

SCHEME OF ARRANGEMENT

BETWEEN

CSL HOLDINGS PRIVATE LIMITED  
(The Transferor Company)

WITH

CONSOLIDATED SECURITIES LIMITED  
(The Transferee Company)

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956

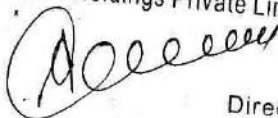
This Scheme of Arrangement provides for Merger of CSL Holdings Private Limited (hereinafter referred to as "Transferor Company" or "CHPL") as a going concern with Consolidated Securities Limited (hereinafter referred to as "Transferee Company" or "CSL"), pursuant to Sections 391 to 394 other relevant provisions of the Companies Act, 1956.

1. **PREAMBLE**

A. **DESCRIPTION OF COMPANIES**

(a) CSL Holdings Private Limited (Transferor Company), having its registered office at 8/19, 3rd floor, W.E.A., Pusa Lane, Karol Bagh, New Delhi-110005, was originally incorporated on 2nd July, 1992

For CSL Holdings Private Limited



Director

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under the Companies Act, 1956 (hereinafter referred to as 'the Act') under the name and style 'Mundra Credit & Investment Private Limited'. The name of the said company was changed to CSL Holdings Private Limited and a fresh Certificate of Incorporation consequent upon change of name was issued on 11th November 2013. The main objects of the Company as amended from time to time have been set out in the Memorandum of Association of the Company. The Transferor Company is a Non Banking Financial Company registered with the Reserve Bank of India. A certificate of registration in this regard was also issued by the RBI to the Transferor Company on 20.01.2014.

(b) The Transferee Company viz. Consolidated Securities Limited (Transferee Company) having its registered office at 8/19, 3rd floor, W.E.A., Pusa Lane, Karol Bagh, New Delhi-110005 was incorporated on 28th day of December, 1992 under the Companies Act, 1956 (hereinafter referred to as 'the Act') under the name and style 'Consolidated Securities Limited' and received Certificate of Commencement of business on 02.02.1993. The main objects of the Transferee Company as amended from time to time have been set out in the Memorandum of Association of the Company. The Transferee Company is also a Non-Banking Financial Company registered with the Reserve Bank of India. A certificate of registration in this regard was also issued by the RBI to the Transferee Company on 03.03.2003. The Equity Shares of the Transferee Company are presently listed on the Bombay Stock Exchange Limited (BSE).

**B. RATIONALE AND OBJECTIVE OF THE SCHEME OF ARRANGEMENT**

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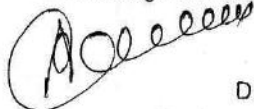
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- a) The proposed Scheme will result in formation of a larger Company enabling further growth and development of the businesses of the said Amalgamated Company. The Scheme will enable the undertakings and business of the said Amalgamated Company to obtain greater facilities possessed and enjoyed by one large Company compared to two small Companies, for raising capital, securing and conducting trade and business on favorable terms and other related benefits.
- b) The proposed Scheme will enable the Companies concerned to rationalize and streamline their management, businesses and finances and lead to better economic control, over the running and management of the businesses and undertakings of the said Amalgamated Company. Mr. Rohit Gupta and Mr. Ashok Kumar Kathuria are the common directors of both the companies i.e. Transferor and Transferee Companies.
- c) The businesses of the Transferor Company and the Transferee Company could be combined conveniently and advantageously and in such a manner so as to take up the activities, which will relate more to the business of the Transferee Company.
- d) The proposed Scheme will result in reduction of overheads and other expenses, reduction in administrative and procedural work, eliminate duplication of work, transaction cost, better and more productive utilization of various resources and will enable the undertakings concerned to effect internal economies and optimize productivity.

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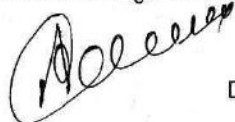


- e) The Transferee Company is the subsidiary of the Transferor Company and the Transferor Company holds 34,33,363 equity shares i.e. 73.33% shareholding in the Transferee Company. The proposed Scheme will contribute in furthering and fulfilling the objects of the Companies concerned and enabling the optimum growth and development of their combined businesses.
- f) With the enhanced capabilities and resources at its disposal, the Amalgamated Company will have greater flexibility to market and meet client needs and will be able to compete more effectively. Thus further strengthening its market position.
- g) The amalgamation will enable the Companies to pool in their financial, managerial, technical and other resources and use the financial, managerial, technical, marketing and distribution expertise of each other.

