

**SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**AUTHUM INVESTMENT & INFRASTRUCTURE LIMITED**  
**AND**  
**RELIANCE COMMERCIAL FINANCE LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE**  
**COMPANIES ACT, 2013**



## **PART A - GENERAL**

### **1. PREAMBLE**

1.1 This Scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and also read with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 amongst Authum Investment & Infrastructure Limited (“**AIIL**”), Reliance Commercial Finance Limited (“**RCFL**”), and their respective shareholders and creditors.

1.2 The Scheme (*as defined hereinafter*), *inter alia*, provides for:

- (i) the demerger of the Demerged Undertaking (*as defined hereinafter*) of RCFL, i.e. the Demerged Company (*as defined hereinafter*) into AIIL, i.e. the Resulting Company (*as defined hereinafter*) for the purposes of the demerger;
- (ii) various other matters consequential or otherwise integrally connected therewith;

each in the manner as more particularly described in this Scheme.

### **2. BACKGROUND**

2.1 AIIL was incorporated on July 17, 1982 under the provisions of the Companies Act, 1956, and is a public limited company within the meaning of the Act, having CIN - L51109MH1982PLC319008. Its registered office is at 707, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra. AIIL is listed on BSE Limited & The Calcutta Stock Exchange Limited. AIIL is a non-deposit taking Systemically Important Non-Banking Financial Company registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in the business of providing loans and making investments in shares and securities.

2.2 RCFL was incorporated on August 17, 2000 under the provisions of the Companies Act, 2013, and is a public limited company within the meaning of the Act, having CIN - U66010MH2000PLC128301. Its registered office is at The Ruby, 11<sup>th</sup> Floor, North-West Wing, Plot No. 29, Senapati Bapat marg, Dadar (west) Mumbai 400028 Maharashtra. RCFL is a wholly owned subsidiary of AIIL. RCFL is registered as a Non-Deposit taking Non -Banking Financial Company, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. RCFL is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises, housing finance business, rental business. Debt securities of RCFL are listed on BSE Limited.

2.3 RCFL had entered into a resolution plan/ Inter-Creditor Agreement (“ICA”) with its lenders, in accordance with the circular dated June 7, 2019; issued by the RBI on Prudential Framework for Resolution of Stressed Assets. Pursuant to the terms of the ICA, the lenders had evaluated, voted upon and selected Authum Investment and Infrastructure Limited as the final bidder on July 15, 2021. Further the debt



resolution plan was approved by the ICA lenders and Hon'ble Supreme Court order dated August 30, 2022 and a Resolution Plan Implementation Memorandum to this regard between the ICA lenders and Authum Investment and Infrastructure Limited has been entered into on September 30, 2022.

Further, RCFL alongwith AAIL , its holding company has implemented the Resolution Plan and has acquired Business Undertaking of Reliance Home Finance Limited ("RHFL") on a slump sale and going concern basis, pursuant to the approved Resolution Plan of RHFL being conducted by the Financial Creditors of RHFL in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets and the order of Hon'ble Supreme Court of India dated March 03, 2023. The acquired assets of RHFL includes movable, immovable, investments, securitized and non securitized loan portfolio consisting of affordable home loans, home loans, loan against property, construction finance, etc.

### **3. RATIONALE AND OBJECTIVE OF THE SCHEME**

- 3.1** RCFL and AAIL are Non-Banking Financial Companies registered with the Reserve Bank of India. RCFL is primarily engaged in Lending Business & rental business. AAIL is listed company and RCFL is a wholly owned subsidiary of AAIL.
- 3.2** RBI vide letter dated October 01, 2022 had provided No Objection Certificate for transfer of control through change of shareholding and management of RCFL and acquisition of 100% equity stake of RCFL by AAIL. RBI had specified few conditions to be complied by AAIL which includes surrender the Certificate of Registration of RCFL by AAIL. Accordingly, proposed demerger will transfer the Lending Business of RCFL to comply with RBI condition
- 3.3** Further, following benefits shall accrue on demerger of Lending Business
  - 3.3.1** Entire NBFC business activities (existing AAIL business & RCFL business) to be consolidated into single entity.
  - 3.3.2** Lending Business of RCFL shall be consolidated with AAIL for efficient business management which will lead to business synergies to grow business of AAIL.
  - 3.3.3** The proposed demerger will facilitate pursuit of scale, operational synergies, administrative synergies.
- 3.4** In furtherance of the aforesaid, this Scheme provides for the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and various other matters consequential or integrally connected therewith, pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular - Equity (*as defined hereinafter*), SEBI Scheme Circular – Debt (*as defined hereinafter*) and the IT Act (*as defined hereinafter*), including Section 2(19AA) thereof.



#### 4. OPERATION OF THE SCHEME

4.1 The demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date (*as defined hereinafter*) and shall be in accordance with Section 2(19AA) of the IT Act, such that:

- (i) All the properties of the Demerged Undertaking as on the Appointed Date shall be transferred to and become the properties of the Resulting Company by virtue of this Scheme;
- (ii) All the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
- (iii) All the liabilities in the nature of general or multipurpose borrowings of the Demerged Company amount of liabilities which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date, shall become the liabilities of the Resulting Company as on the Appointed Date;
- (iv) The properties and the liabilities relating to the Demerged Undertaking shall be transferred to the Resulting Company at the value appearing in the books of accounts of the Demerged Company immediately before the demerger;
- (v) The Resulting Company shall not issue equity shares, in consideration of the demerger, since Demerged Company is wholly owned subsidiary of Resulting Company, in accordance with this Scheme;
- (vi) The transfer of the Demerged Undertaking shall be on a going concern basis; and
- (vii) The demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the IT Act, by the Central Government in this behalf.

4.2 If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the IT Act with respect to the demerger, at a later date, including as a result of any amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modifications shall however not affect the other parts of the Scheme.

#### 5. PARTS OF THE SCHEME

5.1 The Scheme is divided into following parts:

- (i) **Part A** deals with background of the Companies, rationale and objective and overview of the Scheme;
- (ii) **Part B** deals with the definitions, interpretation and share capital structure of the Companies;



- (iii) **Part C** deals with transfer and vesting of the Demerged Undertaking into the Resulting Company on a going concern basis in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(19AA) of the IT Act;
- (iv) **Part D** deals with the general terms and conditions applicable to the Scheme.

## **PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL STRUCTURE**

### **6. DEFINITIONS**

**6.1** In this Scheme, unless inconsistent with or repugnant to the subject or context, the following expressions shall have the meanings respectively assigned against them:

- (i) **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- (ii) **“AIIL”** means Authum Investment & Infrastructure Limited, a public limited company incorporated under provisions of the Companies Act, 1956, having its registered office at 707, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra, hereinafter also referred to as the Resulting Company;
- (iii) **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, press notes, requirement or any similar form of determination by or decision of any Appropriate Authority, in each case having the force of law, and that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards or at any time thereafter;
- (iv) **“Appointed Date”** means opening of business on October 01, 2023 or such other date as the NCLT may direct/ allow;
- (v) **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including but not limited, to Registrar of Companies, Regional Director, RBI, SEBI, Stock Exchanges, National Company Law Tribunal, Tax department including the Central Board of Direct Taxes, income tax authorities, Central and State GST Departments and such other sectoral regulators or authorities as may be applicable;
- (vi) **“Board” or “Board of Directors”** in respect of a Company, means the board of directors of the Demerged Company and / or the Resulting Company, at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;



- (vii) **“Companies”** means AILL and RCFL collectively, and **“Company”** means any one of them as the context may require;
- (viii) **“Debt Securities” or “NCDs”** means Non-Convertible Debentures of Demerged Company;
- (ix) **“Demerged Company”** means RCFL;
- (x) **“Demerged Undertaking”** means all the businesses, undertakings, activities, operations and properties of the Demerged Company, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the Lending Business as a going concern, including but not limited to, the following:
  - (a) all assets, as are movable in nature and which exclusively form part of the Lending Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, stores and spares, packing material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, property, loans, securities, post dated cheques, ECS mandate, direct debit mandate, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, investment and shares in entities/ branches/ offices for undertaking the Lending Business in India, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, rights of any claim not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;
  - (b) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, privileges, memberships, allotments, quotas, no objection certificates,



exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Lending Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Lending Business;

- (c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder exclusively forming part of the Lending Business;
- (d) all rights and obligations of the Demerged Company under the customer contracts, loan agreements, the receivables and non-performing assets, along with the unamortized subventions received, and unamortized cost of acquisition relating to the receivables and non-performing assets, under the customer contracts and the rights and interest of the Resulting Company to the security and / or collateral provided in relation to the customer contracts pertaining to the Lending Business. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant regulations;
- (e) all contracts, agreements, schemes, arrangements, know your customer (KYC) details and any other instruments pertaining to the Lending Business;
- (f) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, pertaining to the Lending Business;
- (g) all insurance policies pertaining to the Lending Business;
- (h) all intellectual property that exclusively forms part of the Lending Business;



- (i) Demerged Undertaking shall also include Demerged Liabilities;
- (j) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company exclusively forming part of the Lending Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively forming part of the Lending Business;
- (k) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that exclusively form part of the Lending Business;
- (l) all employees of the Demerged Company including Liabilities of Demerged Company with regard to such employees of the Demerged Company, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;
- (m) all legal or other proceedings of whatsoever nature that exclusively form part of the Lending Business, which are capable of being continued by or against the Resulting Company under Applicable Law, other than proceedings under Tax Laws pertaining to the period prior to the Appointed Date; and
- (n) any assets, Liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Demerged Company and the Resulting Company as relating to or forming part of the Lending Business or which are necessary for conduct of, or the activities or operations of, the Lending Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to



the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

- (xi) **“Effective Date”** means the date or the last date of the dates on which all the conditions and matters referred to in Clause 25 (Conditionality of the Scheme) of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to the words “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date;
- (xii) **“GST”** means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, and the state tax as defined under State Goods and Services Tax statutes;
- (xiii) **“IT Act”** means the Income-tax Act, 1961 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory amendment(s), modification(s) or re-enactment(s) thereof;
- (xiv) **“Lending Business”** means loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises and housing loan, Loan against property, working capital loan;
- (xv) **“Liabilities”** means all debts (whether in Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;
- (xvi) **“National Company Law Tribunal”** or **“NCLT”** means the National Company Law Tribunal having jurisdiction over the Companies and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under the provisions of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of the provisions of the Act as may be applicable;
- (xvii) **“RBI”** means the Reserve Bank of India;
- (xviii) **“RCFL”** means Reliance Commercial Finance Limited, a public limited company and a subsidiary of AAIL, incorporated under provisions of the Companies Act, 1956, having its registered office at The Ruby, 11<sup>th</sup> Floor, North-West wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400028, Maharashtra, hereinafter also referred to as the Demerged Company;



- (xix) **“Remaining Business Undertaking”** means all assets, Liabilities, businesses operation including rental business activities & operations and non-core investments of the Demerged Company other than those comprising of the Demerged Undertaking;
- (xx) **“Resulting Company”** means AILL, to which the Demerged Undertaking of the Demerged Company shall stand demerged and transferred pursuant to and in accordance with the terms of the Scheme;
- (xxi) **“Rupees” or “Rs.”** means Indian rupees, being the lawful currency of Republic of India;
- (xxii) **“Scheme” or “the Scheme” or “this Scheme”** means this scheme of arrangement in its present form as submitted to NCLT or this Scheme with such modification(s), if any made, in accordance with Clause 23 hereto;
- (xxiii) **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- (xxiv) **“SEBI LODR Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (xxv) **“SEBI Scheme Circular - Debt”** means circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 (Updated as on June 30, 2023), and any amendments thereof;
- (xxvi) **“SEBI Scheme Circular - Equity”** means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof issued pursuant to Regulations 11, 37, 59A, 94 and 94A of the SEBI LODR Regulations;
- (xxvii) **“Stock Exchanges”** means BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited;
- (xxviii) **“Tax” or “Taxes”** means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof;
- (xxix) **“TDS”** means tax deductible at source, in accordance with the provisions of the IT Act.



## 7. INTERPRETATION

- 7.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other Applicable Law, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 7.2 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 7.3 The headings herein shall not affect the construction of this Scheme.
- 7.4 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 7.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 7.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 7.7 References to a person include any individual, firm, body corporate (whether incorporated), 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).

