

CP No. 13/S.233/2019-20

FORM NO. CAA.12

[Pursuant to section 233 and rule 25(5)]
Confirmation order of scheme of amalgamation of

M/S. Five-Star Housing Finance Private Ltd.,
With
M/S. Five-Star Business Finance Ltd.,

(Pursuant to the provisions of Section 233 of the Companies Act, 2013)

M/S. Five-Star Housing Finance Private Ltd., (Transferor Company)
With
M/S. Five-Star Business Finance Ltd., (Transferee Company)

approved by their respective members and creditors as required under section 233(1) (b) and (d), of the Companies Act, 2013 is hereby confirmed and the Scheme shall be effective from the 1st April, 2019 and subject to compliance of Proviso to Sub Section (11) of Section 233 of the Companies Act, 2013 in respect of merger of authorized capital.

A copy of the approved scheme is attached to this order.



(M.R.Bhat)
Regional Director (SR)

Date : 17.3.2020

Place : Chennai




SCHEME OF AMALGAMATION
OF
FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
WITH
FIVE-STAR BUSINESS FINANCE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under the provisions of section 233 and other applicable provisions of the
Companies Act, 2013)

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- 1) **Part I** deals with Preamble & Rationale
- 2) **Part II** deals with Definitions & Share Capital
- 3) **Part III** deals with Transfer and Vesting
- 4) **Part IV** deals with the General Terms and Conditions.

For FIVE STAR BUSINESS FINANCE LTD.,


D. LAKSHMIPATHY
CHAIRMAN & MANAGING DIRECTOR



For FIVE-STAR HOUSING FINANCE PVT. LTD.


(D. LAKSHMIPATHY)
Chairman & Managing Director

PART I - PREAMBLE AND RATIONALE

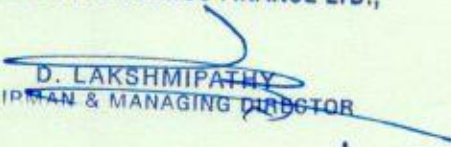
1) PREAMBLE

- 1.1 This Scheme of Amalgamation ("Scheme") is presented and formulated under section 233 of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) for the Amalgamation of M/s. Five-Star Housing Finance Private Limited with M/s. Five-Star Business Finance Limited.
- 1.2 M/s. Five-Star Housing Finance Private Limited (hereinafter referred to as "**Transferor Company**") was incorporated on 28th September 2015 under the Companies Act, 2013. The Corporate Identity Number of the Transferor Company is U74900TN2015PTC102366. The Registered office of the Transferor Company is situated at First Floor, New No.27, Old No.04, Taylors Road Kilpauk, Chennai-600010. The Transferor Company was engaged in the business of providing housing finance loans (hereinafter referred to as the "**Business of the Transferor Company**"). The Transferor Company is a Housing Finance Company registered with National Housing Bank
- 1.3 M/s. Five-Star Business Finance Limited (hereinafter referred to as "**Transferee Company**") was incorporated on 07th May 1984. The Corporate Identity Number of the Transferee Company is U65991TN1984PLC010844. The Registered office of the Transferee Company is situated at First Floor, New No.27; Old No.04, Taylors Road Kilpauk, Chennai-600010. The Transferee Company is engaged in the business of providing business, housing and mortgage loans (hereinafter referred to as the "**Business of the Transferee Company**"). The Transferee Company is a Non-Banking Financial Company registered with Reserve Bank of India.

2) RATIONALE

- 2.1 The Transferor and Transferee Companies meet the threshold requirements and classifications as per the provisions of section 233 of the Companies Act 2013 and have accordingly intended to adopt the process under the said section and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, ("**Rules**").
- 2.2 The Transferee Company holds the entire share capital of the Transferor Company except for 100 equity shares which is held by a nominee on behalf of the Transferor. In essence, the Transferor Company is a wholly-owned subsidiary of the Transferee Company.

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- 2.3 The Board of Directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company with the Transferee Company in order to ensure better management as a single unit. The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with the Transferee Company will be for the benefit of the Transferor Company and the Transferee Company and their shareholders in the following manner:
- (a) The amalgamation will enable consolidation of the existing businesses of the Transferor and Transferee Companies into one entity which will facilitate in focused growth, operational efficiency, business synergy, better supervision of the business of the group and more productive utilization of resources.
 - (b) The amalgamation will enable pooling of resources of the Transferor Company with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiency which would be beneficial to all stakeholders.
 - (c) The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities. The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
 - (d) On amalgamation, the Transferee Company as a going concern will enable the combined entity to achieve a strong financial position on account of alignment of assets and liabilities of the Transferor Company resulting in improved financial base, earning capabilities that will help accelerate growth, better access to funding from banks/ financial institutions, benefit to the shareholders, employees and customers;
 - (e) There is no likelihood that interests of any shareholder or creditor of any of the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

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PART II - DEFINITIONS AND SHARE CAPITAL

3) DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 3.1 **"Act"** means the Companies Act, 2013 and the rules made thereunder and as may be applicable.
- 3.2 **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April 2019.
- 3.3 **"Board of Directors" or "Board"** means the Board of Directors or any committee thereof of the Transferor Company or the Transferee Company, as the context requires.
- 3.4 **"Effective Date"** means the date on which the sanctioned scheme is filed with the Registrar of Companies, Chennai by the Transferor and Transferee Company.
- 3.5 **"Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Central Government.
- 3.6 **"Transferor Company"** means FIVE-STAR HOUSING FINANCE PRIVATE LIMITED, a private company incorporated under the Companies Act, 2013 and having its registered office at New No.27, Old No. 04, Taylor's Road, Kilpauk, Chennai - 600010. The Corporate Identity Number of the Transferor Company is U74900TN2015PTC102366.
- 3.7 **"Transferee Company"** means FIVE-STAR BUSINESS FINANCE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at New No.27, Old No. 04, Taylor's Road, Kilpauk, Chennai - 600010. The Corporate Identity Number of the Transferee Company is U65991TN1984PLC010844.

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- 3.8 **“Undertaking”** shall mean and include the whole of the undertakings of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, goods-in-transit, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trade marks, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, wealth tax, GST, turnover tax, research and development cess, etc.), Software Licences, Domains / Websites etc., in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and whosoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Transferor Company, as on the Appointed Date.
- 3.9 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

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Chairman & Managing Director

4) **SHARE CAPITAL**

4.1 The Authorized, Issued, Subscribed and Paid-up capital of the Transferor Company as on March 31, 2019 is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000
Total	25,00,00,000
Issued, subscribed and paid-up Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000

Subsequent to 31st March 2019, there has been no change in the authorized, issued, subscribed and paid up capital of the Transferor Company. All the shares issued by the Transferor Company as above are held by the Transferee Company and its nominee. Consequently, the Transferor Company is a wholly-owned subsidiary of the Transferee Company.

4.3 The Authorized, Issued, Subscribed and Paid-up capital of the Transferee Company as on March 31, 2019 is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000
Total	30,00,00,000
Issued, subscribed and paid-up Share Capital	
23,899,582 Equity Shares of Rs, 10/- each	23,89,95,820
Total	23,89,95,820

Subsequent to 31st March 2019, there has been change in the issued, subscribed and paid up capital of the Transferee Company. As on 29th August 2019, the authorized capital, issued, subscribed and paid up capital of the Transferee Company is given below:

For FIVE STAR BUSINESS FINANCE LTD.,

(Signature)
D. LAKSHMIPATHY
CHAIRMAN & MANAGING DIRECTOR



For FIVE-STAR HOUSING FINANCE PVT. LTD.

(Signature)
(D. LAKSHMIPATHY)
Chairman & Managing Director

Particulars	Amount in Rs.
Authorized Share Capital	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000
Total	30,00,00,000
Issued, subscribed and paid-up Share Capital	
2,52,34,694 Equity Shares of Rs, 10/- each	25,23,46,940
Total	25,23,46,940

**PART III - TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR
COMPANY INTO TRANSFEREE COMPANY**

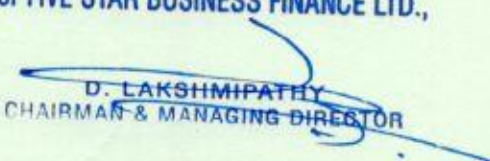
5) **TRANSFER OF UNDERTAKING**

5.1 The Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever's situated, including the immovable properties, if any, shall, under the provisions of the Act, without any further act or deed (save as provided in sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the confirmation order passed under the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

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- (b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon as decided by the Board of Directors of the Transferor Company and the Transferee Company or by any Committee of the Board of Directors of the Transferor Company and the Transferee Company or by any person authorized by the Board of Directors of the Transferor Company and the Transferee Company.
- (c) In respect of movables other than those specified in sub-clause (b) above, including 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, Quasi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositee as the case may be, that pursuant to confirmation of the Scheme, the said debts, loans, advances, bank balances or deposits 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 extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
 - (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee that pursuant to confirmation of the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realize the same stands extinguished.
- (d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.