**C. OPERATION OF THE SCHEME**

- a) In furtherance of the rationale and objectives mentioned above, this Scheme of Arrangement provides for:
  - (i) The Merger of the Transferor Company to the Transferee Company;
  - (ii) The reorganization of the capital of the Transferee Company;

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b) The Merger of the Transferor Company with the Transferee Company under this Scheme of Arrangement will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 as under:

(i) All the properties of the Transferor Company immediately before the merger become the properties of the Transferee Company by virtue of the merger;

(ii) All the liabilities relatable to the Transferor Company immediately before the merger become the liabilities of the Transferee Company by virtue of the merger;

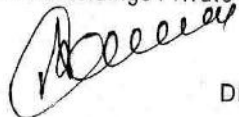
(iii) The properties and the liabilities, if any, relatable to the Transferor Company are transferred to the Transferee Company at the values appearing in the books of account of the Transferor Company immediately before the merger;

(iv) The Transferee Company issues shares to the shareholders of the Transferee Company in consideration of the merger on a proportionate basis. ;

(v) All the shareholders of the Transferor Company shall become the shareholders of the Transferee Company by virtue of the merger; and

(vi) The transfer of the Transferor Company will be on a going concern basis.

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## 2. DEFINITIONS

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

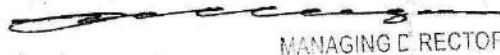
- (a) '**Act**' means the relevant clauses of Companies Act, 2013 and Companies Act, 1956 as applicable to date including any statutory modifications or re-enactments for the time being in force.
- (b) '**Appointed Date**' means the commencement of 1<sup>st</sup> day of April, 2015 or such other date as may be approved by the High Court of Delhi at New Delhi;
- (c) '**Court**' or '**High Court**', shall mean Hon'ble High Court of Delhi at New Delhi, and shall be deemed to include the National Company Law Tribunal, if applicable.
- (d) '**Effective Date**' means the last of the date on which the sanctions/approvals or orders as specified in Clause No.20 of this Scheme have been obtained and the order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Transferor Company and the Transferee Company. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme becoming effective" shall be construed accordingly.

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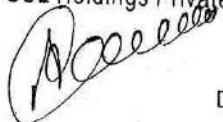
  
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- (e) **'Public'** means and shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- (f) **'Transferee Company'** means 'Consolidated Securities Limited', a Company incorporated under the provisions of the Companies Act, 1956.
- (g) **'Transferor Company'** means 'CSL Holdings Private Limited', a company incorporated under the provisions of the Companies Act, 1956. (Formerly known as 'Mundra Credit & Investment Private Limited')
- (h) **'Record Date'** means the date fixed by the Board of Directors of the Transferor Company and the Transferee Company in consultation with each other for the purpose of reckoning names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme as specified in Clause 9(a) of this Scheme.
- (i) **'Scheme'** or **'the Scheme'** or **'this Scheme'** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Delhi at New Delhi or this Scheme with such modification(s), if any made, as per Clause 18 of the Scheme.

All the terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities

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Contract (Regulation) Act, 1956, the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules and regulations, bye-laws, as the case may be or any other statutory modifications or re-enactment thereof for the time being in force.

### 3. SHARE CAPITAL

- A. The Share Capital of Transferor Company as on 31<sup>st</sup> March, 2015 (Audited) (the day previous to the appointed Date) is as under:

<b>Authorized Capital</b> (Rs.)	
24,00,000 Equity Shares of Rs.10/-each	Rs. 2,40,00,000.00

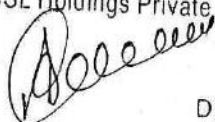
<b>Issued subscribed &amp; paid up Capital</b> (Rs.)	
9,85,930 Equity shares of Rs.10/- each.	Rs.98,59,300.00

- B. The Share Capital of Transferee Company as on 31<sup>st</sup> March, 2015 (Audited) (the day previous to the appointed Date) is as under:

