

Date: December 28, 2021

To  
Unsecured creditors

Unique ID –

Dear Sir/Madam,

**Subject: Notice of Meeting of the unsecured creditors of IIFL Wealth Prime Limited convened pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai, through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) on Friday, January 28, 2022 at 2:00 p.m. (IST).**

We wish to inform you that, pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its Order dated December 22, 2021 ("Order"), a Meeting of the unsecured creditors of IIFL Wealth Prime Limited ("Company") will be held on **Friday, January 28, 2022 at 2:00 p.m. (IST)** through **Video Conference ("VC")/ Other Audio Visual Means ("OAVM") ("Meeting")** to consider and approve the proposed Composite Scheme of Arrangement amongst IIFL Wealth Capital Markets Limited and IIFL Wealth Prime Limited and IIFL Wealth Distribution Services Limited and their respective shareholders and creditors ("**Scheme**") under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**"), and as set out in the Notice convening the Meeting.

The Notice of the Meeting and the Annexures thereat are attached and can be accessed at <https://www.evoting.nsdl.com/>.

Pursuant to the directions of the NCLT given under the Order, the Company is providing to its unsecured creditors, facility to exercise their right to vote on resolution proposed to be passed at the Meeting by electronic means ("**e-voting at the Meeting**").

The Company has engaged the services of National Services Depository Limited ("NSDL") as the agency to provide the facility of e-voting at the Meeting.

**In terms of the Order, a person, whose name appears in the list of unsecured creditors of the Company as on the cut-off date, i.e., September 30, 2021, only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only. Voting rights of an unsecured creditor of the Company shall be in proportion to the outstanding amount due by the Company as on the cut-off date i.e. September 30, 2021.**

**Your Login id and password details for attending the Meeting of unsecured creditors through VC/ OAVM and casting your vote electronically are attached in the .pdf file enclosed herewith. Please note that the password to open the .pdf file is the unique id mentioned above.**

**IIFL WEALTH PRIME LIMITED**  
(FORMERLY KNOWN AS IIFL WEALTH FINANCE LIMITED)

Corporate & Registered Office:  
6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel (W), Mumbai – 400 013  
TEL: (91-22) 4876 5600 | FAX: (91-22) 4876 5606

(IIFL Wealth Group)  
[www.iiflwealthprime.com](http://www.iiflwealthprime.com)

CIN: U65990MH1994PLC080646

### Attending and e-voting at the Meeting

The Company has provided VC/ OAVM facility to its unsecured creditors for participating at the Meeting. The procedure for attending the Meeting through VC / OAVM is explained in Note No. 12 of the Notice of the Meeting.

The result of e-voting at the Meeting will be declared within 48 (forty-eight) hours of the conclusion of the Meeting and the same, along with the Scrutiniser's Report, will be placed on the website of the Company: [www.iiflwealthprime.com](http://www.iiflwealthprime.com) and on the website of NSDL at: <https://www.evoting.nsdl.com>.

**Unsecured creditors of the Company are requested to carefully read all the Notes set out in the Notice and in particular, instructions for joining the Meeting, manner of casting vote through e-voting at the Meeting.**

This communication should be read along with the Notice of the Meeting and its accompanying annexures.

**Yours faithfully,  
For IIFL Wealth Prime Limited**

Sd/-

Amit Bhandari  
**Company Secretary**

**IIFL WEALTH PRIME LIMITED**  
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**Registered Office:** 6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013

**Phone:** (+91-22) 4876- 5600; **Fax:** (+91-22) 4646-4706,

**Email:** secretarial@iiflw.com | **Website:** www.iiflwealthprime.com

**NOTICE CONVENING MEETING OF UNSECURED CREDITORS OF**  
**IIFL WEALTH PRIME LIMITED PURSUANT TO ORDER DATED DECEMBER 22, 2021**  
**OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

MEETING	
Day	Friday
Date	January 28, 2022
Time	2.00 p.m. (IST)
Mode of meeting	Through video conferencing / other audio-visual means

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IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

CA (CAA) NO. 190 OF 2021

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF

THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST IIFL WEALTH CAPITAL MARKETS LIMITED AND IIFL WEALTH PRIME LIMITED AND IIFL WEALTH DISTRIBUTION SERVICES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**NOTICE CONVENING MEETING OF UNSECURED CREDITORS**

To,  
All the Unsecured Creditors of  
IIFL Wealth Prime Limited

1. **NOTICE** is hereby given that, in accordance with the Order dated December 22, 2021 in the above mentioned Company Scheme Application, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") ("**Tribunal Order**"), a meeting of the unsecured creditors of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement amongst IIFL Wealth Capital Markets Limited ("**Transferor Company**" or "**IWCML**") and IIFL Wealth Prime Limited ("**Transferee Company**" or "**Demerged Company**" or "**IWPL**" or "**Company**") and IIFL Wealth Distribution Services Limited ("**Resulting Company**" or "**IWDSL**") and their respective shareholders and creditors ("**Scheme**") on January 28, 2022 at 2.00 p.m. (IST).
2. Pursuant to the said Tribunal Order and as directed therein, the meeting of the unsecured creditors of the Company ("**Meeting**") will be held through video conferencing ("**VC**")/ other audio visual means ("**OAVM**"), in compliance with the applicable provisions of the Act to consider, and if thought fit, pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act:

***"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution from time to time), the arrangement embodied in the Composite Scheme of Arrangement amongst IIFL Wealth Capital Markets Limited and IIFL Wealth Prime Limited and IIFL Wealth*

*Distribution Services Limited and their respective shareholders and creditors (“Scheme”), be and is hereby approved;*

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such ancillary and incidental acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

3. **TAKE FURTHER NOTICE** that the unsecured creditors of the Company shall have the facility of voting on the resolution for approval of the Scheme by casting their votes through e-voting system available at the Meeting to be held virtually (“**e-voting at the Meeting**”)
4. In terms of the Tribunal Order, a person whose name appears in the list of unsecured creditors of the Company as on the cut-off date, i.e., September 30, 2021, only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only.
5. A copy of the said Scheme, statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are enclosed herewith. A copy of this Notice and the accompanying documents are also placed on the website of the Company viz. [www.iiflwealthprime.com](http://www.iiflwealthprime.com) and the website of National Securities Depository Services Limited (“**NSDL**”) ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)), being the agency appointed by the Company to provide the e-voting at the Meeting and other facilities for convening of the Meeting.
6. In terms of the Tribunal Order, Mr. Radhakrishnan Mohan, Senior Advisor – Compliance & Regulatory Affairs of the Company and failing him Mr. KPV Karunakaran, has been appointed as the Chairperson for the Meeting and the Company has appointed Mr. J U Poojari, a Practising Company Secretary (Membership No.: FCS 8102) and failing him Mr. Mitesh Dhabliwala, a Practising Company Secretary (Membership No.: FCS 8331) as the Scrutinizer for the Meeting.
7. The above mentioned Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

**Sd/-**

Mr. Radhakrishnan Mohan  
Chairperson appointed by Tribunal for the Meeting

Mumbai, December 27, 2021

**Registered Office:**

6<sup>th</sup> Floor, IIFL Centre, Kamala City,



Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013  
CIN: U65990MH1994PLC080646  
Website: [www.iiflwealthprime.com](http://www.iiflwealthprime.com)  
E-mail: [secretarial@iiflw.com](mailto:secretarial@iiflw.com)  
Tel.: (+91-22) 4876-5600  
Fax: (+91-22) 4646-4706

#### Notes:

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") *vide* its Order dated December 22, 2021 ("**Tribunal Order**"), the Meeting of the unsecured creditors of the Company is being conducted through Video Conferencing ("**VC**")/ other audio visual means ("**OAVM**") facility to transact the business set out in the Notice convening this Meeting. The deemed venue of the Meeting shall be the Registered Office of the Company.
2. The statement pursuant to Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 ("**Act**") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**CAA Rules**") in respect of the business set out in the Notice of the Meeting is annexed hereto.
3. **In terms of the Tribunal Order, a person, whose name appears in the list of unsecured creditors of the Company as on the cut-off date, i.e., September 30, 2021, only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only. Voting rights of an unsecured creditor of the Company shall be in proportion to the outstanding amount due by the Company as on the cut-off date i.e. September 30, 2021.**
4. Since this Meeting is being held through VC/ OAVM, physical attendance of unsecured creditors of the Company has been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors of the Company will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. No route map of the venue of the Meeting is annexed hereto, since this Meeting is being held through VC/ OAVM.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Unsecured creditors of the Company attending the Meeting through VC/ OAVM shall be reckoned for the purpose of quorum. In terms of the Tribunal Order, the quorum for the Meeting is 5 (five) unsecured creditors, present in person and attending the Meeting. In terms of the Tribunal Order, due to unforeseen circumstances or due to want of quorum the Meeting cannot be held at the specified date, Chairperson for the Meeting, is empowered to defer or adjourn the Meeting and hold the Meeting on any subsequent date, if so required and considered appropriate by the Chairperson, after giving further notice to the unsecured creditors of the Company as deemed appropriate by the Chairperson.
8. The Notice of the Meeting and the accompanying documents mentioned in the Index are being sent through electronic mode to those unsecured creditors of the Company whose email addresses are registered with the Company and by courier to those unsecured creditors of the Company whose email addresses are not registered with the Company.

9. The unsecured creditors of the Company may note that the aforesaid documents are also available on the website of the Company i.e. [www.iiflwealthprime.com](http://www.iiflwealthprime.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. If so desired, unsecured creditors of the Company may obtain a physical copy of the Notice and the accompanying documents, i.e. Scheme and the Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and CAA Rules etc., free of charge. A written request in this regard, along with details of Permanent Account Number (PAN), may be addressed to the Company at [secretarial@iiflw.com](mailto:secretarial@iiflw.com).
11. The unsecured creditors of the Company other than individuals are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company at e-mail id: [upoojari@gmail.com](mailto:upoojari@gmail.com), at least 48 (forty eight) hours before the Meeting.

**12. INSTRUCTIONS FOR UNSECURED CREDITORS FOR ATTENDING THE MEETING THROUGH VC / OAVM AND CASTING THEIR VOTES ELECTRONICALLY AT THE MEETING ARE AS UNDER:**

**Login/ registration procedure to be followed for attending the meeting and to vote electronically at the meeting:**

- a) Open the e-mail and open the .pdf file. Please note that the password to open the .pdf file is the Unique ID mentioned in the email.
- b) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a personal computer or on a mobile.
- c) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- d) A new screen will open. You will have to enter the Unique ID and Password as provided in the .pdf file as attached.
- e) For the first time users or new users, the website will ask to reset a new password.
- f) Once you reset the password, system will ask you to login again. Enter the Unique ID, Password (set by you) and VerificationCode.
- g) If you are unable to retrieve or have not received the “Initial password” you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) .
- h) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- i) Now, you will have to click on “Login” button.
- j) After you click on the “Login” button, Home page of E-Voting will open.
- k) You will be able to see the Company “EVEN” who’s voting cycle is in active status.
- l) Select “EVEN” of the Company.
- m) Now you are ready for E-Voting as the voting page opens.
- n) Cast your vote by selecting appropriate options, i.e., assent or dissent, and click on “Submit” and “Confirm” when prompted.

- o) Upon confirmation, the message “Vote cast successfully” will be displayed.
- p) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

**Instructions for unsecured creditors for attending the Meeting through VC / OAVM are as under:**

- a) Unsecured creditors of the Company will be able to attend the Meeting through VC / OAVM or view the live webcast of the meeting provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-Voting system.
- b) Unsecured Creditors will be provided with a facility to attend the meeting through VC/OAVM through the NSDL e-voting system. Unsecured Creditors may access the Meeting by following the steps mentioned for login/ registration as mentioned above.
- c) After successful login, you can see link of “VC/OAVM” placed under “Join GENERAL Meeting” menu against the Company name. You are requested to click on VC/OAVM link placed under ‘Join Meeting’ menu. The link for VC/OAVM will be available in shareholder/member login where the EVENT No. 119043 of the Company will be displayed.
- d) Please note that the Unsecured Creditors who do not have the Unique ID and Password for e-voting or have forgotten the Unique ID and Password may retrieve the same by following the e-voting instructions mentioned in the notice to avoid last minute rush.
- e) Facility of joining the meeting through VC / OAVM shall open 30 minutes before the time scheduled for the Meeting.
- f) Unsecured Creditors who need assistance before or during the meeting, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Asst. Vice President - NSDL at toll free number 1800-1020-990/ 1800-22-44-30.
- g) Unsecured Creditors who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request to [secretarial@iiflw.com](mailto:secretarial@iiflw.com) by January 20, 2022 mentioning their name, registered e-mail address, mobile number and PAN. Those unsecured creditors of the Company who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.

**Instructions for unsecured creditors of the Company for voting electronically during the Meeting are as under:**

Subsequent to following the procedure for login/ registration for attending the meeting (as mentioned above), the unsecured creditors of the Company are requested to cast their votes by following the procedure mentioned in paragraphs 12(i) to 12(p) above.

**13. General Guidelines for unsecured creditors:**

- a) Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800 1020 990 /1800 224 430.
- d) The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting, make a Scrutiniser's Report and submit the same to the Chairperson of the Meeting. The result of e-voting at the Meeting will be declared within 48 (forty-eight) hours of the conclusion of the Meeting and the same, along with the Scrutiniser's Report, will be placed on the website of the Company: [www.iiflwealthprime.com](http://www.iiflwealthprime.com) and on the website of NSDL at: <https://www.evoting.nsdl.com>.
- e) Subject to receipt of requisite majority of votes (as per Section 230 to 232 of the Act), the resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).

#### **14. Procedure for inspection of documents:**

- a) Documents for inspection as referred to in the Notice will be available electronically for inspection without any fee by the unsecured creditors of the Company from the date of circulation of this Notice up to the date of Meeting. Unsecured creditors of the Company seeking to inspect such documents can visit the 'Investor Relations' section on the website of the Company: <http://www.iiflwealthprime.com/>
- b) Unsecured creditors of the Company seeking any information with regard to the Scheme or the matter proposed to be considered at the Meeting, are requested to write to the Company atleast 7 (seven) days before the date of the Meeting through email on [secretarial@iiflw.com](mailto:secretarial@iiflw.com). The same will be replied to by the Company, suitably.
- c) Unsecured creditors of the Company are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through e-voting at the Meeting.



*capital requirements, specific risks, revenue and cost structures, synergies, employee skill set requirements and compensation structure. The nature and competition involved in each of the businesses is distinct from others and consequently each business or undertaking, is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. Further, each of the businesses are governed/ regulated by different set of regulations and regulators.*

- (b) *As mentioned earlier, IWPL is a non-banking finance company, engaged in distinct businesses viz., loan/ investment and related businesses; and distribution of financial/ investment products. In April 2020, IWPL acquired 100% equity in IWCML, a company engaged in the distribution of financial products, to strengthen its distribution business.*
- (c) *IWDSL is a company currently engaged in broking business catering to high-net-worth individuals and corporates. The consolidation of the Distribution Business with IWDSL, in the manner as provided in the Scheme, will result into the following benefits:*
- (i) De-risk the Distribution Business from the financing and investing activities carried on by IWPL;*
  - (ii) Consolidation and creation of a focused/ independent distribution business in IWDSL. The consolidation with broking business of IWDSL will benefit from enabling comprehensive client engagement with complete and complementary product suits and investment solutions, improved client servicing, benefit from business synergies, optimisation of cost structure and a focussed sales effort to a homogeneous client set;*
  - (iii) Enable focused growth strategy for each of the business' of IWPL and IWDSL respectively;*
  - (iv) Efficient utilisation of capital and enhanced returns for both the businesses (finance and investments and distribution);*
  - (v) A distinct distribution business entity will provide better flexibility in accessing capital in future; and*
  - (vi) Cost savings through legal entity rationalisation.*
- (d) *Thus, the Scheme is in the best interests of the shareholders, employees and the creditors of IWCML, IWPL and IWDSL.*

### III. **Background of the Companies**

#### 1. **IWCML**

- a. IIFL Wealth Capital Markets Limited (“**Transferor Company**” or “**IWCML**”) is a company incorporated under the provisions of the Companies Act, 2013, having corporate identification number U67190MH2013PLC240261 and its registered office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, Maharashtra, India. Permanent Account Number (PAN) of IWCML is AACCL4268L and its email address is [secretarial@iiflw.com](mailto:secretarial@iiflw.com) . IWCML was incorporated on February 7, 2013 as a public company, under the name ‘L&T Capital Markets Limited’. Subsequently, the name was changed to ‘IIFL Wealth Capital Markets Limited’. The shares of IWCML are not listed on any stock exchange.

- b. The main objects of IWCML are set out in Clause III.A of its memorandum of association and has been summarized as below for the perusal of the unsecured creditors:

*“A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:*

- 1. To carry on the business of managing and marketing the financial products, carrying out portfolio management services, offering management and advisory services to individuals, institutions, body corporates, offshore funds, pension funds, provident funds, alternative investment fund (“AIF”), venture capital funds, insurance funds and other entities/funds in accordance with the laws, rules, regulations and other regulatory framework, to carry on the business of merchant bankers and investment bankers and acceptance house (other than the business of banking as described in the Banking Regulation Act, 1949) shares and stock brokers, registrars and share transfer agents, to act as promoters, organisers, advisers or managers of issues or any, body corporate, trust, association, or other entity and of all kinds of securities including shares and debentures, any fund or venture capital trust, and to render all kinds of financial and advisory services to new and existing ventures and all other activities connected with management of issue of securities, to act as sponsor of an investment management company or asset management company either in India or outside India, to act as fund managers, providing one-stop services in connected with raising of funds by way of Debt/Equity or any hybrid instruments, to carry on the business of a company established with the object of financing industrial enterprises within the meaning of the Companies Act, 2013, and to act as an investment company, to conduct feasibility studies and valuations, promote and incorporate companies, prepare techno-economic reports and other financial and investment matters, conduct market surveys, to provide legal assistance relating to licenses, patents, trademarks, copyrights, designs and detailed engineering, assist in financial and technical collaborations, identification of projects and project consultancy, import of technology, to formulate and provide computer software programmes, assist in human resources development and otherwise to provide assistance generally in any matter connected with the start-up and management of business and industry, liaison with banks and financial institutions, to assist in all financial costing, accountancy, internal control and other similar matters, to prepare all types of revenue and capital budgets, to advise on the deployment of funds, subscription of shares and debentures, term loans, loan and lease syndication, tax management, factoring and counter trade and generally to advise and assist in all types of financial, fiscal and revenue matters.*
- 2. To establish and carry on directly or indirectly, the business of providing services of sourcing, promoting, publicizing, marketing and distributing financial products, insurance products (including life, non life, general insurance and any other insurance), mutual fund schemes, all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trust, charities, association, registered societies, mutual funds and other persons or body of persons whether incorporated or not, financial institutions, Banks and other companies.”*

During the last five years, there has been no change in the objects clause of IWCML.

- c. IWCML is engaged primarily in the business of distribution of financial/ investment products such as mutual funds, alternative investment funds, PMS etc. to high-net-worth individuals and corporates. IWCML is also registered with the Association of Mutual Funds of India, to engage in the mutual fund distribution business.

- d. The share capital of IWCML as on the date of this Notice is as follows:

Particulars	Amount in INR
<b>Authorised share capital</b>	
7,65,00,000 equity shares of INR 10 each	76,50,00,000
<b>Total</b>	<b>76,50,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
5,23,12,000 equity shares of INR 10 each	52,31,20,000
<b>Total</b>	<b>52,31,20,000</b>

The standalone unaudited financial results of IWCML for the quarter ended September 30, 2021 are attached hereto as **Annexure III**.

- e. The details of Directors and Promoters of IWCML along with their addresses are mentioned herein below:

Sr. No.	Name	Category	Address
<b>Directors</b>			
1.	Mr. Manoj Shenoy	Director	No 310, Olive Block, Raheja Residency, Koramangala 3rd Block, Bangalore –560 034
2.	Ms. Anirudha Taparia	Director	N-109, 1st Floor Panchsheel Park , Panchsheel Enclave, South Delhi, Malviya Nagar 110017
3.	Mr. Umang Jagmohan Papneja	Director	610/11/12 B, Samartha Aangan 2, Oshiwara, Andheri West, Mumbai 400 053

Sr. No.	Name of Promoter	Address
1.	IIFL Wealth Prime Limited	6 <sup>th</sup> Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra

## 2. IWPL

- a. IIFL Wealth Prime Limited (“**Transferee Company**” or “**Demerged Company**” or “**IWPL**” or “**Company**”) is a company incorporated under the provisions of the Companies Act, 1956, having corporate identification number U65990MH1994PLC080646 and its registered office at 6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India. Permanent Account Number (PAN) of IWPL is AABCC3347E and its email address is secretarial@iiflw.com. IWPL was incorporated on August 31, 1994 as a public company, under the name ‘Chephis Capital Markets Limited’. On March 12, 2016, the name of IWPL was changed to ‘IIFL Wealth Finance Limited’. Thereafter, the name of IWPL was again changed to ‘IIFL Wealth Prime Limited’ on December 7, 2020.

The shares of IWPL are not listed on any stock exchange. The non convertible debentures of the IWPL are listed on BSE Limited (“BSE”).

- b. The main objects clause of IWPL are set out in Clause III.A of its Memorandum of Association and has been summarized as below for the perusal of the unsecured creditors:

*“(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:*

- (1) To carry on financing business and perform lending and financing services, both short term and long term, including but not limited to capital market financing, loan against property and factoring, by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities.*
- (2) To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance, miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business.*
- (3) To carry on all kinds of agency business and to act as advisors, consultants, agents, sub agents, distributors, sellers of Deposits, loans, units of Unit Trust of India and other Mutual Funds, Shares, stocks, debentures, bonds, government securities, insurance products, National Savings Certificate and such other financial, investments, personal loans, home loan products, securities & debt instruments and to acquire and hold one or more memberships/dealerships with or without trading privileges of association of bankers, association of mutual funds, merchant bankers, insurance companies, fund managers, brokers, securities dealers or commodity dealers, clearing house, stock, exchange, commodity exchanges in India or any part of the world which will or is likely in any way to facilitate the conduct of company’s business.”*

During the last five years, except addition of Clause III(A)(3) (as specified above) to the Memorandum of Association of IWPL, there has been no change in the objects clause of the Company.

- c. IWPL is registered with the Reserve Bank of India as a Systematically Important Non-Banking Financial Company (“NBFC-ND-SI”) not accepting public deposits and is primarily engaged in financing and investing activities that includes loan against securities, capital market/ IPO financing, loan against property, etc. catering to the financing needs of high-net-worth individuals and corporates. IWPL is also engaged in distribution of financial/ investment products such as mutual funds, alternative investment funds, PMS etc. to high-net-worth individuals and corporates. IWPL is registered with the Association of Mutual Funds of India to engage in the mutual fund distribution business.
- d. The share capital of IWPL as on the date of this Notice is as follows:

Particulars	Rs
-------------	----

<b>Authorised Share Capital</b>	
35,00,00,000 equity shares of INR 10 each	350,00,00,000
<b>Total</b>	<b>350,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
30,54,93,803 equity shares of INR 10 each	305,49,38,030
<b>Total</b>	<b>305,49,38,030</b>

The standalone unaudited financial results of IWPL for the quarter ended September 30, 2021, are attached hereto as **Annexure II**.

- e. The details of Directors and Promoters of IWPL along with their addresses are mentioned herein below:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Category</b>	<b>Address</b>
1.	Mr. Subbaraman Narayan	Independent Director	Flat No.2B, Nithyasree Apartments No.51, Chamiers Road, Raja Annamalaipura m, Chennai 600028
2.	Mr. Himanshu Jain	Wholetime Director	Flat no. 701-702, A- Wing, Julian Alps, Bhakti Park Sion Wadala Link Road, Wadala Mumbai-400037
3.	Mr. Yatin Shah	Wholetime Director	51 Kedia Apts, 29/F Dongarsi Road, Malabar Hill, Walkeshwar Road, Mumbai-400006
4.	Mr. Karan Bhagat	Director	4501, 45th Floor, old Simplex Mills Compound, Aqua Towers II, Planet Godrej, KK Marg, Near Jacob Circle, Mahalaxmi East – Mumbai – 400011
5.	Mr. Shantanu Rastogi	Director	Flat No. 2101, 21st floor, Beau Monde, B Wing New Prabhadevi Mumbai- 400025
6.	Mrs. Rekha Gopal Warriar	Independent Director	903 Prime Cosmos, Magarpatta city, Hadapsar, Pune - 411028

<b>Sr. No.</b>	<b>Name of Promoter</b>	<b>Address</b>
1.	IIFL Wealth Management Limited	IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra

### 3. IWDSL

- a. IIFL Wealth Distribution Services Limited (“**Resulting Company**” or “**IWDSL**”) is a company incorporated under the provisions of the Companies Act, 1956, having corporate identification number U45201MH1995PLC228043 and its registered office at IIFL Centre, Kamala City, Senapati Bapat Marg,

Lower Parel (West), Mumbai - 400013, Maharashtra, India. Permanent Account Number (PAN) of IWDSL is AAACF2837R and its email address is [secretarial@iiflw.com](mailto:secretarial@iiflw.com). IWDSL was incorporated on January 30, 1995. IWDSL was originally incorporated as a private company, under the name 'Finest Investment & Construction Private Limited'. Subsequently, on May 25, 2012, the name of IWDSL was changed to 'IIFL Distribution Services Private Limited'. On August 27, 2014, IWDSL was converted into a public company after which the name of IWDSL was changed to 'IIFL Distribution Services Limited'. The name of IWDSL was again changed to 'IIFL Wealth Distribution Services Limited' on May 24, 2020. The shares of IWDSL are not listed on any stock exchange.

- b. The main objects of IWDSL are set out in Clause III.(A) of its memorandum of association and has been summarized as below for the perusal of the unsecured creditors:

*"A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:*

1. *To undertake and carry on in India and/or in any part of the world whether singly and /or jointly the business as wealth managers, investment advisors, portfolio manager, brokers, sub brokers, agents, insurance advisors/intermediaries/agent, franchiser, surveyor, sub insurance brokers, distributors, and undertake investment in and distribution of commodities contracts, shares and securities, derivatives, scrips, warrants, bonds, debentures, debenture stock, units of mutual funds, units of collective investment funds, units of Alternate Investments Funds, units of Venture Capital Fund, inter-corporate deposits, public deposits, or any other instruments whether issued by government, semi government, local authorities, public sectors undertakings, companies corporations or otherwise and subject to approval of appropriate authority."*
- 1a. *To carry on in India or abroad the business of broking including share and stock broking, derivative broking and to pool, mobilize and manage the funds of any financial institutions, corporate, individuals and other entities by investing and dealing in stocks, shares, debentures, derivatives, mutual funds, currencies subject to approval of Reserve bank of India or any other regulatory authority, bonds, units, options, participation certificates, company deposits, deposit certificates, money market instruments, treasury bills, government securities, savings certificates, American depository receipts, global depository receipts, euro and generally for securities of all kinds by way of internet, e-broking, telephone, personal contact or through other media, e-commerce, to acquire and hold one or more memberships/dealership in stock exchanges, security exchanges, OTC exchanges, commodity exchanges and any other recognized stock exchanges with trading privileges, clearing houses.*
- 1b. *To undertake, conduct, study, carry on, help, promote any kind of research, probe, investigation, survey, developmental work on economy, industries, corporates, business houses, agricultural and mineral, financial institutions, foreign financial institutions, capital market on matters related to investment decisions primary equity market, secondary equity market, debentures, bond, ventures, capital funding proposals, competitive analysis, preparation of corporate/industry profile etc. and trade/invest in researched securities.*
- 1c. *To carry on activities of depository participant by obtaining necessary membership with authorised depositories and to carry on all the permitted activities ancillary to depository participant services including depository clearing services, custodian clearing services and professional clearing services.*
2. *To carry on the business of providing outsourcing services for all processes, sub processes, transactions, activities and all other work performed by business in various industries within India and across the world including those process or sub processes that are enabled by information technology like data, voice or video collection and processing, call centre services*

*including in bound and out bound calling services of all kinds, technical support, managed data centre, managed technical centre, training centre, web support back office, business or financial analysis, scientific analysis, research work and analysis, storage, disaster recovery, accounting, pay roll, inventory management, customer relationship management, enterprises resources planning and to develop software, provide consultancy, software solution and services that are normally offered by the outsourcing business and information technology services providers, the software development houses and application services providers.*

- 2A. *To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance, miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business.*
3. *To carry on business of real estate services and to act as broker, agent, arranger of lands, buildings, factories, house, flats, premises of residential, commercial or other use, and to advertise for sale or purchase, assist in selling or purchasing and find or introduce purchaser or vendors of properties.”*

During the last five years, except addition/ amendment of Clause III(A)(1a), III(A)(1b), III(A)(1c) and III(A)(3) (as specified above) to the Memorandum of Association of IWDSL, there has been no change in the objects clause of IWDSL.

- c. IWDSL is registered with the Securities and Exchange Board of India (“SEBI”) to engage in the retail broking and depository participant business. IWDSL also provides manpower services to its associate companies.
- d. The share capital of IWDSL as on the date of the Notice is as follows:

Particulars	Amount in INR
<b>Authorised share capital</b>	
35,000 equity shares of INR 100 each	35,00,000
<b>Total</b>	<b>35,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
30,000 equity shares of INR 100 each	30,00,000
<b>Total</b>	<b>30,00,000</b>

The standalone unaudited financial results of IWDSL for the quarter ended September 30, 2021 are attached hereto as **Annexure IV**.

- e. The details of Directors and Promoters of IWDSL along with their addresses are mentioned herein below:

Sr. No.	Name	Category	Address
<b>Directors</b>			
1.	Ms. Anu Ravi Jain	Director	Krishna Kunj, 3rd Floor, Raghavji Road, Mumbai - 400036,
2.	Mr. Yatin Shah	Director	51 Kedia Apts, 29/F Dongarsi Road, Malabar Hill, Walkeshwar Road, Mumbai 400006 MH IN
3.	Mr. Umang Jagmohan Papneja	Director	610/11/12 B, Samartha Anngan 2, Oshiwara, Andheri West, Mumbai 400053

Sr. No.	Name of Promoter	Address
1.	IIFL Wealth Management Limited	IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra

#### IV. SALIENT FEATURES OF THE SCHEME

1. The salient features of the Scheme are, *inter alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause 1 of Part I of the Scheme:
  - a. The Scheme provides for (i) amalgamation of the Transferor Company with the Transferee Company; and (ii) demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company. The Scheme also provides for various other matters consequent and incidental thereto.
  - b. The Appointed Date of the Scheme shall be the opening business hours of 1<sup>st</sup> April 2021 or such other date as may be approved by the Board of IWCML, IWPL and IWDSL.
  - c. The Effective Date of the Scheme means the date on which last of the conditions specified in Clause 25 (Conditions Precedent) of the Scheme are complied with.

**Note: The above details are the salient features of the Scheme. The unsecured creditors of the Company are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

#### V. Relationship subsisting between Parties to the Scheme

IWCML is a wholly owned subsidiary of IWPL. IWCML, IWPL and IWDSL form part of the IIFL Wealth Management group.

#### VI. Board approvals

1. The Board of Directors of IWCML at its Board Meeting held on July 2, 2021, by resolution passed unanimously approved the Scheme, as detailed below:

Sr. No.	Name of Director	Category
1.	Mr. Manoj Shenoy	In favour
2.	Ms. Anirudha Taparia	In favour
3.	Mr. Umang Jagmohan Papneja	In favour

2. The Board of Directors of IWPL at its Board Meeting held on July 2, 2021, unanimously approved the Scheme, as detailed below:

Sr. No.	Name of Director	Voted in favour / against / did not participate or vote
1.	Mr. Subbaraman Narayan	In favour
2.	Mr. Himanshu Jain	In favour
3.	Mr. Yatin Shah	In favour
4.	Mr. Karan Bhagat	In favour
5.	Mr. Shantanu Rastogi	In favour
6.	Mrs. Rekha Gopal Warriar	In favour

3. The Board of Directors of IWDSL at its Board Meeting held on July 2, 2021, by resolution passed unanimously approved the Scheme, as detailed below:

Sr. No.	Name of Director	Category
1.	Ms. Anu Ravi Jain	In favour
2.	Mr. Yatin Shah	In favour
3.	Mr. Umang Jagmohan Papneja	In favour

## VII. **Capital Structure**

The capital structure of IWPL, IWCML and IWDSL is provided in Paragraph III.1.d and Paragraph III.2.d and Paragraph III.3.d respectively.

## VIII. **Consideration/ share entitlement ratio pursuant to the Scheme**

- (a) For amalgamation of IWCML with IWPL:  
As IWCML is a wholly owned subsidiary of IWPL, no consideration shall be issued by IWPL for amalgamation of IWCML with IWPL.
- (b) For demerger of the Distribution Business of IWPL to IWDSL:

*22,155 (Twenty Two Thousand One Hundred Fifty Five) fully paid up equity share of INR 100 (Indian Rupees One hundred only) each of the Resulting Company ("Resulting Company New Equity Shares"), credited as fully paid up, for every 1,00,000 (One lakh) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company.*

## IX. **Interest of Directors, Key Managerial Personnel, their relatives and Debenture Trustee**

None of the Directors, KMPs of IWPL, IWCML and IWDSL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their shareholding, if any, in IWPL and IWCML and IWDSL. IWCML and IWDSL have not issued any debentures and have not appointed any debenture trustee(s). IWPL has appointed debenture trustee(s). None of the debenture trustees have any material interest in the Scheme.

**X. Effect of Scheme on stakeholders**

The effect of the Scheme on various stakeholders is summarised below:

i. Equity shareholders, key managerial personnel, promoter and non-promoter shareholders

The effect of the Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders of IWPL, IWCML and IWDSL is given in the reports adopted by the Board of Directors of IWPL, IWCML and IWDSL at their respective meetings held on July 2, 2021, pursuant to the provisions of Section 232(2)(c) of the Act which are attached as **Annexure V**, **Annexure VI** and **Annexure VII** respectively to this Statement.

ii. Directors

The Scheme will have no effect on the office of the existing Directors of IWPL and IWDSL. Further, no change in the Board of Directors of IWPL and IWDSL is envisaged on account of the Scheme. It is clarified that, the composition of the Board of Directors of IWPL and IWDSL may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of IWPL and IWDSL respectively.

Upon the Scheme becoming effective, all the Directors of IWCML will cease to be its Directors.

The effect of the Scheme, on the Directors of IWPL, IWCML and IWDSL in their capacity as equity shareholders, if any, of IWPL, IWCML and IWDSL, being party to the Scheme, is the same as in the case of other shareholders of IWPL, IWCML and IWDSL.

iii. Employees

Upon the effectiveness of Part II of the Scheme, all the employees of IWCML as on the Effective Date shall become employees of IWPL, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by IWCML.

Upon effectiveness of Part III of the Scheme, all the employees forming part of the Demerged Undertaking of IWPL, shall become employees of IWDSL, on the terms and conditions not less favourable than those on which they are engaged by IWPL.

The Scheme does not have any adverse impact on the employees of IWDSL.

iv. Creditors

Upon effectiveness of Part II of the Scheme and in terms of the Scheme, the creditors of IWCML shall become creditors of IWPL.

Upon effectiveness of Part III of the Scheme and in terms of the Scheme, the creditors forming part of the Demerged Undertaking of IWPL shall become creditors of IWDSL.

The Scheme does not involve any compromise or arrangement with the respective creditors of IWPL, IWCML and IWDSL. The rights of the respective creditors of IWPL, IWCML and IWDSL shall not be impacted pursuant to the Scheme and there will be no reduction in their claims on account of the Scheme. There is no likelihood that the respective creditors of IWPL, IWCML and IWDSL would be prejudiced in any manner as a result of the Scheme being sanctioned.

v. Debenture holders and Debenture trustees

IWPL has issued non-convertible debentures and has appointed debenture trustee(s). The debentures issued by IWPL are not proposed to be transferred as part of the Demerged Undertaking to IWDSL. Therefore, there is no likelihood that the debenture holders of IWPL would be prejudiced in any manner as a result of the Scheme being sanctioned.

The Scheme will have no adverse impact on the rights of the debenture trustee(s) of IWPL.

IWCML and IWDSL have not issued and debentures and have not appointed any debenture trustees.

vi. Depositors and Deposit Trustees

IWPL, IWCML and IWDSL have not accepted any public deposits and have not appointed any deposit trustee.

XI. Amounts due to unsecured creditors

The amounts due to the unsecured creditors of IWPL, as on September 30, 2021, is INR 457.02 crore. The amount due to unsecured creditors of IWCML, as on September 30, 2021 is INR 0.46 crore. The amount due to unsecured creditors of IWDSL, as on September 30, 2021 is INR 219.61 crore.

XII. Capital / Debt Restructuring

The Scheme does not involve any capital/ debt restructuring. For amalgamation of IWCML into IWPL, no shares are proposed to be issued pursuant to the Scheme, therefore, there will be no change in the equity share capital of IWPL. Upon the effectiveness of the Scheme, the entire equity share capital of the IWCML held by IWPL and its nominees shall stand cancelled.

Upon the effectiveness of the Scheme, the share capital of IWDSL shall stand increased by the aggregate face value of the Resulting Company New Equity Shares issued pursuant to Part III of the Scheme.

XIII. Pre-Scheme shareholding pattern of IWPL and IWCML and IWDSL

- i. The pre-Scheme shareholding pattern of IWPL is as follows:  
(based on shareholding data as on September 30, 2021)

Sr. No.	Category of shareholder	No. of fully paid up equity shares held	% shareholding
1.	IIFL Wealth Management Limited	305,493,803*	100

\*Includes 6 equity shares held through nominees

- ii. The pre-Scheme shareholding pattern of IWCML is as follows:  
(based on shareholding data as on September 30, 2021)

Sr. No.	Category of shareholder	No. of fully paid up equity shares held	% shareholding
1.	IIFL Wealth Prime Limited	5,23,12,000*	100

\*Includes 6 equity shares held through nominees

- iii. The pre-Scheme shareholding pattern of IWDSL is as follows:  
(based on shareholding data as on September 30, 2021)

Sr. No.	Category of shareholder	No. of fully paid up equity shares held	% shareholding
1.	IIFL Wealth Management Limited	30,000*	100

\*Includes 24 equity shares held through nominees

**XIV. Auditors Certificate on conformity of accounting treatment in the Scheme with Accounting Standards**

The Statutory Auditors of IWPL and IWDSL have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

**XV. Approvals and intimations in relation to the Scheme**

- i. Besides approval of the Tribunal, IWPL, IWCML and IWDSL would obtain such necessary approvals/ sanctions/ no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- ii. A copy of the Scheme has been filed by IWPL, IWCML and IWDSL respectively with the Registrar of Companies, Maharashtra.
- iii. No investigation proceedings have been instituted and/or are pending against IWPL, IWCML and IWDSL under Section 210 to 227 of Act.

**XVI. Valuation report**

Report dated July 1, 2021, issued by M/s Icon Valuation LLP, Registered Valuer, on the share entitlement ratio for the demerger of the Demerged Undertaking of IWPL to IWDSL is attached as **Annexure VIII**.

**XVII. Inspection of Documents**

In addition to the documents annexed hereto, the electronic copy of following documents will be available for inspection in the investor section of the website of the Company at [www.iiflwealthprime.com](http://www.iiflwealthprime.com):

- a. Standalone and consolidated financial statements of IWPL, IWCML and IWDSL for the financial year ended March 31, 2021;
- b. Copy of the Tribunal Order;



- c. Copy of the Scheme;
- d. Memorandum and Articles of Association of IWPL and IWCML and IWDSL; and
- e. Copy of the certificate of the Statutory Auditor of IWPL and IWDSL certifying that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and applicable accounting standards.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of IWPL, IWCML and IWDSL, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of IWPL recommend the Scheme for approval of the unsecured creditors.

The Directors and KMPs, as applicable, of IWPL, IWCML and IWDSL, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

**Sd/-**

Mr. Radhakrishnan Mohan  
Chairperson appointed by Tribunal for the Meeting

Mumbai, December 27, 2021

**Registered Office:**

6th Floor, IIFL Centre, Kamala City,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013  
CIN: U65990MH1994PLC080646  
Website: <http://www.iiflwealthprime.com/>  
E-mail: [secretarial@iiflw.com](mailto:secretarial@iiflw.com)  
Tel.: (+91-22) 4876- 5600  
Fax: (+91-22) 4646-4706

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**IIFL WEALTH CAPITAL MARKETS LIMITED  
("TRANSFEROR COMPANY" OR "IWCML")**

**AND**

**IIFL WEALTH PRIME LIMITED  
("TRANSFeree COMPANY" OR "DEMERGED COMPANY" OR "IWPL")**

**AND**

**IIFL WEALTH DISTRIBUTION SERVICES LIMITED  
("RESULTING COMPANY" OR "IWDSL")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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

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**(A) DESCRIPTION OF COMPANIES**

1. **IIFL Wealth Capital Markets Limited ("Transferor Company" or "IWCML")** is a public company incorporated under the provisions of the Act (*as defined hereinafter*). IWCML is engaged primarily in the business of distribution of financial/ investment products such as mutual funds, alternative investment funds, PMS etc. to high net worth individuals and corporates. IWCML is a wholly owned subsidiary of IWPL (*as defined hereinafter*) and is also registered with the Association of Mutual Funds of India, to engage in the mutual fund distribution business.
2. **IIFL Wealth Prime Limited ("Transferee Company" or "Demerged Company" or "IWPL")** is a public company incorporated under the provisions of the Companies Act, 1956. IWPL is registered with the Reserve Bank of India as a Systematically Important Non-Banking Financial Company (NBFC-ND-SI) not accepting public deposits. IWPL is primarily engaged in financing and investing activities that includes loan against securities, capital market/ IPO financing, loan against property, etc. catering to the financing needs of high net worth individuals and corporates. IWPL is also engaged in distribution of financial/ investment products such as mutual funds, alternative investment funds, PMS etc. to high net worth individuals and corporates. IWPL is registered with the Association of Mutual Funds of India to engage in the mutual fund distribution business.
3. **IIFL Wealth Distribution Services Limited ("Resulting Company" or "IWDSL")** is a public company incorporated under the provisions of the Companies Act, 1956. IWDSL is registered with the Securities and Exchange Board of India ("SEBI") to engage in the retail broking and depository participant business. IWDSL also provides manpower services to its associate companies.

**(B) OVERVIEW OF THE SCHEME**

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B) and 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and provides for the following:
  - (i) amalgamation of the Transferor Company with the Transferee Company; and
  - (ii) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis.
2. This Scheme also provides for various other matters consequent and incidental thereto.

**(C) RATIONALE**

1. Parties (*as defined hereinafter*) form part of the same group. Core businesses/ undertakings of the Parties operate *inter alia* under different market dynamics, growth trajectory, have a differentiated strategy, different business, capital requirements, specific risks, revenue and cost

structures, synergies, employee skill set requirements and compensation structure. The nature and competition involved in each of the businesses is distinct from others and consequently each business or undertaking, is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. Further, each of the businesses are governed/ regulated by different set of regulations and regulators.

2. As mentioned earlier IWPL is a non-banking finance company, engaged in distinct businesses viz., loan/ investment and related businesses; and distribution of financial/ investment products. In April 2020, IWPL acquired 100% equity in IWCML, a company engaged in the distribution of financial products, to strengthen its distribution business.
3. IWDSL is a company currently engaged in broking business catering to high net worth individuals and corporates. The consolidation of the Distribution Business (*as defined hereinafter*) with IWDSL, in the manner as provided in the Scheme, will result into the following benefits:
  - (a) De-risk the Distribution Business from the financing and investing activities carried on by IWPL;
  - (b) Consolidation and creation of a focused/ independent distribution business in IWDSL. The consolidation with broking business of IWDSL will benefit from enabling comprehensive client engagement with complete and complementary product suits and investment solutions, improved client servicing, benefit from business synergies, optimisation of cost structure and a focussed sales effort to a homogeneous client set;
  - (c) Enable focused growth strategy for each of the business' of IWPL and IWDSL respectively;
  - (d) Efficient utilisation of capital and enhanced returns for both the businesses (finance and investments and distribution);
  - (e) A distinct distribution business entity will provide better flexibility in accessing capital in future; and
  - (f) Cost savings through legal entity rationalisation.
4. The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

**(D) PARTS OF THE SCHEME**

The Scheme (*as defined hereinafter*) is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with amalgamation of the Transferor Company with the Transferee Company;
3. **PART III** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.

**PART I**

**DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

**1. DEFINITIONS**

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and

(ii) the following expressions shall have the meanings ascribed hereunder:

“**Act**” means the Companies Act, 2013;

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal (*as defined hereinafter*); (b) Permits (*as defined hereinafter*); and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority (*as defined hereinafter*) having jurisdiction over the Parties as may be in force from time to time;

**“Appointed Date”** means the opening business hours of 1<sup>st</sup> April 2021;

**“Appropriate Authority”** means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; and
- (b) any governmental, quasi-governmental or private body, self regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, RBI, SEBI, Stock Exchanges, clearing corporations, Association of Mutual Funds of India, and the Tribunal.

**“Board”** in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

**“Demerged Company”** or **“Transferee Company”** or **“IWPL”** means IIFL Wealth Prime Limited, a public company incorporated under Companies Act, 1956, under the corporate identity number U65990MH1994PLC080646 and having its registered office at 6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra;

**“Demerged Undertaking”** means the entire undertaking of the Demerged Company pertaining to the Distribution Business, immediately after amalgamation of IWCML with IWPL, as of the Appointed Date, and shall include (without limitation):

- (a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, brands, sub-letting tenancy rights, rights as lessee, leave and license permissions, goodwill, customer relationships and other intangibles, licenses, approvals, Permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the Distribution Business;
- (b) any and all memberships and registrations of the Demerged Company in relation to and

pertaining to the Distribution Business;

- (c) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Distribution Business;
- (d) all contracts, agreements, declarations, statements, purchase orders/ service orders, agreement with customers, purchase and other agreements with the supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description including all client registration forms/ KYC (know your customer) records/ POAs (power of attorney) issued by clients, client records, authorisations, client details, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Distribution Business; and all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax (“SGST”), Integrated Goods and Services Tax (“IGST”) and Central Goods and Service Tax (“CGST”) credits) under the goods and service tax laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Distribution Business, whether or not so recorded in the books of the Demerged Company;
- (e) all Tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including minimum alternate tax paid under section 115JA/ 115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other Taxation statute enjoyed by the Demerged Company pertaining to the Distribution Business;
- (f) all debts, borrowings and liabilities, whether present, future or contingent or deferred tax liabilities, whether secured or unsecured, pertaining to the Distribution Business;
- (g) all Permits, licences, approvals, registrations, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its Distribution Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Distribution Business;
- (h) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Distribution Business;
- (i) all books, records, files, papers, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the Distribution Business of the Demerged Company; and
- (j) all employees of the Demerged Company engaged in the Distribution 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.

“**Demerged Undertaking Liabilities**” shall have meaning assigned to it in Clause 12.2.6 of this Scheme;

**“Distribution Business”** means and includes the entire distribution business of the Demerged Company after amalgamation of IWCML with IWPL, including business of distribution of: (a) referral and agency agreements; and (b) financial products to high net-worth individuals/ families and corporates, but not limited to distribution of mutual funds, AIF, PMS, VCF, and other financial products and other activities and/ or arrangements relating incidental or relating thereto.

**“Effective Date”** means the date on which last of the conditions specified in Clause 25 (Conditions Precedent) of this Scheme are complied with. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

**“Encumbrance”** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **“Encumber”** shall be construed accordingly;

**“Income Tax Act”** means the Income-tax Act, 1961;

**“INR”** or **“Rupee(s)”** means Indian Rupee, the lawful currency of the Republic of India;

**“Parties”** means collectively the IWCML, IWPL and IWDSL and **“Party”** shall mean each of them, individually;

**“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

**“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

**“RBI”** means the Reserve Bank of India;

**“Remaining Business of the Demerged Company”** means all the business, units, divisions, undertakings (specifically including the non-banking financial activities and insurance advisory services as a corporate agent) and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking;

**“RoC”** means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

**“Scheme”** or **“this Scheme”** means this composite scheme of arrangement, as may be modified;

**“SEBI”** means the Securities and Exchange Board of India;

**“Stock Exchanges”** means National Stock Exchange of India Limited and BSE Limited collectively and Stock Exchange shall mean each of them individually;

**“Tax Laws”** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

**“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties or any other Person and all penalties, charges, costs and interest relating thereto; and

“**Resulting Company**” or “**IWDSL**” means IIFL Wealth Distribution Services Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its corporate identification number U45201MH1995PLC228043 and registered office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra;

“**Transferor Company**” or “**IWCML**” means IIFL Wealth Capital Markets Limited, a public company incorporated under the provisions of the Act and having its corporate identity number U67190MH2013PLC240261 and registered office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra;

“**Tribunal**” means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.4 the words “include” and “including” are to be construed without limitation.

## 2. SHARE CAPITAL

2.1 The share capital structure of IWCML as on 31 May 2021 is as follows:

Particulars	Amount in Rs
<b>Authorised share capital</b>	
76,50,00,000 equity shares of INR 1 each	76,50,00,000
<b>Total</b>	<b>76,50,00,000</b>
<b>Issued and subscribed and paid up share capital</b>	
52,31,20,000 equity shares of INR 1 each, fully paid up	52,31,20,000
<b>Total</b>	<b>52,31,20,000</b>

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of IWCML until the date of approval of the Scheme by the Board of IWCML. The entire equity share capital of IWCML is held by IWPL along with its nominees.

2.2 The share capital structure of IWPL as on 31 May 2021 is as follows:

Particulars	Amount in INR
<b>Authorised share capital</b>	
35,00,00,000 equity shares of INR 10 each	350,00,00,000
<b>Total</b>	<b>350,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
30,54,93,803 equity shares of INR 10 each	305,49,38,030
<b>Total</b>	<b>305,49,38,030</b>

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of IWPL until the date of approval of the Scheme by the Board of IWPL.

2.3 The share capital structure of IWDSL as on 31 May 2021 is as follows:

Particulars	Amount in INR
<b>Authorised share capital</b>	
35,000 equity shares of INR 100 each	35,00,000
<b>Total</b>	<b>35,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
30,000 equity shares of INR 100 each	30,00,000
<b>Total</b>	<b>30,00,000</b>

Subsequent to the aforesaid date, there has been no change in the authorised, issued, subscribed and paid-up share capital of IWDSL until the date of approval of the Scheme by the Board of IWDSL.

### **3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

This Scheme in its present form or with any modification(s) made as per Clause 24 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

## **PART II**

### **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

#### **4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY**

4.1 Upon effectiveness of Part II of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand transferred to and vested in the Transferee Company as a going concern and accordingly, all assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

4.2 Upon effectiveness of Part II of this Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, 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, customers and other persons, whether or not the same is held in the name of the Transferor Company 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 Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company;

4.2.3 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company;

- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/ or the Transferee Company shall register the true copy of the orders of the Authority approving the Scheme with the offices of the relevant sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Authority sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/ or the Transferee Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;
- 4.2.8 Unless otherwise agreed between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.
- 4.2.9 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company (including but not limited to, Permit bearing Association of Mutual Funds in India Registration Number 87977), shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever;

4.2.10 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed;

All contracts where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

4.2.11 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Transferor Company and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 4.2, the Parties may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

## **5. EMPLOYEES**

5.1 With effect from the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, all employees of the Transferor Company on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

5.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company.

## **6. LEGAL PROCEEDINGS**

- 6.1 With effect from the Effective Date, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company 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 Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

## **7. TAXES/ DUTIES/ CESS**

Upon the effectiveness of Part II of this Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Authority:

- 7.1 All the profits or income taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, any credit for dividend distribution tax on dividend received by the Transferor Company), all input credit balances (including but not limited to CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, dividend distribution tax credit, input credit balances (namely CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 7.2 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 7.3 With effect from the Effective Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.
- 7.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

## **8. CONSIDERATION**

- 8.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Transferee Company.
- 8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Company held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act, or deed.

## **9. ACCOUNTING TREATMENT**

- 9.1 Upon the Scheme being effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company into and within its books of accounts as per the "Pooling of Interest Method" in compliance with the Appendix C of Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India in the following manner:
- 9.1.1 As on the Appointed Date, the Transferee Company shall record all the assets, liabilities and reserves (if and to the extent applicable) of the Transferor Company, vested in it pursuant to this Scheme, at the carrying values in the same manner as if the Transferee Company had prepared its consolidated financial statements with Transferor Company as its subsidiary;
- 9.1.2 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, inter-company deposits/ loans and advances/ any other balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 9.1.3 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation and there shall be no further rights or obligations in that behalf;
- 9.1.4 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies; and
- 9.1.5 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, from the later of the beginning of the comparative period in the financial statements or when the control was acquired.

## **10. COMBINATION OF AUTHORISED SHARE CAPITAL**

- 10.1 Upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised equity share capital of the Transferee Company and accordingly the authorised equity share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.
- 10.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company.
- 10.3 Consequentially, Clause V(a)(i) of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 10.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.
- 10.4 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

## **11. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 11.1 Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company shall

without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.

### PART III

#### DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

#### 12. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

12.1 Immediately after Part II of the Scheme coming into effect and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This Scheme complies with the definition of “demerger” as per Section 2(19AA) of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act.

12.2 Without prejudice to the generality of the provisions of Clause 12.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

12.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

12.2.2 Subject to Clause 12.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 12.2.1 above, including all rights including lease rental rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, 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, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

12.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without

any act or deed or conveyance being required to be done or executed by the Demerged Company and/ or the Resulting Company;

- 12.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 12.2.3 above and Clause 12.2.5 below, it is clarified that, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 12.2.4 or Clause 12.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Demerged Company takes place and the assets and liabilities forming part of the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 12.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the Demerged Company and the Resulting Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme; and
- 12.2.6 Upon effectiveness of Part III of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company, in compliance with the requirements of Section 2(19AA) of the Income Tax Act, to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same.
- However, the tax liabilities and tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall not be transferred to the Resulting Company.
- 12.2.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 12.2.8 Unless otherwise agreed to between the Demerged Company and the Resulting Company, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/ to be availed of by

it, and the Encumbrances in respect of such indebtedness of the Demerged Company shall not extend or be deemed to extend or apply to the assets so vested.

- 12.2.9 In so far as any Encumbrance in respect of Demerged Undertaking Liabilities is concerned, such Encumbrance shall without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business of the Demerged Company are concerned, the Encumbrance, if any, over such assets relating to the Demerged Undertaking Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 12.2.10 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 12.2.11 If the Demerged Company is entitled to any unutilized credits (including unutilised credits and unabsorbed depreciation, minimum alternate tax credit), balances or advances, benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission.
- 12.2.12 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Demerged Company and the Resulting Company are expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/ withheld, etc. if any, as may be required for the purposes of implementation of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company.
- 12.2.13 Subject to Clause 12 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 12.2.14 On and 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 maintain and operate such bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the

name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;

12.2.15 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking (including but not limited to, Permits bearing Association of Mutual Funds in India Registration Numbers 87977 and 168440), shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and

12.2.16 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Demerged Company and Resulting Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

12.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Demerged Company or upon the Scheme becoming effective, shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name.

### **13. EMPLOYEES**

13.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.

13.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such 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 in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

## 14. LEGAL PROCEEDINGS

- 14.1 With effect from the Effective Date, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to Income Tax Act) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 14.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to Income Tax Act) initiated by or against the Demerged Company referred to in Clause 14.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The concerned Parties shall make relevant applications and take all steps as may be required in this regard. It is clarified that all income tax proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.
- 14.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings with respect to Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

## 15. CONSIDERATION

- 15.1 Upon effectiveness of Part III of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Effective Date, as under:
- 22,155 (Twenty Two Thousand One Hundred Fifty Five) fully paid up equity share of INR 100 (Indian Rupees One hundred only) each of the Resulting Company ("**Resulting Company New Equity Shares**"), credited as fully paid up, for every 1,00,000 (One lakh) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company.*
- 15.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 15.3 The issue and allotment of Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and

creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.

- 15.4 Subject to Applicable Laws, the Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Resulting Company New Equity Shares in terms of this Scheme.
- 15.5 For the purpose of the allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in case any shareholder's holding in any of the Demerged Company is such that the shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall round the same up to the next integer.
- 15.6 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 15.7 In the event, the Demerged Company and/ or the Resulting Company restructure their equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, per Clause 15.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 15.8 The Resulting Company shall, to the extent required, increase its authorized share capital in order to issue Resulting Company New Equity Shares, as per with the applicable provisions of the Act, prior to allotment of Resulting Company New Equity Shares.

## **16. ACCOUNTING TREATMENT BY THE PARTIES IN RESPECT OF THEIR RESPECTIVE BOOKS OF ACCOUNTS**

### **16.1 Accounting treatment in the books of the Demerged Company:**

16.1.1 The Demerged Company shall, upon the Scheme becoming effective, derecognise the assets and liabilities of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme at their respective book values as on the Appointed Date;

16.1.2 The difference being the excess of the book value of assets over the book value of the liabilities of the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme shall be recorded as debit balance in capital reserve of the Demerged Company.

### **16.2 Accounting treatment in the books of the Resulting Company:**

16.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking at their respective book values, as on the Appointed Date in the books of the Demerged Company;

16.2.2 The Resulting Company shall credit to its share capital account, the aggregate face value of the Resulting Company New Equity Shares issued by it pursuant to Clause 15.1 of this Scheme;

16.2.3 Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, including inter-company investments will stand cancelled;

16.2.4 The difference between book value of assets and liabilities of the Demerged Undertaking as recorded by the Resulting Company after considering effect of Clause 16.2.2 and Clause 16.2.3 shall be recorded as capital reserve; and

16.2.5 When the financial statements will be prepared under the Indian Accounting Standards ("**Ind AS**"), as per Ind AS 103, the financial information in the financial statements in respect of prior periods (prior to the Effective Date) shall be restated as if the business

combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

## **17. REDUCTION OF CAPITAL OF THE DEMERGED COMPANY**

- 17.1 Immediately after Part III of this Scheme becoming effective and with effect from the Appointed Date, the debit balance in the capital reserve of the Demerged Company (after giving the effect of the accounting treatment as per Clause 16 of this Scheme) would be offset against securities premium of the Demerged Company.
- 17.2 The reduction of securities premium of the Demerged Company shall be in accordance with the provisions of Sections 230 to 232 read with Section 52 of the Act, as the same does not involve either diminution of liability in respect of unpaid share capital of the Demerged Company or payment to any shareholder of any paid up share capital of the Demerged Company and the Tribunal order sanctioning the Scheme shall be deemed to be an order under Sections 230 of the Act confirming such reduction of share capital of the Demerged Company.
- 17.3 Pursuant to Clause 17.1, there is no outflow of/ pay-out of funds from the Demerged Company and hence, the interest of the shareholders/ creditors is not adversely affected.

## **PART IV GENERAL TERMS & CONDITIONS**

### **18. REMAINING BUSINESSES**

- 18.1 The Remaining Business of the Demerged Company shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 18.2 If the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against Resulting Company, in respect thereof.

### **19. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

- 19.1 Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by IWCML and/ or IWPL in relation to the Demerged Undertaking, as the case may be, as considered necessary by the Board of the IWCML and/ or IWPL in relation to the Demerged Undertaking, as the case may be, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by IWDSL and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the IWCML and/ or IWPL, as the case may be, shall be added to the limits, if any, under like resolutions passed by the IWPL and/ or IWDSL, as the case may be, and shall constitute the aggregate of the said limits in IWPL and/ or IWDSL, as the case may be.

### **20. BUSINESS UNTIL EFFECTIVE DATE**

- 20.1 With effect from the Appointed Date and up to and including the Effective Date:
- 20.1.1 IWCML and IWPL (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for IWPL or IWDSL, as the case may be;

- 20.1.2 all profits or income arising or accruing to IWCML and IWPL (with respect to the Demerged Undertaking) and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by IWCML and IWPL (with respect to the Demerged Undertaking) shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of IWPL or IWDSL, as the case may be;
- 20.1.3 all loans raised and all liabilities and obligations incurred by IWCML and IWPL (with respect to the Demerged Undertaking) after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of IWPL or IWDSL, as the case may be, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of IWPL or IWDSL, as the case may be.
- 20.2 IWCML and IWPL (with respect to the Demerged Undertaking) shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which IWPL or IWDSL, as the case may be, may require to carry on the relevant business of IWCML and/ or IWPL, as the case may be and to give effect to the Scheme.
- 20.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, IPWL or IWDSL, as the case may be, shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of IWCML and demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. IWPL and/ or IWDSL, as the case may be, shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, IWPL and/ or IWDSL, as the case may be, shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of IWPL and/ or IWDSL, as the case may be, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by IWPL and/ or IWDSL, as the case may be. It is clarified that IWPL and/ or IWDSL, as the case may be, shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

## **21. PROPERTY IN TRUST**

- 21.1 Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies, any third party, or otherwise, in favour of IWDSL, respectively, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by IWDSL, IWPL will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of, IWDSL.

## **22. FACILITATION PROVISIONS**

- 22.1 It is clarified that approval of the Scheme by the respective shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by any of the Party.

## **23. APPLICATIONS/ PETITIONS TO THE TRIBUNAL**

23.1 The Parties shall make and file all applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

## **24. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

24.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

24.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

## **25. CONDITIONS PRECEDENT**

25.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:

25.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;

25.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;

25.1.3 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and

25.1.4 The requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

25.2 Without prejudice to Clause 25.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 25.1 above, the entire Scheme shall be made effective simultaneously, subject to Part II of the Scheme is made effective prior to Part III of the Scheme.

25.3 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Laws.

25.4 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 25.1.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

## **26. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS AND SEVERABILITY**

26.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

26.2 In the event of withdrawal of the Scheme under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

26.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

26.4 In the event of revocation/ withdrawal of the Scheme under Clause 26.1 or Clause 26.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties 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 as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

- 26.5 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

## **27. COSTS AND EXPENSES**

- 27.1 Except as provided otherwise, all costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of Part II and Part III of this Scheme and/ or incidental to the completion of such parts of the Scheme shall be borne and paid by IWPL. Provided that IWDSL shall bear stamp duty payable on allotment of its shares pursuant to Part III of this Scheme.

## **28. SAVING OF CONCLUDED TRANSACTIONS**

- 28.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by IWCML and IWPL (with respect to the Demerged Undertaking), as the case may be, until the Appointed Date, to the end and intent that IWPL and IWDSL, respectively, shall accept and adopt all acts, deeds and things done and executed by IWCML and/ or IWPL (with respect to the Demerged Undertaking) in respect thereto as done and executed on behalf of IWPL and/ or IWDSL respectively.

IIFL Wealth Capital Markets Limited  
Condensed Balance Sheet as on September 30, 2021

(Amount in ₹)

S.No	Particulars	As at Sept 30, 2021 (Unaudited)	As at Mar 31, 2021 (Audited)
	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	114,544,061	618,905,896
(b)	Receivables		
	(I) Trade Receivables	12,409,055	41,513,162
(c)	Loans	500,104,031	-
(d)	Investments	884,625	-
(e)	Other Financial assets	31,937,878	21,418,867
(2)	<b>Non-financial Assets</b>		
(a)	Current tax assets (Net)	16,467,788	14,902,629
(b)	Deferred tax Assets (Net)	5,509,474	5,173,519
(c)	Property, Plant and Equipment	455,804	759,673
(d)	Other Intangible assets	47,072	188,229
(e)	Right to use	556,623	12,403
(f)	Other non-financial assets	68,734,618	56,532,075
	<b>Total Assets</b>	<b>751,651,029</b>	<b>759,406,453</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
(a)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of creditors other than micro enterprises and small enterprises	10,804,856	10,192,542
(b)	Finance Lease Obligation	558,597	12,794
(c)	Other financial liabilities	189,542	3,565,411
(2)	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (Net)	15,035,562	15,035,562
(b)	Provisions	18,314,122	17,493,804
(c)	Other non-financial liabilities	8,489,872	14,846,410
(3)	<b>EQUITY</b>		
(a)	Equity Share capital	523,120,000	523,120,000
(b)	Other Equity	175,138,478	175,139,930
	<b>Total Liabilities and Equity</b>	<b>751,651,029</b>	<b>759,406,453</b>

S.No	Particulars	For the period from 01.07.2021 to 30.09.2021 (Unaudited)	For the period from 01.04.2021 to 30.06.2021 (Unaudited)	For the period from 01.07.2020 to 30.09.2020 (Unaudited)	For the period from 01.04.2021 to 30.09.2021 (Unaudited)	For the period from 01.04.2020 to 30.09.2020 (Unaudited)	For the period from 01.04.2020 to 31.03.2021 (Audited)
	<b>Revenue from operations</b>						
(i)	Fees and commission Income	68,626,269	68,561,827	60,853,229	137,188,096	124,596,369	267,178,044
(I)	<b>Total Revenue from operations</b>	<b>68,626,269</b>	<b>68,561,827</b>	<b>60,853,229</b>	<b>137,188,096</b>	<b>124,596,369</b>	<b>267,178,044</b>
(II)	<b>Other Income</b>	9,274,277	3,331,904	9,786,821	12,606,181	13,819,712	28,381,535
(III)	<b>Total Income (I+II)</b>	<b>77,900,546</b>	<b>71,893,731</b>	<b>70,640,050</b>	<b>149,794,277</b>	<b>138,416,081</b>	<b>295,559,579</b>
	<b>Expenses</b>						
(i)	Finance Costs	600,445	99	167,681	600,544	167,681	305,295
(ii)	Fees and commission expense	13,223	1,180	1,050,591	14,403	1,175,591	3,252,831
(iii)	Employee Benefits Expenses	70,460,114	65,947,445	62,374,819	136,407,559	61,409,443	173,693,666
(iv)	Depreciation, amortization and impairment	234,355	234,916	349,716	469,271	1,641,815	2,278,573
(v)	Other expenses	6,605,157	5,689,020	2,751,729	12,294,177	9,595,554	16,638,295
(IV)	<b>Total Expenses (IV)</b>	<b>77,913,294</b>	<b>71,872,660</b>	<b>66,694,536</b>	<b>149,785,954</b>	<b>73,990,084</b>	<b>196,168,660</b>
(V)	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>(12,748)</b>	<b>21,071</b>	<b>3,945,514</b>	<b>8,323</b>	<b>64,425,997</b>	<b>99,390,919</b>
(VI)	<b>Exceptional items</b>	-	-	-	-	-	-
(VII)	<b>Profit/(loss) before tax (V-VI)</b>	<b>(12,748)</b>	<b>21,071</b>	<b>3,945,514</b>	<b>8,323</b>	<b>64,425,997</b>	<b>99,390,919</b>
(VIII)	<b>Tax Expense:</b>						
(1)	Current Tax	303,534	141,681	1,004,797	445,215	13,197,797	21,565,185
(2)	Deferred Tax	(232,109)	(128,884)	120,405	(360,993)	4,052,174	4,644,393
(3)	Reversal of MAT credit	-	-	-	-	40,086,684	40,086,684
(IX)	<b>Profit/(loss) for the period from continuing operations(VII-VIII)</b>	<b>(84,173)</b>	<b>8,274</b>	<b>2,820,312</b>	<b>(75,899)</b>	<b>7,089,342</b>	<b>33,094,657</b>
(X)	<b>Profit/(loss) from discontinued operations</b>	-	-	-	-	-	-
(XI)	<b>Tax Expense of discontinued operations</b>	-	-	-	-	-	-
(XII)	<b>Profit/(loss) from discontinued operations(After tax) (X-XI)</b>	-	-	-	-	-	-
(XIII)	<b>Profit/(loss) for the period</b>	<b>(84,173)</b>	<b>8,274</b>	<b>2,820,312</b>	<b>(75,899)</b>	<b>7,089,342</b>	<b>33,094,657</b>
(XIV)	<b>Other Comprehensive Income</b>						
(A)	(i) Items that will not be reclassified to profit or loss	(473,092)	572,577	763,069	99,485	366,079	1,017,513
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	loss	119,068	(144,106)	(192,049)	(25,038)	(92,135)	(256,088)
	<b>Subtotal (A)</b>	<b>(354,024)</b>	<b>428,471</b>	<b>571,020</b>	<b>74,447</b>	<b>273,944</b>	<b>761,425</b>
(B)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Deferred tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(XV)	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>(438,197)</b>	<b>436,745</b>	<b>3,391,332</b>	<b>(1,452)</b>	<b>7,363,286</b>	<b>33,856,082</b>
(XVI)	<b>Earnings per equity share (for continuing operations) (not annualised)</b>						
	Basic (Rs.)	-	-	0.05	-	0.14	0.63
	Diluted (Rs.)	-	-	0.05	-	0.14	0.63

**IIFL WEALTH PRIME LIMITED**  
(FORMERLY KNOWN AS IIFL WEALTH FINANCE LIMITED)  
CIN: U65990MH1994PLC080646

6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai-  
400013, Maharashtra, India. Telephone +91 22 4876 5600, Fax +91 22 4875 5606  
Email id: nbfc-compliance@iiflw.com  
Website: www.iiflwealthprime.com

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2021**

(₹ in lakhs)

SR. No.	Particulars	Quarter ended			Half Year ended		Year ended
		September 30, 2021 (Refer Note 11)	June 30, 2021 Unaudited	September 30, 2020 (Refer Note 11)	September 30, 2021 Unaudited	September 30, 2020 Unaudited	March 31, 2021 Audited
<b>1</b>	<b>Revenue from operations</b>						
(a)	Interest income	13,398.52	11,159.22	17,051.92	24,557.74	34,077.79	64,205.97
(b)	Dividend & Distribution income on investments	256.11	179.29	46.05	435.40	75.38	623.01
(c)	Fees and commission income	9,814.24	8,933.64	5,666.45	18,747.88	8,248.23	18,805.99
(d)	Net gain on fair value changes	5,800.40	3,786.76	3,919.53	9,587.16	6,900.89	13,430.08
	<b>Total revenue from operations</b>	<b>29,269.27</b>	<b>24,058.91</b>	<b>26,683.95</b>	<b>53,328.18</b>	<b>49,302.29</b>	<b>97,065.05</b>
<b>2</b>	<b>Other income</b>	-	15.06	1.79	15.06	2.16	15.71
<b>3</b>	<b>Total income (1+2)</b>	<b>29,269.27</b>	<b>24,073.97</b>	<b>26,685.74</b>	<b>53,343.24</b>	<b>49,304.45</b>	<b>97,080.76</b>
	<b>Expenses</b>						
(a)	Finance costs	8,864.95	8,855.83	11,184.27	17,720.78	22,103.69	41,500.10
(b)	Fees and commission expenses	3,162.23	912.06	594.82	4,074.29	1,008.08	2,495.94
(c)	Net loss on derecognition of financial instruments under amortised cost category	202.16	160.06	-	362.22	-	-
(d)	Impairment on financial instruments	(159.04)	59.92	65.66	(99.12)	(253.39)	1,724.27
(e)	Employee benefits expenses	6,860.47	5,506.12	4,910.03	12,366.59	9,979.05	22,170.76
(f)	Depreciation, amortization and impairment	510.53	507.52	559.72	1,018.05	1,114.35	2,210.20
(g)	Others expenses	2,117.76	1,739.26	2,089.20	3,857.02	3,831.23	7,743.10
<b>4</b>	<b>Total expenses</b>	<b>21,559.06</b>	<b>17,740.77</b>	<b>19,403.70</b>	<b>39,299.83</b>	<b>37,783.01</b>	<b>77,844.37</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>7,710.21</b>	<b>6,333.20</b>	<b>7,282.04</b>	<b>14,043.41</b>	<b>11,521.44</b>	<b>19,236.39</b>
<b>6</b>	<b>Tax expense:</b>						
(a)	Current tax	919.27	1,112.45	1,619.67	2,031.72	1,866.14	5,090.90
(b)	Deferred tax	893.01	383.63	(115.58)	1,276.64	533.12	(1,473.33)
<b>7</b>	<b>Profit for the period/year (5-6)</b>	<b>5,897.93</b>	<b>4,837.12</b>	<b>5,777.95</b>	<b>10,735.05</b>	<b>9,122.18</b>	<b>15,618.82</b>
<b>8</b>	<b>Other comprehensive income</b>						
	(i) Items that will not be reclassified to profit or loss						
	- Remeasurements of Employee Benefits	(45.61)	(2.40)	9.69	(48.01)	37.88	66.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11.48	0.60	(2.44)	12.08	(9.53)	(16.65)
	Other comprehensive income/(loss)	<b>(34.13)</b>	<b>(1.80)</b>	<b>7.25</b>	<b>(35.93)</b>	<b>28.35</b>	<b>49.49</b>
<b>9</b>	<b>Total comprehensive income/(loss) for the period/year (7+8) (Comprising profit and other comprehensive income/(loss) for the period/year)</b>	<b>5,863.80</b>	<b>4,835.32</b>	<b>5,785.20</b>	<b>10,699.12</b>	<b>9,150.53</b>	<b>15,668.31</b>
<b>10</b>	<b>Earnings per equity share *</b>						
	Basic (Rs.)	1.93	1.58	1.90	3.51	2.99	5.11
	Diluted (Rs.)	1.93	1.58	1.90	3.51	2.99	5.11

\* EPS for Half Year Ended is not annualised

## Notes

## 1. STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

(₹ in lakhs)

Sr. No.	Particulars	As at September 30, 2021	As at March 31, 2021
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	28,160.51	8,013.38
(b)	Bank balance other than (a) above	-	4,502.57
(c)	Derivative financial instruments	13,439.46	15,189.67
(d)	Receivables		
	(I) Trade receivables	12,671.31	6,105.13
	(II) Other receivables	2,743.65	3,702.60
(e)	Loans	332,277.68	371,942.61
(f)	Investments	247,220.62	249,843.29
(g)	Other financial assets	5,650.49	9,200.87
<b>2</b>	<b>Non-Financial Assets</b>		
(a)	Current tax assets (net)	3,670.38	3,233.37
(b)	Property, plant and equipment	1,120.16	1,165.10
(c)	Capital work-in-progress	-	101.55
(d)	Goodwill	18,463.97	18,463.97
(e)	Other intangible assets	6,728.67	7,053.62
(f)	Right to use assets	1,691.93	2,064.09
(g)	Other non-financial assets	7,848.30	5,103.03
	<b>Total Assets</b>	<b>681,687.13</b>	<b>705,684.85</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	27,116.53	22,070.00
(b)	Payables		
	(I) Trade payables	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,970.59	3,552.56
(c)	Finance Lease Obligation	1,942.29	2,305.50
(d)	Debt securities	389,770.47	419,789.40
(e)	Borrowings (other than debt securities)	5,000.00	10,415.56
(f)	Subordinated liabilities	31,851.96	33,306.93
(g)	Other financial liabilities	37,394.23	39,393.34
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (net)	1,848.64	2,381.31
(b)	Provisions	372.34	321.08
(c)	Deferred tax liabilities (net)	2,870.27	1,605.72
(d)	Other non-financial liabilities	1,352.92	1,143.51
<b>3</b>	<b>EQUITY</b>		
(a)	Equity share capital	30,549.38	30,549.38
(b)	Other equity	146,647.51	138,850.56
	<b>Total Liabilities and Equity</b>	<b>681,687.13</b>	<b>705,684.85</b>

**IIFL Wealth Distribution Services Ltd**  
**Balance Sheet as on Sep 30, 2021**

Particulars	As at Sep 30,2021
<b>ASSETS</b>	
<b>(1) Financial Assets</b>	
(a) Cash and cash equivalents	31,238,614
(b) Bank Balance other than (a) above	3,414,549,347
(c) Receivables	
(I) Trade Receivables	100,583,822
(II) Other Receivables	834,868,635
(d) Loans	2,854,184
(e) Investments	282,112,699
(f) Other Financial assets	1,060,778,939
<b>(2) Non-financial Assets</b>	
(a) Current tax assets (Net)	3,635,122
(b) Deferred tax Assets (Net)	6,211,609
(c) Property, Plant and Equipment	93,802
(d) Other Intangible assets	3,499,864
(e) Right to use	2,413,088
(f) Other non-financial assets	63,056,307
<b>Total Assets</b>	<b>5,805,896,032</b>
<b>LIABILITIES AND EQUITY</b>	
<b>LIABILITIES</b>	
<b>(1) Financial Liabilities</b>	
(a) Payables	
(I) Trade Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34,614,629
(II) Other Payables	-
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,610,270,919
(b) Finance Lease Obligation	2,484,274
(c) Borrowings (Other than Debt Securities)	2,170,000,000
(d) Other financial liabilities	4,716,662
<b>(2) Non-Financial Liabilities</b>	
(a) Current tax liabilities (Net)	108,825,787
(b) Provisions	32,125,432
(c) Other non-financial liabilities	36,371,278
<b>(3) EQUITY</b>	
(a) Equity Share capital	3,000,000
(b) Other Equity	803,487,051
<b>Total Liabilities and Equity</b>	<b>5,805,896,032</b>

**IIFL Wealth Distribution Services Ltd**  
**Financial results for Sep 30, 2021**

	<b>Particulars</b>	<b>As at September 30,2021</b>
	<b>Revenue from operations</b>	
(i)	Fees and commission Income	343,727,013
<b>(I)</b>	<b>Total Revenue from operations</b>	<b>343,727,013</b>
(II)	Other Income	37,394,535
<b>(III)</b>	<b>Total Income (I+II)</b>	<b>381,121,548</b>
	<b>Expenses</b>	
(i)	Finance Costs	45,144,796
(ii)	Fees and commission expense	743,180
(iii)	Employee Benefits Expenses	137,380,821
(iv)	Depreciation, amortization and impairment	1,504,652
(v)	Others expenses	63,505,706
<b>(IV)</b>	<b>Total Expenses (IV)</b>	<b>248,279,155</b>
(V)	Profit / (loss) before exceptional items and tax (III-	132,842,392
(VI)	Exceptional items	
(VII)	Profit/(loss) before tax	132,842,392
(VIII)	Tax Expense:	
	(1) Current Tax	33,337,000
	(2) Deferred Tax	(653,576)
<b>(XI)</b>	<b>Profit/(loss) for the period</b>	<b>100,158,968</b>
<b>(XII)</b>	<b>Other Comprehensive Income</b>	
(A)	(i) Items that will not be reclassified to profit or loss	(3,547,598)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	892,859
	<b>Sub-total</b>	<b>(2,654,739)</b>
(B)	(i) Items that will be reclassified to profit or loss	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-
	<b>Sub-total</b>	<b>-</b>
	<b>Other Comprehensive Income (A + B)</b>	<b>(2,654,739)</b>
	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising</b>	
<b>(XIII)</b>	<b>Profit (Loss) and other Comprehensive Income for the period)</b>	<b>97,504,229</b>



## Report of Board of Directors – IIFL Wealth Capital Markets Limited

Provisions of Section 232(2)(c) of the Act requires the Board to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (“KMPs”), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

The Board of Directors (“Board”) of IIFL Wealth Capital Markets Limited (“Transferor Company” or “IWCML” or “the Company”) at its meeting held on July 2, 2021, have approved the Composite Scheme of Arrangement amongst the Company and IIFL Wealth Prime Limited (“Transferee Company” or “Demerged Company” or “IWPL”) and IIFL Wealth Distribution Services Limited (“Resulting Company” or “IWDSL”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”).

- 1.1. This report of the Board is accordingly made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.2. A copy of the draft Scheme duly initialled by the Company Secretary of the Company for the purpose of identification was placed before the Board.

### 2. Valuation Report | Entitlement Ratio | Issue of consideration pursuant to the Scheme

- 2.1. As the Company is a wholly owned subsidiary of the Transferee Company, no shares of the Transferee Company will be issued as consideration for the amalgamation of the Company with the Transferee Company.
- 2.2. Thus, in view of the above, no special valuation difficulties were reported.

### 3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

The Company is a wholly owned subsidiary of Transferee Company. Thus, pursuant to the Scheme becoming effective, all the equity shares of the Company held by the Transferee Company will be cancelled.

### 4. Effect of the Scheme on the KMPs of the Company

Pursuant to the Scheme becoming effective, all the KMPs forming part of the Company shall become employees of the Transferee Company.

In view of the Board, the Scheme would be in the best interest of all stakeholders of the Company.

**For and on behalf of the Board of IIFL Wealth Capital Markets Limited**

Sd/-

**Name: Manoj Shenoy**  
**Designation: Director**  
**DIN: 06679235**  
**Place: Mumbai**  
**Date: July 2, 2021**



## Report of Board of Directors – IIFL Wealth Prime Limited

Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (“KMPs”), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

The Board of Directors (“Board”) of IIFL Wealth Prime Limited (“Transferee Company” or “Demerged Company” or “IWPL” or “the Company”) at its meeting held on July 2, 2021 have approved the Composite Scheme of Arrangement amongst IIFL Wealth Capital Markets Limited (“Transferor Company” or “IWCML”) and the Company and IIFL Wealth Distribution Services Limited (“Resulting Company” or “IWDSL”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”).

- 1.1. This report of the Board is accordingly made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.2. The following documents were, inter alia, placed before the Board:
  - 1.2.1. Draft Scheme; and
  - 1.2.2. Copy of the Opinion on Share Entitlement Ratio dated July 1, 2021 issued by M/s ICON Valuation LLP, Registered Valuer

## 2. Valuation Report | Entitlement Ratio | Issue of consideration pursuant to the Scheme

- 2.1. Valuers have approved the following share exchange/ entitlement ratio for the issue of shares in terms of the Scheme:
  - 2.1.1. For the amalgamation of the Transferor Company with the Company

As the Transferor Company is a wholly owned subsidiary of the Company, no shares of the Company will be issued as consideration for the amalgamation of the Transferor Company with the Company.
  - 2.1.2. For the demerger, transfer and vesting of the Demerged Undertaking from the Company into the Resulting Company

*22,155 (Twenty Two Thousand One Hundred Fifty Five) fully paid up equity share of INR 100 (Indian Rupees One hundred only) each of the Resulting Company (“Resulting Company New Equity Shares”), credited as fully paid up, for every 1,00,000 (One lakh) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company*



2.2. The Registered Valuer has certified that the abovementioned consideration in connection with the demerger, transfer and vesting of the Demerged Undertaking from the Company into the Resulting Company is fair and reasonable.

2.3. No special valuation difficulties were reported by the Registered Valuer.

**3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**

3.1. As the Transferor Company is a wholly owned subsidiary of the Company, no shares of the Company will be issued as consideration for the amalgamation of the Transferor Company with the Company.

3.2. Upon the Scheme becoming effective, the Resulting Company shall issue its equity shares to the shareholders of the Company as per the share swap ratio mentioned in Para 2.1.1 above, as consideration for the demerger of Demerged Undertaking.

**4. Effect of the Scheme on the KMPs of the Company**

**4.1. For the amalgamation of the Transferor Company with the Company**

4.1.1. Pursuant to the Scheme, there shall be no adverse impact on the existing KMPs of the Company.

**4.2. For the demerger, transfer and vesting of the Demerged Undertaking from the Company into the Resulting Company**

4.2.1. Pursuant to the Scheme, the KMPs forming part of the Demerged Undertaking shall become employees<sup>1</sup> of the Resulting Company.

In view of the Board, the Scheme would be in the best interest of all stakeholders of the Company.

For and on behalf of the Board of **IIFL Wealth Prime Limited**

**Sd/-**

**Himanshu Jain**  
**Designation: Director**  
**DIN – 02052409**  
**Place: Mumbai**  
**Date: July 2, 2021**

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### Report of Board of Directors – IIFL Wealth Distribution Services Limited

Provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (“KMPs”), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

The Board of Directors (“Board”) of IIFL Wealth Distribution Services Limited (“Resulting Company” or “IWDSL” or “the Company”) at its meeting held on July 2, 2021 have approved the Composite Scheme of Arrangement amongst IIFL Wealth Capital Markets Limited (“Transferor Company” or “IWCML”) and IIFL Wealth Prime Limited (“Transferee Company” or “Demerged Company” or “IWPL”) and the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”).

1.1. This report of the Board is accordingly made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.2. The following documents were, inter alia, placed before the Board:

1.2.1. Draft Scheme duly initialled by the Director of the Company for the purpose of identification; and

1.2.2. Copy of the Opinion on Share Entitlement Ratio dated July 1, 2021 issued by M/s. ICON Valuation LLP, Registered Valuer.

## **2. Valuation Report | Entitlement Ratio | Issue of consideration pursuant to the Scheme**

2.1. Valuers have approved the following share exchange/ entitlement ratio for the issue of shares in in connection with demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Company:

*22,155 (Twenty Two Thousand One Hundred Fifty Five) fully paid up equity share of INR 100 (Indian Rupees One hundred only) each of the Resulting Company (“Resulting Company New Equity Shares”), credited as fully paid up, for every 1,00,000 (One lakh) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company.*

### For the amalgamation of Transferor Company 2 with Transferee Company 2

2.2. The Registered Valuer has certified that the abovementioned consideration in connection with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Company is fair and reasonable.

2.3. No special valuation difficulties were reported by the Registered Valuer.

## **3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**



Upon the Scheme becoming effective, the Company shall issue its equity shares to the shareholders of the Company as per the share swap ratio mentioned in Para 2.1. above, as consideration for the demerger of Demerged Undertaking.

#### **4. Effect of the Scheme on the KMPs of the Company**

Pursuant to the Scheme, there shall be no adverse impact on the existing KMPs of the Company.

In view of the Board, the Scheme would be in the best interest of all stakeholders of the Company.

**For and on behalf of the Board of IIFL Wealth Distribution Services Limited**

**Sd/-**

**Name: Umang Papneja**

**Designation: Director**

**DIN – 07357053**

**Place: Mumbai**

**Date: July 02, 2021**

# SECURITY COVER



STRICTLY PRIVATE AND CONFIDENTIAL

Date: 1<sup>st</sup> July 2021

Ref: ICON/2021-22/R/IIFL

To,

**The Board of Directors**  
**IIFL Wealth Prime Limited**  
6<sup>th</sup> Floor, IIFL Centre, Kamala City,  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013

**The Board of Directors**  
**IIFL Wealth Distribution Services Limited**  
IIFL Centre, Kamala City,  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Dear Mesdames / Sirs,

**Re: Opinion on Share Entitlement Ratio for the Proposed Demerger of Distribution Business of IIFL Wealth Prime Limited into IIFL Wealth Distribution Services Limited**

This has reference to terms of our engagement letter Ref: ICON/2021-22/EL/IIFL dated 10<sup>th</sup> May 2021 confirming the engagement of ICON VALUATION LLP with Registered Valuer Entity Registration No. IBBI/RV-E/06/2019/107 ('ICON') by IIFL Wealth Prime Limited ('IWPL') and IIFL Wealth Distribution Services Limited ('IWDSL'). IWPL and IWDSL are hereinafter individually referred to as the 'Client' / 'Company' and collectively referred to as the 'Clients' / 'Companies'. We enclose the report (the 'Report') prepared in connection with the services requested by the Clients.

We provided a draft of the Report to the managements of the Clients. The Report has been reviewed by the managements of the Clients and they have confirmed that the factual information contained in the Report is correct.

The Report is confidential to the Clients and is subject to the restrictions on use as per terms of our engagement. We disclaim any responsibility to any other person / party for any decision of such person / party based on the Report. We draw your attention to the sections titled 'Background, Scope and Purpose' and 'Caveats, Scope Limitations and Disclaimers' included in the Report, wherein we refer to the scope of work and the limitations of the work undertaken. Any person who is not an addressee in the Report is not authorized to have access to the Report. The Report should not be copied or made available in whole or in part to any person other than the Clients without the express written permission of ICON. ICON accepts no responsibility for any reliance that may be placed on the Report should it be used by any party other than the Clients or for any purpose that has not been expressly agreed by ICON. Our name and the Report should not be referred to in any offering, circular or other document, without our prior written permission.

Trust the above is in order.

Yours faithfully,

For **ICON VALUATION LLP**

Registered Valuer Entity Registration No. IBBI/RV-E/06/2019/107

*Devarajan*

**Devarajan Krishnan**

Partner

Registered Valuer Registration Number: IBBI/RV/06/2018/10119

Date: 1<sup>st</sup> July 2021

Place: Mumbai



**Opinion on  
Share Entitlement Ratio  
for the Proposed Demerger of  
Distribution Business of IIFL Wealth Prime  
Limited into  
IIFL Wealth Distribution Services Limited**

**Report Date: 1<sup>st</sup> July 2021**



## Contents

- **Background, Scope and Purpose**
- **Sources of Information**
- **Rationale & Conclusion**
- **Caveats, Scope Limitations and Disclaimers**
- **About ICON**



## BACKGROUND, SCOPE AND PURPOSE

### IWPL

IWPL is registered with the Reserve Bank of India as a Systematically Important Non Banking Financial Company not accepting public deposits. IWPL is primarily engaged in financing and investing activities and distribution of financial products that includes loan against securities, capital market/ IPO financing, loan against property, etc. catering to the financing needs of corporate and high net worth customers. IWPL, on its own and along with its subsidiary, is also engaged in the business of distribution of referral & agency agreements and financial products to high net-worth individuals / families and corporates, including but not limited to distribution of mutual funds, AIF, PMS, VCF, and other financial products **(the 'Distribution Business')**.

The issued, subscribed and paid up equity share capital of IWPL is **INR 3,055 million** consisting of 305,493,803 equity shares of INR 10/- each fully paid.

### IWDSL

IWDSL is registered with the Securities and Exchange Board of India to engage in the retail broking and depository participant business. IWDSL also provides manpower services to its associate companies.

The issued, subscribed and paid up equity share capital of IWDSL is **INR 3 million** consisting of 30,000 equity shares of INR 100/- each fully paid.

IWPL and IWDSL are wholly-owned subsidiaries of IIFL Wealth Management Limited **(IWML)**.

We understand that the managements of the Companies are exploring the possibility of demerger of the Distribution Business of IWPL into IWDSL **(the 'Proposed Demerger')** on a going concern basis, pursuant to a Composite



Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 including any statutory modifications or re-enactments thereof (**the 'Scheme'**).

We have been informed by the Companies that the Scheme envisages the following:

- IIFL Wealth Capital Markets Limited (**'IWCML'**), a wholly owned subsidiary of IWPL, would be merged into IWPL. There shall be no issue of shares as consideration for this merger, and all the equity shares of IWCML held by IWPL shall stand cancelled.
- Subsequent to the above merger, the Distribution Business of IWPL would be demerged into IWDSL, such demerger being in accordance with Section 2(19AA) of the Income Tax Act.
- The proposed Appointed Date for such demerger would be opening business hours of 1<sup>st</sup> April 2021
- Upon the coming into effect of the Scheme and in consideration of the Proposed Demerger, each equity shareholder of IWPL shall be issued and allotted by IWDSL, 22,155 (Twenty Two Thousand One Hundred Fifty Five) equity shares of INR 100/- each fully paid up of IWDSL for every 100,000 (One Lakh) equity shares of INR 10/- each fully paid of IWPL held by such shareholder in IWPL prior to the Proposed Demerger (**the 'Share Entitlement Ratio'**).

In connection with the above, the Companies have requested us to render professional services by way of giving our opinion as to whether the proposed Share Entitlement Ratio, as recommended by the managements of the Companies, which forms the basis for the Proposed Demerger as per the aforesaid Scheme, is fair and reasonable.

This Report recommends our opinion on whether the proposed Share Entitlement Ratio for the Proposed Demerger is fair and reasonable, and is our deliverable in respect of our opinion.



We understand that our Report will be used by the Clients only for the purpose of obtaining regulatory approvals in connection with the Proposed Demerger. We hereby give consent to such use of our Report on the basis that we owe responsibility to only the Clients and nobody else, and to the fullest extent permitted by law, we accept no responsibility or liability to any person other than the Clients in connection with this Report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients.

This Report does not look into the business / commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative benefits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives, or whether or not such alternatives could be achieved or are available. Any decision by the Companies regarding whether or not to proceed with the Proposed Demerger shall rest solely with the Companies. In addition, we express no opinion or recommendation as to how the shareholders or creditors of the Companies should vote at any shareholders' or creditors' meeting(s) to be held in connection with the Proposed Demerger.



## SOURCES OF INFORMATION

We have gone through and relied on the following information furnished to us by the managements of the Clients for the purpose of this Report:

- Brief description and understanding of the businesses of the Companies
- Incorporation documents of the Companies
- Shareholding patterns of the Companies
- Draft Scheme for the Proposed Demerger
- Management discussions and representations
- Other relevant details

We have also received the necessary explanations, information and representations which we believed were relevant to the present exercise from the managements of the Clients and the necessary time to evaluate the same.



## RATIONALE & CONCLUSION

We are given to understand by the Companies that the proposed Share Entitlement Ratio for the Proposed Demerger, as set out in the Scheme, has been determined by the managements of the Companies after keeping in mind various factors including capital requirement for the Distribution Business and enabling focused growth strategy going forward.

In the circumstances, in opining whether the Share Entitlement Ratio for the Proposed Demerger, as recommended by the managements of the Companies, can be considered as fair and reasonable, the most relevant and vital issue for consideration is whether the said ratio proposed to be adopted would result in any adverse consequences to the shareholders of the Companies.

The following aspects have to be kept in mind when considering whether the proposed Share Entitlement Ratio for the Proposed Demerger is fair and reasonable:

- Both IWPL and IWDSL are wholly owned subsidiaries of IWML.
- Upon implementation of the Proposed Demerger, the entire share capital of IWPL and IWDSL would continue to be held 100% by IWML and the percentage holding of IWML in IWPL and IWDSL, after the Proposed Demerger would remain unchanged from the proportion of capital held by IWML presently in IWPL and IWDSL.
- At present the profits / earnings generated by the Companies are available to IWML as 100% shareholder separately. On implementation of the Scheme the profits / earnings generated by the Companies would continue to be available to IWML together, as 100% shareholder of the Companies.
- The determination of equity share entitlement ratio would not impact the ultimate value for the shareholders of the Companies (viz. IWML) and the Proposed Demerger will be value neutral to the shareholders of the Companies (viz. IWML).



In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion that the proposed **Share Entitlement Ratio viz. the issue and allotment by IWDSL of 22,155 (Twenty Two Thousand One Hundred Fifty Five) equity shares of INR 100/- each fully paid up of IWDSL for every 100,000 (One Lakh) equity shares of INR 10/- each fully paid up of IWPL**, which forms the basis for the Proposed Demerger as per the Scheme, is fair and reasonable.



## **CAVEATS, SCOPE LIMITATIONS AND DISCLAIMERS**

The Report is subject to the caveats, scope limitations and disclaimers detailed within this Report. The Report is to be read not in parts, but in totality and in conjunction with the relevant documents referred to in the Report. We had provided a draft of the Report to the managements of the Clients. The Report has been reviewed by the managements of the Clients and they have confirmed that the factual information contained in the Report is correct.

### **Information**

The Report is issued on the understanding that the Clients have drawn our attention to all the matters, which they are aware of which may have an impact on the Share Entitlement Ratio, including any significant changes that have taken place or are likely to take place in the Companies or their businesses. We have no responsibility to update the Report for events and circumstances occurring after the date of the Report.

### **Restriction on Use**

Our opinion as to the Share Entitlement Ratio for the Proposed Demerger is not an opinion or estimate of the market value or fair value of the equity shares of the Companies or of the business or any of the business divisions of the Companies. The Report and the information contained therein is absolutely confidential. It is intended only for the sole use and information of the Clients and only for the purpose mentioned viz. obtaining regulatory approvals in connection with the Proposed Demerger. The Report should not be used or relied by the Clients for any other purpose or by any other party for any purpose. We are not responsible to any other person / party for any decision of such person / party based on the Report. Any person / party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due

diligence to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of the Report or any part thereof other than for the purpose set out earlier in the Report, can be done only with our prior permission in writing. This restriction does not preclude the Clients from providing a copy of the Report to their third-party advisors whose review would be consistent with the intended use.

### **ICON's Responsibility**

We do not take any responsibility for the unauthorized use of this Report and in no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Clients, their directors, employees or agents. In no circumstances shall our liability, including that of our partners, relating to the services provided in connection with the engagement set out in this Report, exceed the amount paid to us in respect of the fees charged by us for these services.

### **Accuracy of Information**

We have applied the necessary levels of efforts, diligence and expertise which we believed were relevant and applicable to the present exercise. While our work involved an analysis of information provided to us by the Companies, it does not constitute or include an audit, due diligence, forensic investigation, review or certification of the historical financial statements of the Companies referred to in the Report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in the Report.

In the course of the present exercise, we were provided with both written and verbal information. We have evaluated the information provided to us by the Clients through broad inquiry and analysis (but have not carried out an audit, due diligence, forensic investigation or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). Also, we have been given to understand by the managements of the Clients that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form



of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Clients and their impact on the present exercise.

### **Compliance with Relevant Laws**

The Report assumes that the Companies fully comply with applicable relevant laws and regulations. Further, the Report has given no consideration to matters of a legal nature. No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation / transfer pricing laws / standards or as regards any legal, accounting or taxation implications or issues.

### **Conflict of Interest**

We are independent of the Clients and have no current or expected interest in the Clients or their assets. The fee paid for our services in no way influenced the results of our analysis.



## ABOUT ICON

ICON VALUATION LLP is a limited liability partnership engaged in rendering valuation services and is a registered valuer under the Companies (Registered Valuers and Valuation) Rules 2017 of the Companies Act 2013, in the category of Securities or Financial Assets.

Mr. Aseem Mankodi and Mr. Devarajan Krishnan, the designated partners of ICON, have worked on this engagement. In addition to being registered valuers, both are also Chartered Accountants and have been specializing in the field of valuations since 2005 and 2008 respectively.



ICON VALUATION LLP (Registration no. AAC-7924) is registered with limited liability.