## 8. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 9. SHARE CAPITAL

- 9.1 The authorized, issued, subscribed and paid up share capital of AIIL as on March 31, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
58,00,00,000 Equity Shares of Rs. 1/- each	58,00,00,000
4,20,00,000 Preference Shares of Rs. 10/- each	42,00,00,000
<b>TOTAL</b>	<b>1,00,00,00,000</b>
<u>Issued Share Capital:</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100



Share Capital	Amount (In Rs.)
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
<b>TOTAL</b>	<b>57,38,45,100</b>
<u>Subscribed and Paid-up Share Capital</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
<b>TOTAL</b>	<b>57,38,45,100</b>

*Subsequent to the above and till the date of Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid up capital of the Demerged Company.*

- 9.2 The authorized, issued, subscribed and paid up share capital of RCFL as on July 14, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
60,00,00,000 Equity Shares of Rs. 10/- each	6,00,00,00,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
20,00,000 Preference Shares of Rs. 1/- each	20,00,000
<b>TOTAL</b>	<b>10,00,20,00,000</b>
<u>Issued Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
<b>TOTAL</b>	<b>5,35,32,57,000</b>
<u>Subscribed and Paid-up Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
<b>TOTAL</b>	<b>5,35,32,57,000</b>

## **PART C - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO RESULTING COMPANY**

### **10. TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and pursuant to the order(s) of the NCLT, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern in the manner set out below. This demerger Scheme complies with the definition of “demerger” as per Section 2(19AA) of the IT Act and other provisions of the IT Act. If any terms of this Scheme are found to be or interpreted to be



inconsistent with provisions of the IT Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the IT Act.

## **10.1 TRANSFER OF ASSETS**

- 10.1.1** Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, subject to the provisions of this Clause 10 in relation to the mode of transfer and vesting under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed, be demerged from the Demerged Company, and be transferred to and vested in and be deemed to have been demerged from the Demerged Company, and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities including accretions of the Resulting Company, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/ or financial institutions.
- 10.1.2** It is clarified that all assets, estates, rights, title, claims, investments, interest and authorities acquired by the Demerged Company, after the Appointed Date and prior to the Effective Date, and forming part of the Demerged Undertaking, shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme, without any further act, instrument or deed.
- 10.1.3** Upon the Scheme becoming effective and with effect from the Appointed Date, without prejudice to the generality of the above:
- (i) In respect of the assets of the Demerged Undertaking that are movable in nature (including but not limited to shares, marketable securities and all intangible assets) or incorporeal property and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, including cash and bank balances, units of mutual funds, market instruments and securities of the Demerged Undertaking the same shall stand transferred by the Demerged Company to the Resulting Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law or be deemed to be transferred by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/ or financial institutions.
  - (ii) In respect of movable assets and properties other than those dealt with in Clause 10.1.3(i) above (including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, etc.) the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance



of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of Applicable Law to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors, depositors or persons as the case may be. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stands transferred to and vested in the Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto.

- (iii) All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act and all other applicable provisions of Applicable Laws.
- (iv) All intellectual property and rights thereto of the Demerged Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the Demerged Company and forming part of the Demerged Undertaking, shall be transferred to, and vest in, the Resulting Company.
- (v) In so far as various incentives, subsidies, exemptions, remissions, reductions, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets/ credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/ minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- (vi) With respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities,



shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- (vii) Any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.

**10.1.4** Upon the Effective Date and with effect from the Appointed Date, in relation to assets, if any, which, under Applicable Law, require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company and or otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

**10.1.5** On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

**10.1.6** It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking.

## **10.2 TRANSFER OF LIABILITIES**



- (i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date), all Demerged Liabilities including Debt Securities/ including Compulsory Convertible Debentures of Demerged Company held by Resulting Company, whether or not provided in the books of the Demerged Company shall without any further act, instrument or deed be and stand transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Resulting Company, along with any encumbrance relating thereto, on the same terms and conditions as were applicable to the Demerged Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities.
- (ii) The term “**Demerged Liabilities**” shall mean:
- (a) the Liabilities of the Demerged Company which exclusively arise out of the activities or operations of the Lending Business;
  - (b) the specific loans or borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operations of the Lending Business
  - (c) in cases other than those referred to in Clause 10.2(ii)(a) or Clause 10.2(ii)(b) above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- (iii) In so far as the Demerged Liabilities are concerned, such Demerged Liabilities transferred to the Resulting Company in terms of Clause 10.2 hereof, shall, without any further act, instrument or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. Thus, with effect from the Effective Date, the primary obligation to redeem or repay such Demerged Liabilities shall be that of the Resulting Company.
- (iv) Where any of the Demerged Liabilities has been partially or fully discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting



Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company.