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- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favor of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- (f) The transfer and vesting of the respective Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

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Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (h) Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no corresponding liability and asset in that behalf.
- (i) In so far as any shares, securities, debentures issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferee Company or the Transferor Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (j) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable properties are given to the Transferee Company.
- (k) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged/ sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.

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- (l) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or oblige thereto.
- (m) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Transferor Company required to carry on operations 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 or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company pursuant to the Scheme coming into effect.
- (n) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, unexpired credit for minimum alternate tax, minimum alternate tax, Goods and Service Tax (GST) and other and incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

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- (o) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, GST, turnover tax, excise duty, customs), special reservations, tax remissions, holidays, incentives, concessions and other authorizations relating to the Undertaking of the Transferor Company shall stand transferred under this Scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- (p) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

6) **LEGAL PROCEEDINGS**

- 6.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company. All moneys or deposits or other securities if any, offered by the Transferor Company in any legal proceedings or cases under any tax or other legislations shall be treated as if deposited by the Transferee Company without requirement of any other procedure.
- 6.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify the Transferor Company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

7) **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 7.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite or other arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

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- 7.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 7.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 7.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

8) TRANSFEROR COMPANY'S STAFF AND EMPLOYEES

- 8.1 All executives, staff and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff and other employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer;

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- b) The terms and conditions of employment applicable to the said executives, staff and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment of such executives, staff or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for its employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall, subject to approvals and permissions, if required, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to approvals and permissions, if required, continue to contribute to the relevant funds of the Transferor Company until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company. Provided however that, the Transferee Company shall be at liberty to form or restructure its provident fund trusts, gratuity fund and pension and/or superannuation fund trusts in such manner as may be decided by its Managing Director, subject to compliance of relevant labour laws and any other allied laws for the purpose.

9) SAVING OF CONCLUDED TRANSACTIONS

- 9.1 The transfer of Undertaking under Clause 5 above, the continuance of legal proceedings by or against the Transferee Company under Clause 6 above and the effectiveness of contracts and deeds under Clause 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

For FIVE STAR BUSINESS FINANCE LTD.,


D. LAKSHMIPATHY
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For FIVE-STAR HOUSING FINANCE PVT. LTD.


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Chairman & Managing Director

10) CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 10.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 10.2 All profits or income or taxes, including but not limited to income tax, minimum alternate tax (including unexpired credit for minimum alternate tax), advance taxes, tax deducted at source by or on behalf of the Transferor Company, GST, research and development cess, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 10.3 The Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 10.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require in relation to the Undertaking of the Transferor Company including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 10.5 The Transferor Company shall declare dividend, between the Appointed Date and the Effective Date, only after obtaining the prior written consent of the Transferee Company.
- 10.6 Any further modifications by the Transferor Company to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organisation, declaration of dividend or in any other manner, whatsoever, shall not be made except by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company.

For FIVE STAR BUSINESS FINANCE LTD.,

D. LAKSHMIPATHY
CHAIRMAN & MANAGING DIRECTOR



For FIVE-STAR HOUSING FINANCE PVT. LTD.

(D. LAKSHMIPATHY)
Chairman & Managing Director

10.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

11) ALTERATIONS TO AUTHORISED SHARE CAPITAL

11.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.

11.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

The Authorized Share Capital of the Company shall be Rs. 55,00,00,000/- (Rupees Fifty Five Crores only) divided into 5,50,00,000 (Five Crores Fifty Lakhs only) Equity shares of Rs.10/- (Rupees Ten only) each. The Company has power, from time to time to increase or reduce its capital and to divide the shares in the capital for time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, condition or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary or modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

11.3 The Confirmation of this Scheme under Section 233 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

11.4 The approval of this Scheme by the shareholders of the Transferor and Transferee companies under section 233 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

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12) NO CONSIDERATION AND CANCELLATION OF SHARES

12.1 The Transferor Company is a wholly-owned subsidiary of the Transferee Company wherein 100% share capital of the Transferor Company is held by the Transferee Company in its own name and jointly with its nominee. Accordingly, due to the shareholding structure wherein the Transferor Company is a wholly-owned subsidiary of the Transferee Company, there would be no issue or allotment of shares of the Transferee Company to the shareholders of the Transferor Company.

13) ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEE COMPANY

13.1 Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles and as prescribed under Indian Accounting Standard (Ind AS) 103 notified under section 133 of the Companies Act, 2013, read along with the Companies (Indian Accounting Standards) Rules, 2015, and other generally accepted accounting principles, as applicable.

13.2 The transferor Company shall also account, upon the Scheme becoming effective, in its books of accounts, in accordance with the applicable accounting standards notified under section 133 of the Companies Act, 2013, read along with the Companies (Indian Accounting Standards) Rules, 2015, and other generally accepted accounting principles, as applicable.

14) CONSEQUENTIAL MATTERS RELATING TO TAX

14.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

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- 14.2 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as GST, etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its income-tax returns, GST returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related Tax Deducted at Source ("TDS") Certificates, including TDS Certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- 14.3 The TDS/advance tax/minimum alternate tax, if any, paid by the Transferor Company under the Income-tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed date shall be deemed to be the tax deducted from/advance tax/ minimum alternate tax paid by the Transferee Company and credit for such TDS/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- 14.4 In accordance with the provisions of Goods and Service Tax (GST) legislations, as are prevalent on the Effective Date, the unutilized credits, if any, relating to GST paid on inputs / works in process lying in the accounts of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the GST payable by it.

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- 14.5 Any concessional or statutory forms under the laws of GST or local levies issued or received by the Transferor Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.
- 14.6 In respect of the inter-company service transactions between the Appointed Date and the Effective Date of the Scheme of Amalgamation, GST charged by the service provider to the service recipient entity would be available as input credit to the recipient entity, despite such transactions getting disregarded as service transactions.

PART IV - GENERAL TERMS AND CONDITIONS

15) NOTICE TO REGISTRAR AND OFFICIAL LIQUIDATOR AND DECLARATION OF SOLVENCY

- 15.1 The Transferor Company and the Transferee Company shall issue a notice of the Scheme within 30 days from the date of approval of scheme by the board of directors of respective Companies, inviting objections or suggestions, if any from the Registrar of Companies and Official Liquidators where registered office of the respective companies are situated.
- 15.2 The Transferor Company and the Transferee Company shall file a declaration of solvency with respective jurisdictional Registrar of Companies before convening the meeting of members and creditors for approval of the scheme.
- 15.3 The Transferor Company and the Transferee Company shall obtain the approval of the shareholders and creditors as per the provisions of section 233 of the Companies Act 2013.
- 15.4 After the Meeting the Company shall apply to the Registrar of Companies, Official Liquidator and the Central Government.

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16) DISSOLUTION OF TRANSFEROR COMPANY

16.1 Subject to confirmation of the scheme by the Central Government under Section 233 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

17) MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 17.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Central Government or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.
- 17.2 If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Central Government or any other competent authority, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

18) DATE OF TAKING EFFECT

18.1 The Scheme set out herein in its present form approved, imposed or directed by the Central Government shall be effective from the Appointed Date but shall be operative from the Effective Date.

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19) SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

- 19.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 19.2 The compliance of the provisions of section 233 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, ("Rules") as may be applicable to the Transferor and Transferee Companies.
- 19.3 The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company as per the provisions of section 233 of the Companies Act, 2013.
- 19.4 The confirmation by the Central Government under section 233 of the Companies Act, 2013 and other applicable provisions of the Act being obtained by the Transferor Company and also the Transferee Company.

If the Central Government does not confirm and refer the Scheme to National Company Law Tribunal consequent to objections or suggestions from Registrar of Companies or Official Liquidator or for any other reason, then NCLT may consider the Scheme as per provisions of Section 232 of the Act and pass an order accordingly. In this case, all references to Effective Date, Scheme being effective and consequence of scheme being effective should be read in this light.

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20) EFFECT OF NON-RECEIPT OF CONFIRMATION / SANCTIONS

- 20.1 In the event of the Scheme not being sanctioned by the Central Government and/or the Order or Orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

21) EXPENSES CONNECTED WITH THE SCHEME

- 21.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

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Chairman & Managing Director




Regional Director (SR),
Ministry of Corporate Affairs,
Chennai.