SCHEME OF AMALGAMATION

OF

FORTUNE INTEGRATED ASSETS FINANCE LIMITED

WITH

FORTUNE FINANCIAL SERVICES (INDIA) LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE RELEVANT COMPANIES ACT

Certified True Copy

For Fortune Financial Services
(India) Limited

Director / Company Secretary

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PART A – INTRODUCTIONS & DEFINITIONS

1. GENERAL

1.1 Fortune Financial Services (India) Limited ("FFSIL" or the "Transferee Company") was incorporated on June 14, 1991 as a Limited Company in the State of Maharashtra under the provisions of the Companies Act, 1956 under the name and style of "Fortune Financial Services (India) Private Limited". The name was then changed to its present name of "Fortune Financial Services (India) Limited" on October 20, 1991. The Transferee Company's Registration Number is 062067 and Corporate Identity Number is U65910MH1991PLC062067. The Registered Office of FFSIL is situated at Naman Midtown, "A" Wing Unit No. 2103, 21st Floor, Senapati Bapat Marg,

Elphinstone Road, Mumbai - 400 013. The equity shares of FFSIL are listed on the BSE Limited. FFSIL is presently engaged in the business of stock broking, underwriting, portfolio management, corporate advisory services, financial advisory, asset management, fund mobilization, lease financing and other financial services.

1.2 Fortune Integrated Assets Finance Limited ("the Transferor Company" or "FIAFL") is an unlisted public limited company incorporated on September 8, 2012 under the provisions of Companies Act, 1956 and presently its registered office is located at Naman Midtown, "A" Wing, 21st Floor, Unit No. 2101, Senapati Bapat Marg, Elphistone Road (West), Mumbai - 400013. The Transferor Company's Registration Number is 235450 and Corporate Identification Number is U65923MH2012PLC235450. The Transferor Company is a non-banking finance company registered with the Reserve Bank of India and is classified as a loan company. It is primarily engaged in the business of finance against security of vehicles on short, medium and long-term basis. The Transferee Company holds 25.00 % of the equity share capital of the Transferor Company

1.3 This Scheme of Amalgamation provides for the merger of Fortune Integrated Assets Finance Limited with Fortune Financial Services (India) Limited pursuant to the relevant provisions of the Act.

1.4 This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

1.5 Rationale for the Scheme:

i) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure;

ii) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out;

iii) Elimination of duplication in administrative costs and multiple record-keeping, thus resulting in cost savings; and

iv) Concentrated effort and focus by the senior management to grow the business by eliminating duplicative communication and burdensome coordination efforts across multiple entities

1.6 The Composite Scheme is divided into the following parts:

1.6.1 Part A deals with the introductions and definitions;

1.6.2 Part B deals with amalgamation of FIAFL with FFSIL and

1.6.3 Part C deals with the general terms and conditions that will be applicable to Parts B of the Scheme.

2. DEFINITIONS

2.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

2.1.1 "Act" means the Companies Act, 2013 (and to the extent applicable, provisions of the Companies Act, 1956) or any statutory modification or re-enactment thereof;

2.1.2 "Applicable Laws" shall mean any statute, notification, bye-laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

2.1.3 "Appointed Date" for the purpose of the amalgamation of FIAFL with FFSIL as mentioned in Part B of this Scheme, and Income Tax Act, 1961 means closing of business hours of March 31, 2017 or such other date as the National Company Law Tribunal, as the case may be, under Section 230 to 232 of the Act may direct or approve;

2.1.4 "Effective Date" means the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 19 shall be obtained or passed; or date on which the certified copy of the Order of the National Company Law Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Mumbai, Maharashtra; whichever is later.

2.1.5 "NCLT" or "National Company Law Tribunal" or "Tribunal" means National Company Law Tribunal at Mumbai Bench having jurisdiction in relation to the Transferor Company and the Transferee Company, or such other competent authority to whom this Scheme in its present form is submitted for sanctioning under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the relevant Companies Act.

2.1.6 "Optionally Convertible Preference Shares" or "OCPS" means Optionally Convertible Preference Shares of Transferee Company of the face value of Rs. 325 each as referred to in Clause 14 and Annexure 1 hereof;

2.1.7 "Proceedings" shall have the meaning ascribed to it in Clause 6 hereof;

2.1.8 "Record Date" means the date fixed by the Board of Directors of the Transferee Company or any committee thereof in consultation with the Transferor Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the Optionally Convertible Preference Shares in the Transferee Company pursuant to Clause 14 of the Scheme, upon coming into effect of this Scheme

2.1.9 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form submitted to the National Company Law Tribunal or with any modification(s) made under Clause 18 of this Scheme or with such other modifications / amendments as the National Company Law Tribunal may direct.