<b>Authorized Capital</b> (Rs.)	
70,00,000 Equity Shares of Rs.10/- each	Rs.7,00,00,000.00

<b>Issued, Subscribed and Paid-up</b> (Rs.)	
46,82,207 Equity Shares of Rs.10/- each	Rs.4,68,22,070.00

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#### 4. TRANSFER OF UNDERTAKING

The Transferor Company shall stand transferred to and vested in the Transferee Company, as a going concern,

- (a) With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and in relation to the mode of transfer and vesting, all the assets and properties, rights, claims, title, interest, hereditaments and authorities including accretions and appurtenances thereto such as dividends, or other benefits received of the Transferor Company shall, without any further act, instrument or deed, be and the same shall stand transferred to and/or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, titles, hereditaments and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company.
- (b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the debts, liabilities including entire existing fixed deposits of the Transferor Company, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall stand transferred or deemed to have been transferred without any

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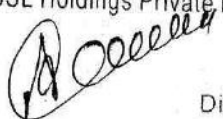


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further act, instrument or deed to the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

- (c) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, certificates, clearances, quota, authorities, certifications, trademarks, patents, Intellectual property rights, leases, tenancy, assignments, allotments, power of attorney given by, issued to or executed in favour of the Transferor Company, permissions or approvals or consents held by the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms

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and conditions without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company.

- (d) The transfer and vesting of the Transferor Company aforesaid shall be subject to the existing securities, charges mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Transferor Company, to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Transferor Company.
- (e) All debentures, bonds or other debt securities, if any, of the Transferor Company (hereinafter referred to as the "Debt Securities") shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the Debt Securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company to the same extent as if it were the Transferor Company in respect of the Debt Securities so transferred.
- (f) With effect from the Appointed Date, and subject to the provisions of this Scheme all the Employees of the Transferor Company shall stand transferred or deemed to have been transferred with all their accrued liabilities without any further

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Director

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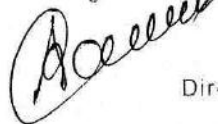
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act, instrument or deed of the Transferee Company, pursuant to the provisions of Sections 391 to 394 of the Act, so as to become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person, in order to give effect to the provisions of this Clause.

- (g) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, the Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (h) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall become the property of the Transferee

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Director

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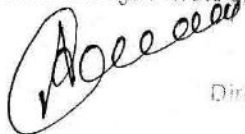
  
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Company in pursuance of the provisions of Sections 391 to 394 and other applicable provisions of the said Act.

- (i) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Delhi at New Delhi having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- (j) Any inter se contracts between the Transferor Company and the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. The Loan, if any, given by the Transferee Company shall accordingly stand nullified.
- (k) The transfer and vesting of the Undertakings of the Transferor Company as specified in above points shall not affect any transaction or proceeding already concluded by the Transferor Company in the ordinary course of business on and after the appointed date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Company.

##### 5. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

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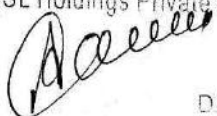
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- a) Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this Clause, if so required or become necessary.
- b) On and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the business of the Transferor Company is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company which alone shall be entitled to claim credit for such tax deducted or paid.

## 6. LEGAL PROCEEDINGS

Upon coming into effect of this Scheme, all suits, claims, actions and proceedings by or against or in relation to the Transferor Company pending and/or arising on or before the Effective date, shall be continued and be enforced by or against

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the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

**7. OPERATIVE DATE OF THE SCHEME**

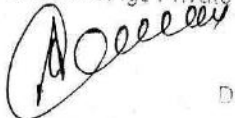
This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

**8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEE COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and upto the Effective Date:

- (i) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or income or expenditure or losses or taxes of the Transferee Company, as the case may be.
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, undertake any additional financial commitments or

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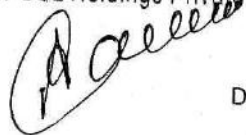
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any nature whatsoever, borrow any amounts nor incur any liabilities or expenditure, issue any additional guarantee indemnities, letter of comfort or commitments either for itself or on behalf of any third party, or sell transfer, alienate charge, mortgage, encumber or otherwise deal with the undertaking of the said Transferor Company or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date; except with the prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the conditions there under shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and Transferee Company even if the same are prior to the Appointed Date.

- (iv) The Transferor Company shall not vary the terms and conditions and employment of employees of the Transferor Company except in the ordinary course of business or with the approval of Transferee Company.
- (v) The Transferor Company shall not, without prior consent of the Transferee Company, take any major policy decisions in respect of management of the Transferor Company other than in the ordinary course of business.

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Director

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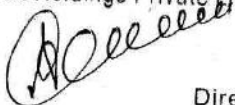
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- (vi) The Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a right basis bonus shares, convertible debentures or otherwise) decrease reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio, except by mutual consent of the respective Board of Directors of Transferor Company and the Transferee Company or except as may be expressly permitted or envisaged under this Scheme.

9. **ISSUE OF SHARES AND SECURITIES BY THE TRANSFEE COMPANY**

- (a) The Transferor company holds 34,33,363 equity shares i.e. 73.33% shareholding of the Transferee Company. Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the Transferor Company in the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act, instrument or deed, issue and allot its equity shares at par to every member of the Transferor Company, holding fully paid up Equity Shares in the Transferor Company and whose name appears in the Register of Members of the Transferor Company on the Record Date or to his/her/its heirs, executors, administrators or the successors-in-title, as the case may be, as may be recognized by the Board of Directors of CHPL/CSL as under :

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i. 34,33,363 fully paid up equity shares of Rs.10/- each of Consolidated Securities Limited (Transferee Company) will be issued and allotted to the equity shareholders of CHPL in proportion of their holding in CHPL, for 9,85,930 fully paid up shares of Rs.10/- each of CHPL.

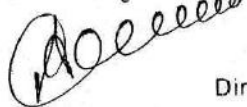
ii. In the event CHPL acquires additional shares of CSL before the effective date without incurring any additional liability, such number of fully paid up equity shares of CSL will also be issued and allotted to the said additional shareholders in proportion of their shareholding.

- (b) Upon new equity shares being issued and allotted by CSL to the members of CHPL, 34,33,363 fully paid-up equity shares held by CHPL in the equity share capital of CSL shall stand cancelled. The share certificates, if any, in relation to the shares held by CHPL shall be of no effect, and the shares held by CHPL in CSL in dematerialized form shall be extinguished, on and from the date of such issue and allotment of new equity shares.

The shareholding pattern of CSL shall remain the same. The promoters hold 74.79% shares of CSL (out of which CHPL holds 73.33%) and 25.21% shares are held by public. It will remain exactly the same, after the merger, the only difference being replacement of CHPL with the shareholders of CHPL becoming shareholders of CSL directly (the ultimate beneficial ownership remains the same).

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The table showing shareholding pattern of CSL – pre merger and post merger is as under:

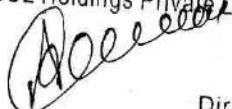
Shareholding Pattern of CSL (Pre merger)

<u>Category of shareholders</u>	<u>Name of the shareholder</u>	<u>No. of Shares held</u>	<u>%age of Shares</u>
Promoter Group	CSL Capital Pvt. Ltd.	68,605	1.47
Promoter Group	CHPL	34,33,363	73.33
Promoter Group	Total Holding	35,01,968	74.79
Non Promoter Group	Public Shareholding	11,80,239	25.21
Total Shareholding		46,82,207	100.00

Shareholding Pattern of CSL (Post merger)

<u>Category of shareholders</u>	<u>Name of the shareholder</u>	<u>No of Shares held</u>	<u>%age of Shares</u>

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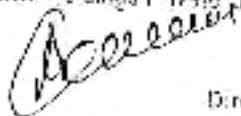
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<u>Promoter Group</u>	<u>CSL Capital Pvt. Ltd.</u>	<u>68,605</u>	<u>1.47</u>
<u>Promoter Group</u>	<u>Shareholders of CHPL</u>	<u>34,33,363</u>	<u>73.33</u>
<u>Promoter Group</u>	<u>Total Holding</u>	<u>35,01,968</u>	<u>74.79</u>
<u>Non Promoter Group</u>	<u>Public Shareholding</u>	<u>11,80,239</u>	<u>25.21</u>
<u>Total Shareholding</u>		<u>46,82,207</u>	<u>100.00</u>

As such the shareholding pattern of CSL, post merger, will be a mirror image of the shareholding pattern pre merger.

- (c) New equity shares shall rank pari passu in all respects, including dividend, with the existing equity shares of CSL.
- (d) 3,25,000 full paid up equity shares of Rs.10/- each of Consolidated Securities Limited (Transferee Company) held by the Transferor Company out of their total shareholding of 34,33,363 fully paid up equity shares of Transferee company are under lock in till 22.04.2016. As such, the shares of the Transferee company issued in lieu of the locked in shares of the Transferor Company will be subject to Lock-in for the remaining period i.e. till 22.04.2016.

For CSI Holdings Private Limited



Director

For CONSOLIDATED SECURITIES LTD.

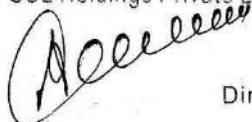


MANAGING DIRECTOR



- (e) In respect of fractional entitlement to a shareholder, the same shall be rounded to the next nearest integer. However, in no event shall the number of new equity shares to be allotted by CSL to the members of CHPL exceed the number of equity shares held by CHPL in CSL on the effective date.
- (f) The resolution approving the Scheme shall be deemed to be the approval of the shareholders of the Transferee Company under Section 62 under the Companies Act, 2013 and other applicable provisions of the Act and no further approval or resolution of the shareholders will be required for increase in the share capital of the Transferee Company consequent upon the issue and allotment of Shares in terms of the Scheme. It is however clarified that against 34,33,363 fully paid up equity shares held by CHPL in CSL (which shall be cancelled consequent to this scheme), the same number of shares i.e. 34,33,363 fully paid up equity shares shall be allotted and issued to the shareholders of CHPL and in effect there will be no increase in the issued, subscribed and paid up share capital of CSL.
- (g) The new equity shares of CSL shall be listed and/or admitted to trading on Bombay Stock Exchange, on which the existing equity shares of CSL are listed.
- (h) Equity shares of the Transferee Company issued in terms of clause 9 of this Scheme may be listed and / or admitted to trading on the the Bombay Stock Exchange and / or any other Stock Exchange where the shares of Transferee Company are listed and / or admitted to trading, in terms of the SEBI (Issue


For CSL Holdings Private Limited



Director

For CONSOLIDATED SECURITIES LTD.

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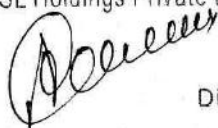


MANAGING DIRECTOR

of Capital and Disclosure Requirements) Regulations (ICDR) 2009 and circulars/regulations/rules or directions issued by Securities and Exchange Board of India under Section 11 of the Securities and Exchange Board of India Act, 1992. The Transferee Company shall enter into such and give such confirmations and/or undertaking(s) as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange(s). On such formalities being fulfilled, the said Stock exchange(s) shall list and/or admit such equity shares also for the purpose of trading.

- (i) The Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the Designated Stock Exchange.
- (j) CSL shall, if and to the extent required, apply for and obtain any approvals from the concerned Regulatory Authorities for the issue and allotment by CSL of new equity shares to the members of CHPL under the Scheme.
- (k) It is expressly clarified that upon the Scheme becoming effective, all taxes payable by the Transferor Company from the Appointed Date onwards including all or any refunds/ claims shall be treated as the tax liability or refunds/ claims, as the case may be, of the Transferee Company.
- (l) The said new Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of

For CSL Holdings Private Limited



Director

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For CONSOLIDATED SECURITIES D.



MANAGING DIRECTOR

Association of the Transferee Company and shall rank pari-passu for voting rights as well as all other respects with the existing Equity Shares of the Transferee Company.

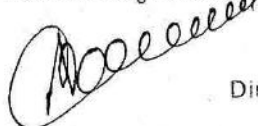
- (m) Unless otherwise determined by the Board of Directors or any committee thereof of the Transferor Company and the Board of Directors or any committee thereof of the Transferee Company, the issuance of Equity shares in terms of Clause 9 shall be done within 45 days from the Effective Date.
- (n) The issue and allotment of Equity Shares by the Transferee Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under the provisions of the Companies Act, 1956 and/or the Companies Act, 2013, if applicable, and other applicable provisions of the Act.

