SCHEME OF AMALGAMATION

OF

HOUSEFULL INTERNATIONAL LIMITED

AND

N KUMAR DIAMOND EXPORTS LIMITED

WITH

RENAISSANCE JEWELLERY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

This Scheme of Amalgamation of House Full International Limited and N Kumar Diamond Exports Limited with Renaissance Jewellery Limited and their respective shareholders is presented under Section 230 to to232 of the Companies Act,2013 and other applicable provisions of the Companies Act, 2013, if any for:

(a) Amalgamation of House Full International Limited with Renaissance Jewellery Limited.

(b) Amalgamation of N. Kumar Diamond Exports Limited with Renaissance Jewellery Limited.

This Scheme is divided into the following parts –

Part	Particulars
I	Background, Rationale, Definitions and Share Capital.
II	Amalgamation of House Full International Limited and N Kumar Diamond Exports Limited with Renaissance Jewellery Limited.
III	General Terms and Conditions.

PART I

1. **<u>BACKGROUND</u>**

House Full International Limited

House Full International Limited was incorporated on 22nd December, 2005 under the Companies Act, 1956, in the State of Maharashtra. The Corporate Identity Number (CIN) HouseFull International Limited is U45401MH2005PLC158277.The entire

paid-up share capital of the Transferor Company 1is held by the Transferor Company 2and the Transferee Company.

N. Kumar Diamond Exports Limited:

N. Kumar Diamond Exports Limited was incorporated on 6th March, 1995 under the Companies Act, 1956, in the State of Maharashtra. The Corporate Identity Number (CIN) of N. Kumar Diamond Exports Limited is U36910MH1995PLC086106.The entire paid-up share capital of the Transferor Company 2 is held by the Transferee Company and its nominees.

Renaissance Jewellery Limited:

Renaissance Jewellery Limited was incorporated on 4th December, 1989 under the Companies Act, 1956, in the State of Maharashtra. The Corporate Identity Number (CIN) of Renaissance Jewellery Limited is L36911MH1989PLC054498.

2. RATIONALE OF THE SCHEME

The Transferor Companies are directly or indirectly wholly-owned subsidiaries of the Transferee Company.In order to consolidate and effectively manage the Transferor Companies and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Companies be amalgamated with Transferee Company. The amalgamation of Transferor Companies with Transferee Company would *inter alia* have the following benefits:

(a) The amalgamation will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.

(b) The amalgamation will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Companies and the Transferee Companywhich will fuel the growth of the business and help effectively address the ever growing competition.

(c) The amalgamation will result in economy of scales, reduction in overheads including administrative,managerial and other expenditure,operational rationalization, organizational efficiency and optimal utilizationof resources by elimination of unnecessary duplication of activities and related costs.

(d) The amalgamation will result in a reduction in the multiplicity of legal and regulatory compliances required atpresent to be separately carried out by the Transferor Companies and the Transferee Company.

(e) The amalgamation would motivate employees of the Transferor Companies by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.

(f) The Transferor Companies and Transferee Company intend to / can achieve larger product portfolio,economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams.

3. <u>DEFINITIONS</u>

In this Scheme, unless inconsistent with the subject or context, the following expression shall have the following meaning: -

3.1. HFIL" or "the Transferor Company 1" means **'House Full International Limited'** a company incorporated under the Companies Act, 1956 and having its Registered office atUnit No.: C-3, Plot No. 15, Western Industrial Co-Operative Estate Ltd., MIDC, Andheri (East), Mumbai 400096.

3.2. "NKDEL" or "the Transferor Company 2" means '**N.Kumar Diamond Exports Limited'** a company incorporated under the

Companies Act, 1956 and having its Registered office CC-9081, 9th Floor, C Tower, Bharat Diamond Bourse, Bandra. Kurla Complex. Bandra (East), Mumbai 400051

3.3. **"The Transferor Companies"** means collectively **HFIL and NKDEL**, and **"the Transferor Company"** means individually each of them.

3.4. **"RJL"or "the Transferee Company"** means '**Renaissance Jewellery Limited'** a company incorporated under the Companies Act, 1956 and having its registeredoffice at Plot No 36A & 37 SEEPZ, Andheri (East), Mumbai 400096.

3.5. **"Act"** means the Companies Act, 2013, including any rules, regulations, orders and notifications made thereunder or any statutory modification thereto or re-enactment thereof for the time being in force.

3.6. "**Tribunal**" shall mean the National Company Law Tribunal (hereinafter referred to as **"the Tribunal"**) being constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under Section 230 to 232 of the Companies Act, 2013.

3.7. **"Appointed Date"** shall mean 1st April,2017 or such other date as may be fixed by the Tribunal.

3.8. **"Effective Date"**means thedate on which certified copies of the NCLT order sanctioning this Scheme is filed with the Registrar of Companies, Mumbai.

3.9. **"Undertaking"**meansand include(without limitation):

3.9.1. All the properties whether movable or immovable, tangible and intangible, corporeal or incorporeal, intellectual property whether in possession or reversion, present or contingent, fixed assets, debtors, current assets, investments, loans and advances, powers, licenses, tenancy rights, tenancy licenses, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, and all other interests belonging to or in the ownership, power or

possession or in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies (hereinafter referred to as "the said **Assets"**.)

3.9.2. All the debts, liabilities, duties, obligations and guarantees of the Transferor Companies (hereinafter referred to as "**thesaid Liabilities**");

3.9.3. Without prejudice to the generality of sub-clauses 3.9.1 and 3.9.2 above, the Undertaking of the Transferor Companies all assets including investments, claims, powers, consents, registrations, contracts, enactments, arrangements,rights,titles,interest, benefits, advantages, lease-hold rights and, systems of any kind whatsoever,and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Transferor Companies, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of, whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Companies.

3.10. "Scheme of Amalgamation" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form as submitted to the Hon'ble Tribunal or this Scheme with such modification(s), if any, including those as approved, imposed or directed by the Hon'ble Tribunal and accepted by the Parties hereto.

3.11. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

All terms and words 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, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be,

including any statutory modification or re-enactment thereof from time to time.

4. **SHARE CAPITAL**

(i) The Share Capital of HFIL as on the Latest Audited Balance Sheet date i.e. 31st March,2017, is as under:

Particulars	Amt in Rs.
Authorised Share Capital	
552,000,000Equity Shares of Rs.10/- each	552,000,000
10,000,000 0% Optionally Convertible Redeemable Preference Shares of Rs.10/- each	100,000,000
TOTAL	**652,000,000**
Issued, Subscribed and Paid up:	
45,000,000Equity Shares of Rs.10/- each fully paid up.	450,000,000
10,000,000 0% Optionally Convertible Redeemable Preference Shares of Rs.10/- each	100,000,000
TOTAL	**550,000,000**

There is no change in the share capital of HFIL till date.NKDEL holds 30,000,000 Equity Shares and RJL holds 15,000,000 Equity Shares and 10,000,000 0% Optionally Convertible Redeemable Preference Shares.Accordingly, the Transferor Company1 is indirectly wholly subsidiary of Transferee Company.

(ii) The Share Capital of NKDEL as on the Latest Audited Balance Sheet date i.e. 31st March,2017, is as under:

Particulars	Amt in Rs.
Authorised Share Capital	
6,500,000Equity Shares of Rs.10/- each.	6,50,00,000
TOTAL	6,50,00,000
Issued, Subscribed and Paid up:	
6,500,000Equity Shares of Rs.10/- each fully paid up.	6,50,00,000
TOTAL	6,50,00,000

There is no change in the Share Capital of NKDEL till date.As on date, RJLholds 6,500,000Equity Shares of the total paid-up share capital in NKDEL.Accordingly, the Transferor Company2 is a wholly owned subsidiary of the Transferee Company.

(iii) The Share Capital of RJL as on the Latest Audited Balance Sheet date i.e. 31st March,2017, is as under:

Particulars	**Amt in Rs.**
AuthorisedShare Capital:	
27,000,000Equity Shares of Rs.10/- each	27,00,00,000
Total	**27,00,00,000**
Issued, Subscribed and Paid –Up:	
19,079,440Equity Shares of Rs.10/- each	19,07,94,400
Total	**19,07,94,400**

There is no change in the share capital of RJL till date.RJL share are listed on BSE and NSE.

PART II

5. AMALGAMATION OF HOUSE FULL INTERNATIONAL LIMITED AND N.KUMAR DIAMOND EXPORTS LIMITEDWITH RENAISSANCE JEWELLERY LIMITEDTRANSFER AND VESTING OF THE UNDERTAKING.

The Undertaking of the TransferorCompanies shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Companies in the following manner:

5.1. With effect from the Appointed Date,the whole of the Undertaking of the Transferor Companies comprising of all assets and properties (whether movable or immovable) andall other assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in clauses 5.2 and 5.3 below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as the assets and liabilities of the Transferee Companyfrom the Appointed Date and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.

5.2. Allthe movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery

or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Companies and the Board of Directors of the Transferee Company within thirty days from the Effective Date.

5.3. In respect of movables other than those specified in sub-clause 5.2 above, including sundry debtors, outstanding loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government,Semi-Government, local and other authorities and bodies, and other persons, the following modus operandi for intimating to third parties shall to the extent possible be followed:

5.3.1. The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor or depositeeas the case may be, that pursuant to the Tribunal having sanctioned the Scheme of the Transferor Companies and the Transferee Company, the said debt, loan advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to and that appropriate entry should be passed in its books to record the aforesaid change;

5.3.2. Transferor Companies shall also give notice in such form as they may deem fit and proper to each person, debtor or depositee that pursuant to the Tribunal having sanctioned the Scheme of Amalgamation of the Transferor Companieswith the Transferee Company, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Companiesto recover or realise the same stands extinguished.

5.4. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind,

nature and description of the Transferor Companies shall also under the provisions of Section 230-232 of the Act read with rules made thereunder, without any further act or deed, be transferred to or be deemed to be transferred to Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company and it shall not be necessary to obtain the consent of any third party or another person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-clause.

5.5. Allassets of the Transferor Companiesdeemed to be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets of the Transferee Company as from the Appointed Date, upon Scheme becoming effective both the companies will follow the necessary procedure to transfer them in the name of Transferee Company. The registrations in the name of the Transferor Companies shall be deemed to be transferred in the name of the Transferee Company from the Appointed Date.

5.6. In a case of registrations in the name of the Transferor Companies, other than the registrations mentioned above, the Transferee Company may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

5.7. Itis clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Companiesor be deemed to be prejudicial to their interests.

5.8. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Transferor

Companies would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the SchemeThe Transferee Company shall under the provisions of the Scheme be deemed from appointed date, to be authorized to execute any such writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances, if required, referred to above.

5.9. The amalgamation of the Transferor Companies with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with 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 of the Income Tax Act, 1961,

at a later date including resulting from an amendment of law or for any other reason whatsoever, 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.

6. CONTRACTS, DEEDS,BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies, is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of, as the case may be, the Transferee Company enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Companies will, if necessary, also be a party in order to give formal effect to this Clause if so required or become necessary.

7. LEGAL PROCEEDINGS

7.1. Ifany suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called **"the Proceedings"**) by or against the Transferor Companiesbe pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

7.2. On and from the Effective Date, the Transferee Company shall be entitled to initiate any legal proceeding for and on behalf of the Transferor Companies for any actions taken by or against the Transferor Companies or any other person, as the case may be, notwithstanding the fact the Transferor Companies stands dissolved without winding up from the Effective Date.

8. <u>EMPLOYEES:</u>

All the Employees of the Transferor Companies, in service on the Effective Date, shall become 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 Companies as on the said date. The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or statutory purposes or otherwise and for all purposes will be reckoned from the date of appointment with the Transferor Companies.

9. <u>ISSUE OF SHARES</u>

Since the Transferor Companiesare directly and indirectly wholly owned subsidiaryof the Transferee Company upon the scheme becoming effective all the Equity Shares held by the Transferor Company 2 and the Transferee Company in the Transferor Company 1 and 0% Optionally Convertible Redeemable Preference Shares held by the Transferee Company in the Transferor Company 1and all the Equity Shares of the Transferor Company 2 held by the Transferee Company shall be cancelled and shall be deemed to have been cancelled without any further act or deed.Accordingly, there will be no issue and allotment of Shares of the Transferee Company to the shareholders of the Transferor Companies.

10. <u>ACCOUNTING TREATMENT</u>

10.1. Upon the Scheme coming into effect, The Transferee Company shall account for the amalgamation in its books of account as prescribed under Indian Accounting Standard 103 "Business Combinations" under common control notified

under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.

10.2. As stated in Clause 9 above, no new shares will be issued or allotted by the Transferee Company pursuant to this Scheme and the investments in the shares (equity as well as preference) of the Transferor Companies appearing inter alia, in the books of account of the Transferee Company shall stand cancelled. The difference between the amount of investment in the shares (equity as well as preference) of the Transferor Companies appearing in the books of account of the Transferee Company and the amount of issued, subscribed and paid-up share capital (equity as well as preference) standing credited in the books of account of the Transferor Companies shallbe adjusted in theReserve and Surplus account in the books of account of the Transferee Company.

10.3. In case there is any difference in the accounting policies adopted by the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

10.4. If there are any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Companies and the Transferee Company or between any of the Transferor Companies inter-se, if any, shall, ipso facto, stand discharged and come to end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

10.5. In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with

this Scheme, to comply with any of the applicable accounting standards and generally accepted accountingprinciples adopted in India

11. <u>OPERATIVE DATE OF THE SCHEME</u>

The Scheme set out herein in its present form or with any modification(s) as approved or imposed or directed by the Hon'ble Tribunal shall be effective from the Appointed Date but shall become operative from the Effective Date.

12. <u>CONDUCT OF ACTIVITIES BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE</u>

With effect from the opening of the business as on the appointed date of the Scheme and upto and including the Effective Date:

12.1 The Transferor Companies shall carry on or deemed to have carried on all their respective activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.

12.2 All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

12.3 The Transferor Companies shall carry on its respective activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date or except with prior written consent of the Transferee Company.

12.4 The Transferor Companies shall not, without prior written consent of the Transferee Company, undertake any new activities.

12.5 The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management and activity of the Company and shall not change its present capital structure.

12.6 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme

13. <u>SAVING OF CONCLUDED TRANSACTIONS</u>

The transfer and vesting of the Undertaking under Clause 5 above, and the continuationof proceedings by or against the Transferee Company under Clause 7 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date,to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in regard thereto, as if done and executed by the Transferee Companyon its behalf.

14. <u>TAXES AND DUTIES</u>

14.1. All tax liabilities / refunds / credits / claims relating thereto under the Income-tax Act, Customs Act, Central Excise Act, Goods and services Tax, State sales tax laws, Central Sales Tax Act, Service tax, Goods and services tax, or other applicable laws / regulations dealing with taxes / duties / levies [hereinafter in this Clause referred to as "Tax Laws"] the TransferorCompanies to the extent not provided for or covered by tax provision in thefinancial statements made as on the date immediately preceding the Appointed Date shall be treated as liabilities / refunds / credits / claims of the Transferee Company and shall be transferred to the

Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS, credit for minimum alternate tax/ service tax as on the date immediately preceding the Appointed Datewill also be transferred to and become the advance tax/other tax of the Transferee Company.

14.2. The refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies whether before or after the appointed date and for which whether credit is taken or not in the financial statements as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

14.3. Without prejudice to the generality of the above, all benefits, credits, refunds, exemptions, incentives or concessions and carried forward of losses under Tax Laws as may be applicable to which the Transferor Companies are entitled to in terms of the applicable Tax Laws of the Union and State Governments in India, shall be available to and vest in the Transferee Company.

14.4. The Transferee Company shall be entitled to file / revise its income tax returns, service tax returns, Value Added Tax returns, Central Sales Tax returns, tax deducted at source certificates, tax deducted at source returns and other statutory returns and filings, if required under the Tax Laws, and shall have the right to claim or adjust refunds, advance tax credits, credit for minimum alternate tax/tax deducted at source / foreign taxes withheld/ paid, input tax credits etc. of the Transferor Companies if any, as may be required consequent to implementation of this Scheme.

15. <u>DIVIDENDS, PROFIT AND BONUS/RIGHTS SHARES</u>

15.1. The Transferor Companies shall not without the prior written consent of the Transferee Company declare any dividends, whether interim or final, for the financial year ending on or after the Appointed Date and subsequent financial years.

15.2. Subject to the provisions of this Scheme, the profits of the Transferor Companies for the period beginning from Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit

16. DISSOLUTION OF TRANSFEROR COMPANIES

On Effective Date, the Transferor Companies shall be dissolved without winding up on an order made by the Tribunal under Section 232 of the Companies Act, 2013.

PART III

GENERAL TERMS AND CONDITIONS

17. COMBINATION AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY.

17.1 Upon the Scheme becoming effective, the Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act on the part of the Transferee Company including payment of stamp duty and registration fees payable to the Registrar of Companies, by clubbing the Authorized Share Capital of Transferor Company 1 which is Rs. 65,20,00,000(Rupees Sixty-Five Crores and Twenty Lakhsonly) divided into 5,52,00,000 Equity shares of Rs. 10/- each and 1,00,00,000 Eight years 0% optionally convertible or Redeemable Preference Shares of Rs.10/- each and by clubbing the Authorized Share Capital of Transferor Company 2 which is Rs.6,50,00,000 (Rupees Sixty Crore Fifty Lakhs only) divided into 65,00,000 Equity shares of Rs. 10/- each

17.2 Consequent to the clubbing of the Authorized Share Capital of the Transferor Companies with the Transferee Company, the Authorized Share Capital of the Transferee Company shall be increased to Rs.98,70,00,000(Rupees Ninety-eightCrores -

Seventy Lakhs only).Further, such incremental authorized share capital of the Transferee Company amounting to Rs.98,70,00,000(Rupees Ninety-eightCrores SeventyLakhs only) shall be classified as 8,87,00,000 Equity shares of Rs.10/-, and1,00,00,000Eight years 0% optionally convertible or Redeemable Non-Cumulative Preference Share of Rs.10/- each.

17.3 The consent/resolution approving the Scheme shall be deemed to be the approval of increase and reclassification in the Authorized Share Capital of the Transferee Companies under Section 13, 14, 61 and other applicable provisions of the Companies Act, 2013ClauseIVof the Memorandum of Association and Clause 4 of Article of Association of the Transferee Company relating to the Authorized Share Capital, shall without any further act, instrument be and stand reclassified, altered, modified and amended pursuant to Sections 13, 14 and 61of the Companies Act,2013 and the Companies (Share Capital and Debenture) Rules,2014 and other applicable provisions of the Act, as the case may be

17.4 The following clause in the Memorandum of Association of RJL shall stand amended to read as under:

Clause IV of the Memorandum of Association

"The Authorised Share Capital of the Company is Rs. 98,70,00,000 (Rupees Ninety-eight Crores Seventy Lakhs only) divided into 8,87,00,000 Equity shares of Rs.10/-, and 1,00,00,000 Eight years 0% optionally convertible or Redeemable Non-Cumulative Preference Share of Rs.10/- each"

(a) Any shares of the original or increased capital may from time to time be issued with such terms, conditions restrictions and guarantees or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special privilege or advantage over any shares previously issued or then about to be issued or

with deferred or qualified rights and compared with any shares previously issued or subject to any provisions or conditions and with any special rights or limited rights or without any rights of voting and generally on such terms as the Company may from time to time determine subject to provisions of the Companies Act, 2013.

(b) The rights of the holders of any class of shares for the time being forming part of the capital of the Company may be modified, effected, varied, extended or surrendered either with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a Special Resolution, passed at separate meeting of the holders of those shares.

17.5 The following Article in the Articles of Association of RJL shall stand amended to read as under:

Article 4 of the Articles of Association

"The Authorised Share Capital of the Company is Rs. 98,70,00,000 (Rupees Ninety-eight Crores Seventy Lakhs only) divided into 8,87,00,000 Equity shares of Rs.10/-, and 1,00,00,000 Eight years 0% optionally convertible or Redeemable Non-Cumulative Preference Share of Rs.10/- eachwith power to increase and reduce the capital for the timebeinginto several classes and attachthereto 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 rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

18. <u>APPLICATION TO TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY</u>

RJL,NKDEL andHFILshall make applications / petitions under Sections 230-232read with other applicable provisions of the Act to

the Tribunal, Bombay Bench or such other appropriate authority in respect of RJL,NKDEL and HFIL for sanction of this Scheme

19. MODIFICATION OR AMENDMENTS TO THE SCHEME

RJL,NKDEL and HFIL by their respective Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme which the Tribunal and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme in the best interest of all stakeholders. All amendment/modification pursuant to this clause shall be subject to the approval of Tribunal. RJL,NKDEL and HFIL by their respective Directors so nominated in that behalf be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith. For the removal of doubt, it is hereby clarified that withdrawal by any one of the Companies from the Scheme shall not prejudicially affect the implementation of the Scheme between the remaining parties. In such a circumstance, the Scheme shall remain in full force and effect and be implemented by and between the remaining Companies as if the party withdrawing from the Scheme was never a party to the Scheme in that behalf. All amendment/modification pursuant to this clause shall be subject to the approval of Tribunal.

20. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form or with any modification(s) as approved or imposed or directed by the Tribunal shall be effective from the Appointed Date but shall become operative from the Effective Date.

21. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

The Scheme is conditional upon and subject to the following:

21.1. The approval by the requisite majorities of the classes of persons ofRJL, NKDEL and HFIL as may be directed by the Hon'bleTribunal under Section 230to 232 of the Act.

21.2. The sanction of the Hon'bleTribunal at Bombay being obtained under Sections 230to232and other relevant provisions of the Act,as required on behalf of the RJL, NKDEL and HFIL from the Hon'bleTribunal.

21.3. The requisite consents, approvals or permissions if any of the Government Authority or any other Statutory Agencies which by law may be necessary for the implementation of this Scheme.

21.4. In terms of SEBI Circular dated 4th February 2013 bearing No. CIR/CFD/DIL/05/2013 and further Circular dated 21st May 2013 bearing No. CIR/CFD/DIL/8/2013 approval of shareholders of RJL shall be obtained through postal ballot and e-voting after disclosure of all material facts in the explanatory statement in relation to such resolution and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

21.5. The Certified Copies or Authenticated Copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

21.6. All other sanctions and approvals as may be required under any law with regard to this Scheme areobtained.

22. <u>EFFECT OF NON-RECEIPT OF APPROVALS</u>

In the event of any of the said sanctions and approvals referred to in the preceding Clause 21not being obtained and / or the Scheme not being sanctioned by the any of the Hon'ble Tribunal or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and RJLshall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually, agreed.

23. <u>COSTS, CHARGES & EXPENSES.</u>

All cost, charges and expenses in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of Amalgamation of the Transferor Companies in pursuance of the Scheme shall be borne and paid by the Transferee Company only. Similarly, the Transferee Company shall alone bear any duties or taxes leviable including stamp duty in pursuance to or as a consequence of this Scheme of Amalgamation.

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