board of Directors of DSPML, there has been no change in the authorized, issued and paid up share capital of DSPML.

7. AMALGAMATION AND VESTING OF THE UNDERTAKING OF THE TRANSFEROR COMPANY INTO TRANSFEREE COMPANY

7.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire Undertaking of the Transferor Company as a going concern shall, pursuant to the confirmation of the Scheme by the Appropriate Authority and pursuant to the provisions of Sections 233 of the Companies Act, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Transferee Company, without any further act, deed, instrument, matter or thing so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company or the Transferee Company, and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

Provided further that in pursuance to the confirmation of the Scheme by the Appropriate Authority and upon coming into effect of the Scheme and with effect from the Appointed Date, the movable property of the Transferor Company shall vest in the Transferee Company in the manner laid down hereunder:

- (i) All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, retail stocks of whatsoever nature, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company and the Transferee Company.

- (ii) In respect of any assets of the Transferor Company other than those mentioned in sub-clause (i) above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received, advance taxes, taxes deducted at source, and deposits with the government, semi-government, local and other authorities and bodies and customers, the Transferor Company shall, if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Appropriate Authority having confirmed this Scheme under Section 233 of the Companies Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

7.2. The transfer of assets and liabilities pursuant to above and the continuance of proceedings by the Transferee Company pursuant to Clause 8 and 9 shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.

7.3. With effect from the Appointed Date, all income taxes, sales tax, value added tax, service tax and other governmental and semi-governmental liabilities, debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date shall, pursuant to the order of the Appropriate Authority, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

7.4. Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Transferee Company).

- 7.5. The Transferee Company may at any time after the coming into effect of the Scheme and with effect from the Appointed Date, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which any of the Transferor Company are a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such confirmation in writing on behalf of each of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 7.6. All taxes (including income tax, sales tax, service tax, value added tax, etc.) paid or payable by the Transferor Company, including MAT Credits, CENVAT credits, in respect of the operations and/or the profits of the business before the Appointed Date, on account of the Transferor Company and, insofar as it relates to the tax payment (including without limitation, sales tax, custom duty, income tax, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company including MAT Credits, CENVAT Credits, in respect of the profits from activities of operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 7.7. For avoidance of doubt and without prejudice to the generality of the foregoing it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, insofar as they relate to the Transferor Company and all other interests relating to the services being dealt with by the Transferor Company, without any further act or deed be transferred to and vested in the Transferee Company.
- 7.8. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 7.9. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

8. COMPLIANCE WITH TAX LAWS

- 8.1. This Scheme has been drawn up to comply with the conditions relating to 'Amalgamation' as specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income tax Act, 1961, the provisions of Section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary and such modification shall not affect other parts of the Scheme.
- 8.2. Upon the Scheme becoming effective, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, and other tax laws, and to claim refunds and/or credit for taxes paid (including MAT, tax collected at source, tax deducted at source, wealth tax, CENVAT Credit, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme, from the Appointed Date.
- 8.3. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 8.4. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 8.5. Any tax liabilities under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 8.6. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 8.7. The tax payments (including, without limitation income tax, service tax, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 8.8. Further, any tax deducted at source by Transferor Company/Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- 8.9. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company, as the case maybe.
- 8.10. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, MAT Credit entitlement, tax deducted at source, wealth tax, service tax, central sales tax, applicable state value added tax, CENVAT Credits, registrations, etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 8.11. Upon coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

9. LEGAL PROCEEDINGS

- 9.1. If any Proceedings by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reasons of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have been continued, prosecuted and enforced by or against the Transferor Company, in the absence of the Scheme.
- 9.2. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the present and past business of the Transferor Company.

10. CONTRACTS, DEEDS, BONDS, APPROVALS AND OTHER INSTRUMENTS

- 10.1. For avoidance of doubt and without prejudice to the generality of Clause 7 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme and without any further act of the parties, all memoranda of understanding, contracts(including not limited to the agreements with respect to the immovable properties by way of lease, license and business arrangements), deeds, bonds, agreements, arrangements, incentives, engagements, registrations, schemes, assurances, licences, insurance policies, guarantees, and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it)of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 10.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the Appropriate Authority confirming the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

- 10.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or become necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to which one or more of the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme and to the extent that the Transferor Company are required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

11. SAVING OF CONCLUDED TRANSACTIONS

- 11.1. The transfer and vesting of the entire Undertaking of the Transferor Company under Clause 7 above, transfer and continuation of tax Proceedings under Clause 8 and the continuance of proceedings by or against the Transferee Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on its behalf.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Unless otherwise stated hereunder, with effect from the Appointed Date and up to the Effective Date:

- 12.1. The Transferor Company shall carry on and shall be deemed to have been carrying on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the respective assets of the Transferor Company and the entire business and Undertaking for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 12.2. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.
- 12.3. All the profits or income, taxes (including advance tax, tax deducted at source and MAT Credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits, income, taxes, tax losses, MAT Credit, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.4. For the removal of doubt, it is clarified that to the extent there are inter-company loans, deposits, obligation, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

12.5. The Transferee Company shall be entitled, pending the confirmation of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and confirmations which the Transferee Company may require to carry on the business of the Transferor Company and to give effect to the Scheme.

13. CANCELLATION OF SHARES OF THE TRANSFEROR COMPANY AND NO ISSUE OF SHARES BY THE TRANSFEE COMPANY

13.1. For the purposes of this Scheme, it is hereby clarified that the Transferor Company is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the Transferor Company. On the amalgamation of the Transferor Company with the Transferee Company, no shares of the Transferee Company shall be issued or allotted in respect of the holding of the Transferee Company in the Transferor Company.

13.2. Upon the Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the Undertaking including all assets and liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the entire paid up share capital in the Transferor Company fully held by the Transferee Company (either held directly or through and/or its /nominee(s)) on the Effective Date shall be cancelled or shall be deemed to be cancelled and all such equity shares of the Transferor Company held by the Transferee Company (either in its own name or held in the name of its nominee(s)) shall be cancelled and shall be deemed to be cancelled without any further application, act or deed.

14. COMBINATION OF AUTHORISED SHARE CAPITAL

14.1. Upon coming into effect of the Scheme, the authorised share capital of the Transferor Company as mentioned in Clause 6.1, shall be deemed to be added to the authorised share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and registration fees payable to the RoC and the memorandum of association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Companies Act, if any, would be required to be separately passed, as the case may be, and for this purpose the stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.

14.2. For the purpose of combination of authorised share capital as contemplated in this Clause, any subsequent increase in the authorised share capital of the Transferor Company and Transferee Company, as may be applicable, shall be considered and the effect of such further increase be given accordingly.

14.3. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum of association and the articles of association of the Transferee Company as may be required under the Companies Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme.