SCHEME OF AMALGAMATION OF INDUS NETLINK LTD, CASTLE ROCK ADVISORS PVT LTD AND K2 INFOSOLUTIONS PVT LTD WITH FORTUNE INDUSTRIAL RESOURCES LTD;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY.

Preamble

This Scheme of Amalgamation is framed in terms of the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with section 2(1B) of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme provides for Amalgamation of Indus Netlink Ltd, Castle Rock Advisors Pvt Ltd and K2 Infosolutions Pvt Ltd with Fortune Industrial Resources Ltd; and other connected matters, if any.

1.1 DEFINITIONS

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

i. **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.

ii. **"Amalgamation"** means amalgamation of the Transferor Companies No. 1 to 3 with and into the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.

iii. **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies;

iv. **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2020, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

v. **"Board" or "Board of Directors"** means the Board of Directors of the respective Transferor and Transferee Companies, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).

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vi. **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Amalgamation, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall be a reference to the Effective Date;

vii. **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.

viii. **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Companies, or in the nature of common law rights of the Transferor Companies, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

ix. **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

x. **National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.

xi. **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

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xii. **"Scheme"** means the present Scheme of Amalgamation framed under the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Income Tax Act, 1961, and other applicable provisions, if any, which provides for the amalgamation of Indus Netlink Ltd, Castle Rock Advisors Pvt Ltd and K2 Infosolutions Pvt Ltd with Fortune Industrial Resources Ltd and other connected matters, if any; in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

xiii. **"Transferor Company No. 1"** means **Indus Netlink Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 25, Bazar Lane, Bengali Market, New Delhi-110 001; e-mail: indus08@yahoo.com.

The Transferor Company No. 1-Indus Netlink Ltd [Corporate Identification No. (CIN): U 74899 DL 2000 PLC 105154; Income Tax Permanent Account No. (PAN): AAA CI 8665 A] (hereinafter referred to as "the Transferor Company No. 1/the Company") was incorporated under the provisions of the Companies Act, 1956, as a public limited company vide Certificate of Incorporation dated 10th April, 2000, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 26th May, 2000 by the Registrar of Companies, Delhi & Haryana, New Delhi.

xiv. **"Transferor Company No. 2"** means **Castle Rock Advisors Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at House No. 181, Block-D, Pocket-17, Sector-3, Rohini, New Delhi-110 085; e-mail: castlerockadvisory@gmail.com.

The Transferor Company No. 2-Castle Rock Advisors Pvt Ltd [Corporate Identification No. (CIN): U 70109 DL 2007 PTC 162148; Income Tax Permanent Account No. (PAN): AAD CC 0982 B] (hereinafter referred to as "the Transferor Company No. 2/the Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 7th April, 2007, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

xv. **"Transferor Company No. 3"** means **K2 Infosolutions Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at House No. 181, Block-D, Pocket-17, Sector-3, Rohini, New Delhi-110 085; e-mail: k2infosolutions2011@gmail.com.

The Transferor Company No. 3-K2 Infosolutions Pvt Ltd [Corporate Identification No. (CIN): U 72900 DL 2011 PTC 226907; Income Tax Permanent Account No. (PAN): AAE CK 5245 L] (hereinafter referred to as "the Transferor Company No. 3/the Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 1st November, 2011,

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issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

xvi. **"Transferor Companies"** mean Indus Netlink Ltd, Castle Rock Advisors Pvt Ltd and K2 Infosolutions Pvt Ltd, collectively or any one or more of them as the context requires.

xvii. **"Transferee Company"** means **Fortune Industrial Resources Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 25, Bazar Lane, Bengali Market, New Delhi-110 001; e-mail id: firl.nbfc@gmail.com.

The Transferee Company-Fortune Industrial Resources Ltd [Corporate Identification No. (CIN): L 51503 DL 1986 PLC 024329; Income Tax Permanent Account No. (PAN): AAA CF 1853 B] (hereinafter referred to as "the Transferee Company/the Company") was incorporated under the provisions of the Companies Act, 1956, as a limited company vide Certificate of Incorporation dated 28th May, 1986, issued by the Registrar of Companies, Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 11th June, 1986, by the Registrar of Companies, Delhi & Haryana, New Delhi.

1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;

b. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;

c. the term "Clause" refers to the specified clause of this Scheme;

d. references to one gender includes all genders;

e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

f. words denoting singular shall include the plural and vice versa;

g. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

h. unless otherwise defined, the reference to the word "days" shall mean calendar days; and

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i. references to dates and times shall be construed to be references to Indian dates and times.

1.3 SHARE CAPITAL

i. The present Authorised Share Capital of the Transferor Company No. 1 is ₹50,00,000 divided into 5,00,000 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹48,86,500 divided into 4,88,650 Equity Shares of ₹10 each.

ii. The present Authorised Share Capital of the Transferor Company No. 2 is ₹8,00,000 divided into 80,000 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company ₹7,77,000 divided into 77,700 Equity Shares of ₹10 each.

iii. The present Authorised Share Capital of the Transferor Company No. 3 is ₹8,50,000 divided into 85,000 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company ₹8,00,500 divided into 80,050 Equity Shares of ₹10 each.

iv. The present Authorised Share Capital of the Transferee Company is ₹3,00,00,000 divided into 29,00,000 Equity Shares of ₹10 each aggregating to ₹2,90,00,000; and 1,00,000 Preference Shares of ₹10 each aggregating to ₹10,00,000. The present Issued, Subscribed and Paid-up Share Capital of the Company ₹1,10,00,000 divided into 10,00,000 Equity Shares of ₹10 each aggregating to ₹1,00,00,000; and 1,00,000 Preference Shares of ₹10 each aggregating to ₹10,00,000.

v. All the Transferor Companies are closely held un-listed companies. Whereas the Transferee Company is a public limited company. Equity Shares of the Transferee Company are listed on Metropolitan Stock Exchange of India Ltd (Metropolitan Stock Exchange/MSE). The Transferee Company is registered with the Reserve Bank of India (RBI) as a non-deposit accepting Non-Banking Finance Company (NBFC).