- (v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable, to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business Undertaking and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business Undertaking. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities.
- (vi) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

## **11. EMPLOYEES**

- 11.1 On the Scheme becoming effective, all the employees of the Demerged Company shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company on the Effective Date.
- 11.2 The services of all the employees of the Demerged Company with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which all the employees of the Demerged Company may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of all the employees of the Demerged Company in the existing provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to all the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company.
- 11.3 The accumulated balances, if any, standing to the credit in favour of all the employees of the Demerged Company in the existing provident fund, gratuity fund, superannuation fund or any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate



Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

## **12. LEGAL PROCEEDINGS**

- 12.1** On and from the Effective Date, the Resulting Company shall be entitled to initiate or continue all legal proceedings in relation to the Demerged Undertaking vested with the Resulting Company.

## **13. CONTRACTS, DEEDS, ETC.**

- 13.1** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectively as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 13.2** Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.
- 13.3** Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations whether issued by statutory and other authorities of the Demerged Company in relation to the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Resulting Company upon the Scheme becoming effective. The benefit of all such statutory and regulatory permissions, and consents, shall vest in and become available to the Resulting Company pursuant to this Scheme. Since each of the statutory and other licenses, registrations, permissions, approvals or consents shall stand transferred by the order of the Tribunal to the Resulting Company, the Resulting Company shall file the relevant intimations for the record of the statutory and other authorities who shall take them on file pursuant to the vesting orders of the Tribunal.
- 13.4** It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds,



agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.

#### **14. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking into the Resulting Company under Clauses 10 to 13 above shall not affect any transaction or proceedings already concluded by the Demerged Company for the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

#### **15. TAXATION MATTERS**

- 15.1** All taxes (including income tax, sales tax, service tax, goods and service tax etc.) paid or payable by the Demerged Company, in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 15.2** Without prejudice to the generality of the foregoing on and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of the Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- 15.3** Upon Scheme being effective, the Demerged Company and the Resulting Company are expressly permitted to revise their respective tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Demerged Company and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or any other tax related compliances or filings of forms.
- 15.4** The goods and service tax paid by the Demerged Company in respect of services provided by the Demerged Undertaking for the period commencing from the Appointed Date shall be deemed to be the goods and service tax paid by the Resulting Company, and credit for such goods and service tax shall be allowed to the Resulting Company notwithstanding that challans for goods and service tax payments are in the name of the Demerged Company and not in the name of the



Resulting Company.

- 15.5** Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, GST returns and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.
- 15.6** Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date upto the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 16. REMAINING BUSINESS UNDERTAKING OF THE DEMERGED COMPANY**
- 16.1** The Remaining Business Undertaking and all the assets, properties, rights, liabilities (including Debt Securities having ISIN of INE126D07073 and INE126D07131 (not held by Resulting Company)) and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business Undertaking of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business Undertaking to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's Liabilities.
- 16.2** All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the respective Remaining Business Undertaking of the Demerged Company, (including those relating to any property, right, power, liability, obligation or duty of the Demerged Company in respect of the Remaining Business Undertaking and any income tax related liabilities) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Effective Date.
- 16.3** On and from the Appointed Date:
- (i) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating the Remaining Business Undertaking for and on its own behalf;



- (ii) all profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (iii) all assets and properties acquired by the Demerged Company in relation to the Remaining Business Undertaking shall belong to and continue to remain vested with the Demerged Company.

## **17. CONSIDERATION FOR DEMERGER**

- 17.1** The entire issued, subscribed and paid up equity share capital and preference share capital of the Demerged Company is held by the Resulting Company and its nominee(s). Upon the Scheme becoming effective, no shares of the Resulting Company shall be allotted in lieu or exchange of the holding of equity & preference shares in the Demerged Company.

## **18. ACCOUNTING TREATMENT**

### **18.1 IN THE BOOKS OF THE DEMERGED COMPANY**

Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger in its books of accounts in accordance with applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under section 133 of the Act and relevant clarifications issued by the Institute of Chartered Accountants of India on the date determined under Ind AS, as follows:

- (i) The Demerged Company shall derecognize from its books of accounts, the carrying amount of assets and liabilities pertaining to the demerged undertaking transferred to and vested in the Resulting Company
- (ii) The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be adjusted against the Retained Earnings

### **18.2 IN THE BOOKS OF THE RESULTING COMPANY**

The Resulting Company shall account for the Scheme in its books / financial statements upon receipt of all relevant / requisite approvals for the Scheme, from Appointed Date as per "Pooling of Interests Method" under Appendix-C of Indian Accounting Standards (Ind AS) 103 "Business Combinations" notified under the Companies (Indian Accounting Standards) Rules, 2015, and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 as amended from time to time, including as provided herein below:

- (i) All the assets and liabilities of the Demerged Undertaking shall be recorded in the financial statements of the Resulting Company at the carrying value as appearing in the financial statements of the Demerged Company, as on Appointed Date
- (ii) To the extent that there are inter-company loans, deposits, obligations,



balances or other outstanding including any interest thereon, as between the Resulting Company and the Demerged Company, in so far as it pertains to the Demerged Undertaking, 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 accounts and records of the Resulting Company for the reduction of such assets or liabilities as the case maybe

- (iii) The excess / deficit of the value of the assets over the value of liabilities of the Demerged Undertaking, pursuant to demerger of the Demerged Undertaking, and as recorded in the books of accounts of the Demerged Company shall, after adjusting the amount recorded in clause (ii) above, be recorded as "Capital Reserve" in the books of the Resulting Company
- (iv) Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Resulting Company, in consultation with its statutory auditors shall be allowed to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and generally accepted accounting principles

## **19. CONDUCT OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE**

- 19.1** From the Appointed Date, the Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Resulting Company.
- 19.2** All the profits or income accruing or arising to the Demerged Company and expenditure or losses arising or incurred or suffered by the Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 19.3** Upon the Scheme becoming effective and with effect from the Appointed Date, any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken / discharged for and on behalf of the Resulting Company.
- 19.4** The Demerged Company and the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to all Appropriate Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions, which may be required in connection with this Scheme.



- 19.5 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the Lending Business which was hitherto carried on by the Demerged Company.

## **PART D - GENERAL TERMS AND CONDITIONS**

### **20. AMENDMENT TO CONSTITUTIONAL DOCUMENTS**

#### **20.1 Change in the memorandum of association of AIIL**

- (i) With effect from the Appointed Date and upon the effectiveness of the Scheme, the memorandum of association of AIIL (including the objects clause) shall stand altered and amended, without any further act or deed, for the purpose of AIIL carrying on the business activities of the Demerged Company and / or as may be required by Appropriate Authorities for this purpose.
- (ii) The amendments pursuant to this Clause 20.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of AIIL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of AIIL and shall not be required to pass separate resolutions under Section 13 of the Act or any other applicable provisions of the Act.

### **21. CHANGE IN CAPITAL STRUCTURE**

- 21.1 Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and including the date of allotment of shares pursuant to this Scheme, none of the Companies shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) or decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the issuance of shares under the Scheme, except under any of the following circumstances:

- (i) by mutual written consent of the respective Boards of AIIL and RCFL; or
- (ii) as may be expressly permitted under this Scheme; or
- (iii) as may be required under any other scheme of arrangement entered into by any of the Companies, under Sections 230 to 232 of the Act.

### **22. APPLICATION TO NCLT**

- 22.1 The Companies shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to jurisdictional NCLT for sanctioning this Scheme under Sections 230 to 232 of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of



the shareholders and/ or creditors of the Companies as may be directed by the NCLT and obtain such other approvals, as required by Applicable Law.

- 22.2 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

## **23. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 23.1 The Companies (acting through their Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify, vary or withdraw this Scheme at any time prior to the Effective Date in any manner (including pursuant to any direction by any Appropriate Authority under Applicable Law), provided that any modification to or variation of the Scheme by the Companies, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT and/or or any other Appropriate Authorities as may be required under Applicable Law.
- 23.2 Each of the Companies agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of any of the Companies, be binding on each of the Companies, as the case may be, except where the prior written consent of the affected party i.e. AAIL or RCFL, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by AAIL or RCFL, as the case may be.
- 23.3 In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Boards of the Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.
- 23.4 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI of such modification or any further modifications as may be required by SEBI.
- 23.5 AAIL and RCFL (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings form part of the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.
- ## **24. DIVIDENDS**
- 24.1 Each of the Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.



**24.2** Prior to the effectiveness of the Scheme, the holders of the shares of each of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

**24.3** It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Companies, and subject to the approval, if required, of the respective shareholders of such of the Companies.

## **25. CONDITIONALITY OF THE SCHEME**

**25.1** The Scheme is and shall be conditional upon and subject to:

- (i) receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 59A of the SEBI LODR Regulations;
- (ii) approval of this Scheme by the requisite majority of each class of shareholders and / or creditors of the Parties as applicable or as may be required under the Act and as may be directed by the NCLT;
- (iii) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transactions contemplated under this Scheme;
- (iv) the Scheme being approved by NCLT under sections 230-232 of the Act, either on terms as originally approved by the Companies or subject to such modifications approved by the Tribunal and / or any other competent authority; and
- (v) certified/authenticated copies of the order(s) of the NCLT and / or any other competent authority sanctioning the Scheme being filed with the Registrars of Companies by the Demerged Company and the Resulting Company respectively.

## **26. REMOVAL OF DIFFICULTIES**

**26.1** The Companies through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

- (i) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position



relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and/or

- (ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

**27. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses including, without limitation, stamp duty, registration charges and other transfer charges in relation to the Scheme, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.



**Schedule A**

**Disclosures as per SEBI Scheme Circular - Debt in relation to the Debt Securities of the Demerged Company**

Sr. No.	ISIN	Face value	Dividend / Coupon	Credit Rating	Tenure / Maturity	Redemption
1.	INE126D07057	Rs. 10,00,000/-	8.52%	“Issuer Not Cooperating” Category	21-08-2024	100% of Principal Amount (Face Value)
2.	INE126D07065		12.78%		13-10-2022	
3.	INE126D07073		12.98%		13-10-2027	
4.	INE126D07123		13.25%		05-04-2023	
5.	INE126D07131		9.10%		28-03-2022 28-03-2023 28-03-2024 28-03-2025	
Safeguards for the protection of holder of NCDs		Taking into consideration (i) the report submitted by the Audit Committee recommending the draft Scheme, (ii) the Valuation Reports issued by the independent registered valuer viz Mr. Bhavesh Rathod (“Registered Valuer”); and (iii) the Fairness Opinions issued by SEBI registered independent merchant banker viz. Navigant Corporate Advisors Limited (“Merchant Banker”), NCDs other than NCDs held by Resulting Company would be continued in RCFL on the same terms and conditions.				
Exit offer to the dissenting holders of NCDs		Therefore, the Scheme will not have any adverse impact on the holders of the NCDs and thus adequately safeguards interests of the holders of the NCDs by adequate assets in the RCFL. Since NCD shall continue with RCFL on same terms and RCFL shall have adequate assets to safeguards interests of the holders of the NCD no exit offer is required.				
Other embedded features		Not Applicable				
Other terms of instruments		Not applicable				
Latest audited financials along with notes to		Please refer to following URL on the website of the RCFL: <a href="https://www.reliancemoney.co.in/investors/">https://www.reliancemoney.co.in/investors/</a>				



accounts and any audit qualifications	
An auditors' certificate certifying the payment/repayment capability of the resultant entity	Please refer to following URL on the website of the RCFL: <a href="https://www.reliancemoney.co.in/investors1">https://www.reliancemoney.co.in/investors1</a>
Fairness report	Please refer to following URL on the website of the RCFL: <a href="https://www.reliancemoney.co.in/investors1">https://www.reliancemoney.co.in/investors1</a>
Any other information/details pertinent for holders of NCDs	Not applicable