10. **ACCOUNTING BY THE TRANSFEE COMPANY IN RESPECT OF THE ASSETS AND LIABILITIES**

**Accounting treatment in the Books of the Transferee Company**

- a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets and liabilities (including the Loan obtained by the Transferor Company from various Banks) comprised in the Transferor Company, transferred to and vested in them pursuant to this Scheme, at the same value

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR

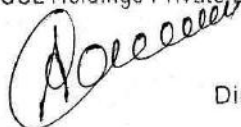


appearing in the books of the Transferor Company as on the closure of March 31, 2015.

- b) The Transferee Company shall credit the Share Capital Account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of the Transferee Company pursuant to Clause 9 of this Scheme.
- c) Inter-company balances if any, will stand cancelled.
- d) The excess or shortfall of the Assets and liabilities including revaluation reserve and securities premium account transferred to the Transferee Company would be credited to the 'Capital Reserve Account' or 'Goodwill' as the case may be.
- e) If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve of the Transferee Company.
- f) The Transferee Company shall comply with the accounting treatment as prescribed under Accounting Standard-14 i.e. 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India.

**11. REORGANIZATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY**

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR

- a. Upon the Scheme being effective, the Authorized Capital of the Transferee Company shall stand increased by Rs.2,40,00,000, (Rupees Two Crores and forty lacs only) without any further act, instrument or deed and without payment of any fees, stamp duty etc.
- b. Consequentially, upon Scheme being effective,

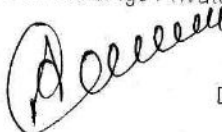
Clause V of the Memorandum of Association of the Transferee Company (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Act, in the manner set out below and be replaced by the following clause:

V. The Authorised Share Capital of the Company is Rs.9,40,00,000/- (Rupees Nine Crores forty Lacs only) divided into 94,00,000 (Ninety seven lacs) equity shares of Rs.10/- each.

## 12. TAXES

All Taxes (including income tax, sales tax, excise duty, custom duty, service tax VAT etc) paid or payable by the Transferee Company in respect of the operations and/or profits of the Transferor Company before the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

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Director

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MANAGING DIRECTOR

**13. DIVIDEND, PROFIT, BONUS, RIGHT SHARES,  
MANAGEMENT AND ADMINISTRATION**

At any time upto the Effective Date

- a) The Transferee Company shall not declare/or pay dividends which are interim or final relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of both the Companies.
- b) The Transferor Company and the Transferee Company, except mentioned otherwise in this Scheme shall not issue or allot any right shares, or Bonus Shares or any other security convertible into Equity or other Share Capital or obtain any other financial assistance convertible into Equity or other Share Capital; unless agreed to by the Board of Directors of both the Companies.
- c) The resolutions relating to the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have an upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions; then the said limits shall be valid for the Transferee Company.

**14. DIRECTORS OF THE TRANSFEROR COMPANY**

That the Directors of Transferor Company shall cease to hold office as Directors thereof with effect from the Effective date

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR



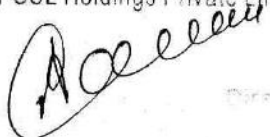
and consequently the Board of Directors of Transferor Company shall stand dissolved.

**15. TRANSFEROR COMPANY'S EMPLOYEES**

On the Scheme taking effect as aforesaid, all officers and employees of the Transferor Company, in service on the Effective Date, shall become the officers and employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Pension Fund and/or Superannuation Fund or Trusts created by the Transferor Company or any other special funds/Scheme(s) created or existing for the benefit of the officers and employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration and/or operation of such Scheme(s)/Fund(s) or in relation to the obligation to make contribution to the said Schemes/Funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund shall become those of the Transferee Company. It is clarified that the services of the officers and employees of the

For CSL Holdings Private Limited

  
Director

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MANAGING DIRECTOR

Transferor Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Transferee Company shall be eligible and entitled to effect the transfer of the officers and employees of the Transferor Company in ordinary and usual course of business and as per business prudence, the Board of Directors of the Transferee Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Transferor Company. Upon the Scheme taking effect, the Transferor Company shall stand substituted by the Transferee Company for all purposes whatsoever in relation to the administration of or obligations, right, duties (including under the respective Deeds pertaining thereto) and liabilities under or in respect of or pertaining to the Provident Fund, Gratuity Fund, Superannuation Fund, pension scheme or any other scheme or fund created or existing for the benefit of the employees or officers of the Transferor Company.

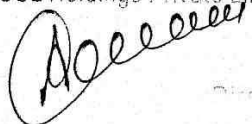
**16. BOARD RECONSTITUTION**

At any time before or after the Record Date, the Board of Directors of the Transferee Company might be reconstituted so as to continue to comply with the Listing requirements.

**17. APPLICATION TO THE HIGH COURT**

The Transferor Company and the Transferee Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court

For CSL Holdings Private Limited

  
Director

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MANAGING DIRECTOR

of Delhi at New Delhi for sanctioning of this Scheme of Arrangement for carrying this Scheme into effect and obtain all approvals as may be required under law.

18. **MODIFICATIONS, AMENDMENTS TO THE SCHEME**

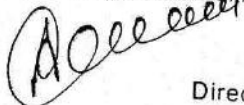
The Transferor Company (by their Directors) and the Transferee Company (by their Directors) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the Hon'ble High Court of Delhi at New Delhi or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect to this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor Company and/or the Transferee Company may give and are authorized to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

19. **SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS**

This Scheme is specifically conditional upon and subject to:

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR



- a) The scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than number of votes cast by the public shareholders against it in the meeting of shareholders including public shareholders, which shall be held through postal ballot and e-voting and disclosure of all material facts shall be made to the shareholders in the explanatory statement sent to the shareholders.
- b) The approval of, and agreement to the Scheme by the requisite majorities of such classes of persons and creditors of the Transferor Company and Transferee Company as may be directed by the Hon'ble High Court of Delhi at New Delhi on the applications made for directions under Sections 391 to 394 of the said Act or calling meetings or otherwise and necessary resolutions being passed / consents obtained under the Act for the purpose.
- c) The sanctions of the Hon'ble High Court of Delhi at New Delhi being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.
- d) The Transferor Companies and/ or the Transferee Company shall also obtain such other consents or approvals as may be required under any statute including from Securities and Exchange Board of India as well as

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR

concerned Stock Exchange or contract not specifically referred to in this Scheme.

- e) The certified copies of the High court orders referred to in this Scheme being filed with the Registrar of Companies, Delhi.

## 20. **EFFECTIVE DATE OF THE SCHEME**

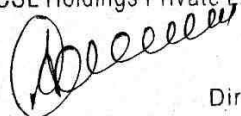
This Scheme although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

- a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Delhi and such date shall be referred to as Effective Date for the purpose of the Scheme.

## 21. **EFFECT OF NON-RECEIPT OF APPROVALS**

In case the scheme is not sanctioned by the Hon'ble High Court of Delhi, at New Delhi or in case any of the consents, approvals, permissions, resolutions, agreements, sanctions, or conditions enumerated in the scheme not being obtained or

For CSL Holdings Private Limited



Director

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MANAGING DIRECTOR

complied or for any other reason the Scheme cannot be implemented by such date as may be agreed by the Board of Directors of the Transferor Company and the Transferee Company, the scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such a case each Company shall bear its own cost, charges and expenses in connection with the scheme unless otherwise mutually agreed.

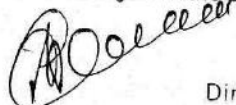
**22. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

**23. DISSOLUTION OF TRANSFEROR COMPANY**

- a) The Transferor Company shall stand dissolved upon the sanction of the Scheme without the process of winding up.
- b) The Transferor Company and the Transferee Company shall also take such other steps, as may be necessary or expedient to give full and formal effect to the provisions of this scheme.

For CSL Holdings Private Limited



Director

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For CONSOLIDATED SECURITIES LTD.



MANAGING DIRECTOR


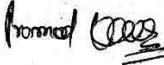


In witness whereof the parties hereto have set and subscribed their respective names and seals this 13<sup>th</sup> day of July, 2015.

Signed sealed and delivered by

Director of the Transferor Company on its behalf at New Delhi in the presence of the following

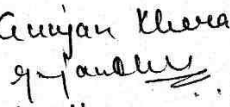
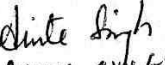
Witnesses: -

1.   
S.B. Tiwari  
F-1381, Ram Park Sath  
Loni, Ghaziabad (UP)
2.   
Pramod Kumar  
WZ 118 Toda Pur New Delhi - 12

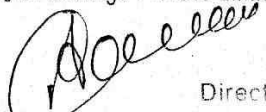
Signed sealed and delivered by

Director of the Transferee Company on its behalf at New Delhi in the presence of the following

Witnesses: -

1.   
Anjan Khanna  
7 Silver Park, Shriyapuri  
Krishna Nagar, Delhi - 51
2.   
ANITA SINGH  
H-199, 3<sup>rd</sup> Floor, Pocket-2,  
Paschimpur, New Delhi - 110063

For CSL Holdings Private Limited

  
Director

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For CONSOLIDATED SECURITIES LTD.

  
MANAGING DIRECTOR

SCHEDULE OF ASSETS OF  
CSL HOLDINGS PRIVATE LIMITED  
(The Transferor Company)

As on 01.04.2015

PART - I

Freehold property- NIL

S.No.	Particulars	Valuation
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**TOTAL**

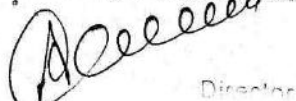
PART-II

Leasehold property-NIL

PART-III

1. The Inventories (Shares) as on 01.04.2015 – Rs. NIL /-
2. The unsecured debtors, considered goods as on 01.04.2015 Rs. NIL.

For CSL Holdings Private Limited

  
Director

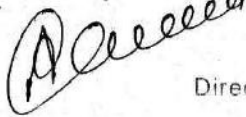
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For CONSOLIDATED SECURITIES LTD.

  
MANAGING DIRECTOR

3. The cash and bank balances aggregated to Rs. 85787.22/- as on 01.04.2015.
4. Loans and Advances - Rs. 48873/- as on 01-04-2015.
5. The investment in Share, warrants and funds - Rs. 88119486.18/- as on 01-04-2015.
6. Movable assets (W.D.V.) as on 01-04-2015 Rs. NIL/-.
7. Other Current Assets as on 01-04-2015 Rs. NIL/-.

For CSL Holdings Private Limited



Director

For CONSOLIDATED SECURITIES LTD.

  
MANAGING DIRECTOR



SCHEDULE OF ASSETS OF  
CONSOLIDATED SECURITIES LIMITED  
(The Transferee Company)

As on 01.04.2015

PART - I

Freehold property- Rs. 9556686/-

S.No.	Particulars	Valuation
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**TOTAL**

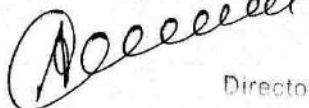
PART-II

Lease hold property- NIL

PART-III


1. The Inventories (Shares) as on 01-04-2015 – Rs. 43194627/-
2. The unsecured debtors, considered goods as on 01.04.2015.  
Rs. NIL/-.
3. The cash and bank balances aggregated to Rs. 17368187/- as  
on 01.04.2015.

For CSL Holdings Private Limited

  
Director

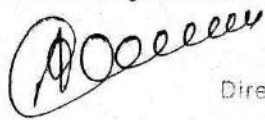
For CONSOLIDATED SECURITIES LTD.

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MANAGING DIRECTOR

4. Loans and Advances Rs. 730150450/- as on 01.04.2015.
5. The investment in Share, warrants and funds – Rs.66078202/- as on 01.04.2015.
6. Movable assets (W.D.V.) as on 01.04.2015 Rs. 4799698/-.
7. Other Current Assets as on 01-04-2015 Rs. 20076158/-.
8. Investment in Tax Free Bonds Rs. 6316102/-
9. Investment in LLP Rs. 2953755/-

For CSL Holdings Private Limited



Director

For CONSOLIDATED SECURITIES LTD.



MANAGING DIRECTOR