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

2.1.11 "SEBI Circular" means circular issued by SEBI, bearing reference number CFD/DIL3/CIR/2017/21 dated 10 March, 2017 and any amendments thereto including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

2.1.12 "Transferee Company" or "FFSIL" means Fortune Financial Services (India) Limited, a company incorporated on June 14, 1991 and having its registered

office at Naman Midtown, "A" Wing, 21st Floor, Unit No 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013;

2.1.13 "Transferor Company" or "FIAFL" means Fortune Integrated Assets Finance Limited, an unlisted public limited company incorporated under the provisions of the Act having its registered office at Naman Midtown, "A" Wing, 21st Floor, Unit No. 2101, Senapati Bapat Marg, Elphistone Road (West), Mumbai - 400013;

2.1.14 "Undertaking" shall mean and include all the undertaking and businesses of the Transferor Company as a going concern comprising of:-

(i) All the assets and properties (whether moveable or immoveable, tangible and intangible, real or personal, corporeal or incorporeal, present, future or contingent) of FIAFL, including, without being limited to, plant and machinery, equipments, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, office equipments, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, earnest monies, advances or deposits (including but not limited to deposits with Value Added Tax & Service Tax Departments as per the provisions of applicable Statutes, Security deposits for lease hold premises, Electricity & Octroi Deposits) paid by FIAFL; financial assets, leases (including lease rights), hire purchase contracts and assets, landing contracts, rights and benefits under any contracts, benefits of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and / or residential properties for the employees or the other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copy rights, 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 including sales tax deferrals, title, interests, other benefits (including tax benefits), 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 FIAFL or in connection with or relating to that FIAFL 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 FIAFL, whether in India or abroad;

(ii) All secured and unsecured debts, (whether in Indian rupees or foreign currency) liabilities (including contingent liabilities, if any), duties and obligations of FIAFL of every kind, borrowings, bills payable, interest accrued and all other debts, duties, undertakings, contractual obligations, guarantees given and obligations of FIAFL of every kind, nature and description whatsoever and howsoever.

(iii) All agreements (including franchisee agreements), rights, contracts, entitlements, permits, licenses, pre-qualifications/tenders relating to the business of FIAFL, approvals, authorisations, concessions, consents, quota rights, fuel linkages, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations;

(iv) All intellectual rights, records, files, papers, computer programmes (including but not limited to SAP Licences), manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and all other records and documents relating to the FIAFL's business activities and operations;

(v) All employees engaged in or relating to the FIAFL business activities and operations;

(vi) Without prejudice to the generality of sub-clause 2.1.14(i), 2.1.14(ii), 2.1.14(iii), 2.1.14(iv) and 2.1.14(v) above, the undertaking of FIAFL shall include all FIAFL's assets including claims or obligations, certifications / permissions of whatsoever nature directly or indirectly pertaining to the business of export of the past, present or future products, including those relating to employees and technical know-how agreement, if any, or otherwise with any person / institution / company or any association anywhere in the world, enactments, lease-hold rights and, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation and other Laws may belong to or be available to FIAFL, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, and approval of, whatsoever nature and wherever situated,

(vii) The words importing the singular include the plural; words importing any gender include every gender.

(viii) Any word or expression used and not defined in the Scheme but defined in the Act shall have meaning respectively assigned to them in the Act.

SHARE CAPITAL

2.2 The share capital structure of the Transferee Company as on 31 March, 2016, was:

PARTICULARS	AMT. IN RUPEES
Authorized Capital	
6,00,00,000 Equity Shares of INR 10/- each	60,00,00,000
	60,00,00,000
Issued, Subscribed and Paid-up Capital	
2,83,45,990 Equity Shares of Rs.10/- each fully paid-up	28,34,59,900
	28,34,59,900

Subsequent to the above Balance-sheet date, the company had a rights issue and the share capital structure of the Transferor Company as on 31st December, 2016 was:

PARTICULARS	AMT. IN RUPEES
Authorized	
6,00,00,000 Equity Shares of INR 10/- each	60,00,00,000
	60,00,00,000
Issued, Subscribed and Paid-up	
5,10,23,767 Equity Shares of Rs. 10/- each	51,02,37,670
	51,02,37,670

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of the Transferor Company.

2.3 The share capital structure of the Transferor Company as on 31 March, 2016 was:

PARTICULARS	AMT. IN RUPEES
Authorized	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
	15,00,00,000
Issued, Subscribed and Paid-up	
1,25,00,000 Equity Shares of Rs. 10/- each	12,50,00,000
	12,50,00,000

Subsequent to the above Balance-sheet date, the company had a rights issue and the share capital structure of the Transferor Company as on 31st December, 2016 was:

PARTICULARS	AMT. IN RUPEES
Authorized	
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
	20,00,00,000
Issued, Subscribed and Paid-up	
1,93,18,181 Equity Shares of Rs. 10/- each	19,31,81,810
	19,31,81,810

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of the Transferor Company. The Transferee Company holds 25.00% of the equity share capital of the Transferor Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out therein in its present form or with any modification (s) approved or imposed or directed by the National Company Law Tribunal, shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART B – AMALGAMATION OF FORTUNE INTEGRATED ASSETS FINANCE LIMITED ("FIAFL") WIH FORTUNE FINANCIAL SERVICES (INDIA) LIMITED ("FFSIL")

4. **TRANSFER AND VESTING**

4.1 Upon the coming into effect of this Scheme and with effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Company, shall, pursuant to Sections 230 to 232 of the Act, without any further act, instrument or deed, but subject to the Liabilities, be and stand transferred to and vested in and/or be in the Transferee Company (Amalgamated Company) as a going concern so as to become as and from the Appointed Date, estate, assets, rights, title, interest, and authorities of the Transferee Company under the provisions of Sections 230 to 232 of the Act.

4.2 Without prejudice to clause 4.1 above, in respect of such of the Assets as are moveable assets or incorporeal property of the Transferor Company, unless they are capable of being transferred otherwise, shall be physically handed over by manual delivery or by endorsement and/or delivery to the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, title and interest and authorities of the Transferee Company.

4.3 In respect of such assets and movables other than those referred to above in 4.2 i.e. sundry debtors, outstanding loans, all advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi-Government, local and other authorities and bodies, etc., the same shall, without any further act, deed or instrument, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company as and from the Appointed Date.

4.4 With effect from the Appointed Date, all the Liabilities shall, without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company so as to become the debts, liabilities, duties, and obligations of the Transferee Company as and from the

Appointed Date and further 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 in order to effect the provisions of this clause. Provided always that, the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date.

4.5 It is hereby clarified that all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra party transactions for all purposes from the Appointed Date and the same shall stand cancelled post the approval of the scheme. No interest on Inter Corporate deposit will be provided.

4.6 All assets, estate, rights, title, interest, licences and authorities acquired by or permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans or benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Undertaking shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and hereby stand transferred to and vested or deemed to have been transferred to and vested in the Transferee Company.

4.7 All loans, raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties,

undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

4.8 The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

4.9 This Scheme shall not, in any manner, affect the rights of any of the Creditors of the Transferor Company.

4.10 The 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 are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever upto the Effective Date, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

5.1 Without any further acts or deeds, upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, incentives, licenses, engagements, registrations, benefits, exemptions, entitlements, arrangements and other instruments of whatsoever nature, including all the bids and tenders which have been submitted and/or accepted, in relation to the Transferor Company to which the Transferor Company are the 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 be in full force and effect on or against

or in favour of, as the case may be, the Transferee Company 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 thereto without the requirement of obtaining or seeking consent or approval of any third party.

5.2 The transfer of the Undertaking of the Transferor Company from the Appointed Date under clause 4.1 and the continuance of proceedings by or against the Transferee Company under clause 6.1 shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed 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 and the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of the Transferee Company until such time this Scheme takes effect.

6. LEGAL PROCEEDINGS

6.1 Upon the coming into effect of this Scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferor Company.

6.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in clause 6.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7. OPERATIVE DATE OF THE SCHEME

The Scheme shall become operative from the Appointed Date, but the same shall become effective on and from the Effective Date.

8. CONDUCT OF BUSINESS BY THE TRANSFEROR AND TRANSFEREE COMPANY TILL EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

(a) Shall carry on and be deemed to carry on all the business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company and all the profits or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or losses of the Transferee Company as the case may be.

(b) shall carry on its business and activities with reasonable diligence and business prudence and shall not, 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 either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking save and except in each case in the following circumstances:

(i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with Court; or

(ii) if the same is expressly permitted by this Scheme; or

(iii) if written consent of the Transferee Company has been obtained.

(c) With effect from the Effective Date, Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company. For this purpose, upon the Scheme coming into effect, the Transferee Company and/or the Transferor Company shall apply for transition of all licenses, registrations, approvals, consents, permits, and quotas of or relating to the Transferor Company, including but not limited to registrations, licences, etc, with the National

Highways Authority of India, municipal authorities, excise, service tax and VAT authorities, Pollution Control Board and any other statutory or other authorities required for the businesses. The period between the Effective Date and the last date on which the transfer of all such aforementioned registrations, licenses, etc. have occurred is hereinafter referred to as Transition Period. With a view to avoiding any disruption to the businesses and to ensure continuity of operations, the Transferee Company may, during the Transition Period and a period not exceeding 180 days thereafter, continue to procure or use or manufacture or despatch or sell, all materials and products including the packing materials, make payment of appropriate taxes and avail tax credits, and generally carry on the businesses of the Transferor Company in the name and form / format of the Transferor Company.

9. ACCOUNTING TREATMENT

9.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Act, as applicable on the Effective Date

10. TREATMENT OF TAXES

10.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956 , any other State Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws/ regulations [hereinafter in this Clause referred to as "Tax Laws"] dealing with taxes/ duties/ levies allocable or related to the business 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 Transferee Company.

10.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

10.3 Any refund under the Tax Laws received by / due to Transferor Company consequent to the assessments made on Transferor Company subsequent to the appointed Date 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.

10.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

11. DECLARATION OF DIVIDEND

11.1 With effect from the date of filing of this Scheme with the National Company Law Tribunal and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders as on the respective record dates for the purpose of dividend. Provided that the Transferor Company shall declare a dividend only after obtaining the prior permission of the Transferee Company and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the "Effective Date".

11.2 Until the coming into effect of this Scheme, the holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided

otherwise in this Scheme, continue to enjoy their existing rights under their respective Article of Association including their right to receive dividend.

11.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

12. COMPANY STAFF, WORKMEN AND EMPLOYEES

12.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies, and shall not be entitled to avail of any schemes and benefits that are applicable and available to any of the employees of the Transferee Company, unless otherwise determined by the Transferee Company.

12.2 As far as the provident fund, gratuity fund or any other special fund or schemes existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, the Transferee Company shall be substituted and / or transferred for the Transferor Company for all purposes whatsoever related to the administration/operation of such funds or schemes or in relation to the obligation to make contribution to the said funds or schemes in accordance with provisions of such funds or schemes according to the terms provided in the respective trust deeds or other documents and till such time shall be maintained separately. All the rights, duties, powers and obligations of the Transferor Company

in relation to such funds or Schemes shall become those of the Transferee Company and the services of the employees will be treated as being continuous for the purpose of the aforesaid funds or schemes

13. COMBINATION OF AUTHORIZED SHARE CAPITAL

13.1 Upon the coming into effect of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act or deed on the part of the Transferee Company including payment of stamp duty and registration fees, by the authorized share capital of the Transferor Company and the Clause V of Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall stand corrected to that extent. Approval of the Scheme shall be deemed to be due compliance of provisions of Section 16, Section 31, Section 94 or any other applicable provisions of the Companies Act 1956 (corresponding Sections 13, 14, 61, 64 and any other applicable provisions of the Companies Act 2013). The Transferee Company shall just file requisite forms with the concerned Registrar of Companies. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

13.2 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 of the Transferee Company as may be required under the Act, and clause V of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme as to read as follows:

13.3 Clause V of the Memorandum of Association of the Transferee Company:
The Authorized share capital of the Company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 8,00,00,000 (Eight Crore) Equity shares of Rs. 10 /- each with a power to increase and reduce the capital for the time being into several classes and to attach thereto respectively preferential, deferred, qualified or special rights;

privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such right, privilege or condition in such manner as may for the rime being be provided by the regulations of the Company

14. ISSUE OF CONSIDERATION BY THE TRANSFEREE COMPANY

14.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors) (the "Share Exchange Ratio"):

7 (Seven) Optionally Convertible Preference Shares ('OCPS') of FFSIL of face value INR 325/- each, convertible into equal number of equity shares of face value INR 10/- each fully paid up, for every 4 (Four) equity shares of FIAFL of INR 10/- each fully paid up

14.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The OCPS to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

14.3 Where OCPS are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

14.4 OCPS issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Transferee Company are listed. The OCPS allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

14.5 Upon the OCPS being issued and allotted to the shareholders of Transferor Company, the shares held in the Transferor Company by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.

14.6 In so far as OCPS are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed OCPS in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Transferee Company or committee thereof.

14.7 Upon the coming into effect of the Scheme, the OCPS of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the

Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and the OCPS shall rank pari passu from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of OCPS by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

14.8 Approval of the Scheme by the shareholders of Transferee Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.

14.9 If any shareholder of the Transferor Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with Clause 8.1 of this Scheme, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Transferor Company, and shall dispose off the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.

14.10 Without prejudice to Clause 14, the Transferee Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of OCPS under this Scheme

15. RESTRICTION ON CHANGE OF CAPITAL STRUCTURE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the Board of Directors of the Transferee Company or except as may be expressly permitted under this Scheme.

16. WINDING UP

On the Scheme becoming effective, Transferor Company shall be dissolved without being wound up.

PART D – GENERAL TERMS & CONDITIONS

17. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL

17.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the National Company Law Tribunal, where the registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect.

18. MODIFICATIONS/AMENDMENTS TO THE SCHEME

18.1 Subject to approval of National Company Law Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

19.1 Requisite approvals, clearances or permissions that may be required to be obtained under applicable laws, or where applicable, the waiting periods or time periods for approval of the Reserve Bank of India, rules and regulations having expired or been terminated.

19.2 The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Transferor Company and Transferee Company as may be directed by the National Company Law Tribunal;

19.3 The Scheme being sanctioned by the National Company Law Tribunal;

19.4 Approval of the Scheme, by the Stock Exchange, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), 2015

19.5 Approval of the Scheme by majority of the public shareholders through postal ballot and e-voting as per the requirements of Clause 9 of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017

19.6 Approval of the Scheme by SEBI in terms of SEBI Circulars

19.7 Any other approvals and sanctions from a Governmental Authority as may be required by Law in respect of the Scheme being obtained;

19.8 This Scheme, although to come into operation with effect from the Appointed Date, shall not become effective until the last of the following dates, namely:

19.8.1 Date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 19 shall be obtained or passed; or

19.8.2 The certified copy of the order(s) of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction by the Transferor Company and the Transferee Company.

The last of the dates mentioned in Clause 19.8.1 or 19.8.2 shall be the "**Effective Date**" for the purpose of Clause 19.8 of this Scheme.

20. COSTS

20.1 All costs, charges, expenses, taxes, duties (including stamp duty registration charges etc., if any, applicable in relation to this Scheme) levied in connection with Part B of the Scheme and for carrying out and completing the terms and provisions of Part B the Scheme and/or incidental to the completion of amalgamation of the said Undertaking of the Transferor Company into the Transferee Company shall be borne and paid by the Transferee Company alone.

21. REVOCATION OF THE SCHEME

21.1 In the event of any of the said sanctions and approvals referred to in Clause 19 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the National Company Law Tribunal and/or order or orders not being passed as aforesaid before 31st December 2018 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

ANNEXURE – TERMS OF PREFERENCE SHARES

TERMS AND CONDITIONS FOR ISSUE OF OPTIONALLY CONVERTIBLE PREFERENCE SHARES ('OCPS')

Dividend Rate on OCPS	0% p.a.
Listed	OCPS will not be listed on any Stock Exchange
Tenure of OCPS	5 (Five) Years
Conversion Option of OCPS	At the option of the preference shareholder, 1 (One) OCPS shall be convertible into 1 (One) equity share of Rs. 10 fully paid up
Redemption Option of OCPS	FFSIL shall also have an option to redeem the OCPS any time after 3 Years from the date of allotment of OCPS in such amount as may be determined by Board of FFSIL.

TERMS AND CONDITIONS OF OCPS

(to be printed on the reverse of the share certificate)

The following rights shall be attached to the preference shares of Rs.325/- each:

I) The Preference Share shall be convertible into equal number of equity share of Rs.10/- fully paid-up, at the option of the preference shareholder;

II) The Preference Shares shall be non-cumulative;

III) The Preference Shares shall be non-participating;

IV) In the event of winding up of FFSL (including capital uncalled for at the commencement of winding up) remaining after paying and discharging the debts and liabilities of FFSL and the cost of winding up shall be applied in the following order of priority:

(a) in repayment of capital paid up or credited as paid up on the OCPS;

(b) the surplus, if any, shall be divided amongst the holders of the equity shares according to the amounts paid up thereon.

V) The OCPS shall be deemed to be allotted on the Effective Date.

VI) The OCPS shall be taken as redeemed and fully discharged on payment of the redemption amount by FFSL to the holder thereof as per the Register of Preference Shareholder. Such payment will be a legal discharge of the liability of FFSL towards the Preference Shareholders.

VII) The record date for payment of the redemption amount will be 30 days prior to each redemption date.

VIII) The Preference Shareholders will not be entitled to any rights and privileges of equity shareholders, other than those available to them under statutory requirements.