The Scheme of Amalgamation will not result in change in management of the listed Transferee Company. None of the non-promoter shareholders of the Transferor Companies will join the management of the Transferee Company after the implementation of the Scheme.

1.4 RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Indus Netlink Ltd, Castle Rock Advisors Pvt Ltd and K2 Infosolutions Pvt Ltd with Fortune Industrial Resources Ltd; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

a. The proposed amalgamation of the Transferor Companies with the Transferee Company would result in consolidation and pooling of their resources into a single entity.

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b. The Transferor Companies are engaged in consultancy services, commission agency business and other related activities. These Companies have deployed their idle funds in securities investments. The Transferee Company on the other hand is an RBI registered Non-Banking Finance Company. It is decided that after the sanction of the Scheme of Amalgamation, consultancy and various other activities being carried on in the Transferor Companies will be stopped. The Transferee Company will focus on the NBFC Business only. Combined funds of all the Transferor Companies will be utilised by the Transferee Company for its NBFC Business only.

c. The proposed amalgamation will substantially enhance the capital and net worth base of the Transferee Company which will provide much needed liquidity to the investors. The proposed amalgamation will enable the Shareholders of the un-listed Transferor Companies to hold shares in the listed Transferee Company and the resultant benefits.

d. The proposed Scheme of Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity. Post Scheme, the Transferee Company will enjoy large net worth and financial resources.

e. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.

f. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Companies and the Transferee Company.

g. The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.

h. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

2. TRANSFER AND VESTING OF UNDERTAKING

a. With effect from the commencement of business on 1st April, 2020, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertaking and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature

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belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Companies (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act, as a going concern, for all the estate, right, title and interest of the Transferor Companies therein so as to become the property of the Transferee Company but, subject to mortgages, charges and Encumbrances, if any, then affecting the undertaking of the Transferor Companies without such charges in any way extending to the undertaking of the Transferee Company.

b. Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Companies to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.

c. On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Companies whether provided for in the books of accounts of the Transferor Companies or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.

d. Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Goods and Services Tax (GST), etc., paid by or on behalf of the Transferor Companies immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Companies from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

e. Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Companies, shall be available to and vest in the Transferee Company, without any further act or deed.

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f. Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

g. On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Companies, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.

h. With effect from the Effective Date and until such time names in the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Companies, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Companies on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account each in the name of the Transferor Companies to enable it to deposit/encash any refund or other payment received in the name of the Transferor Companies. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Companies) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Companies. Such bank account will not be used for normal banking transactions.

i. All other assets & liabilities of the Transferor Companies, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to and vest in the Transferee Company with effect from the Appointed Date.

j. In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.

k. All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Companies shall, upon the approval of this Scheme, be deemed to have been complied with by the Transferee Company.

l. Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies

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allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the accounts of the Transferee Company.

m. Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Duty laws, Central Sales Tax, applicable State Value Added Tax, Service Tax laws, Excise Duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Companies due to the Transferor Companies consequent to the assessment(s) and other proceeding(s) made on the Transferor Companies and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

a. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which any of the Transferor Companies is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of any such Transferor Companies, the Transferee Company had been a party thereto.

b. The transfer of the said assets and liabilities of the Transferor Companies to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Companies on or after the Appointed Date.

c. The Transferee Company may, at any time after coming into 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 the secured creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and, to implement and carry out all such formalities or compliance referred to above on the part/behalf of the Transferor Companies to be carried out or performed.

4. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Companies pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the

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transfer of the undertaking of the Transferor Companies or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

5. OPERATIVE DATE OF THE SCHEME

a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal sanctioning this Scheme under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.

b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

6. DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Companies shall stand dissolved without the process of winding up.

7. EMPLOYEES OF TRANSFEROR COMPANIES

a. All the employees of the Transferor Companies in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Company on the said date.

b. Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Companies, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continued for the purpose of the aforesaid funds or provisions.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES

From the Appointed Date until the Effective Date, the Transferor Companies

a. Shall stand possessed of all its assets and properties referred to in Clause 2 above, in trust for the Transferee Company.

b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company.

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Any income or profit accruing to the Transferor Companies and all costs, charges and expenses or loss arising or incurring by the Transferor Companies on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

9. ISSUE OF SHARES BY TRANSFEREE COMPANY

9.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Companies to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Companies, whose names appear in the Register of Members as on the Record Date, in the following ratio:

a. The Transferee Company-Fortune Industrial Resources Ltd will issue 100 (one hundred) Equity Shares of ₹10 each, credited as fully paid up, for every 712 (seven hundred and twelve) Equity Shares of ₹10 each held in the Transferor Company No. 1-Indus Netlink Ltd.

b. The Transferee Company-Fortune Industrial Resources Ltd will issue 100 (one hundred) Equity Shares of ₹10 each, credited as fully paid up, for every 44 (forty four) Equity Shares of ₹10 each held in the Transferor Company No. 2-Castle Rock Advisors Pvt Ltd.

c. The Transferee Company-Fortune Industrial Resources Ltd will issue 100 (one hundred) Equity Shares of ₹10 each, credited as fully paid up, for every 35 (thirty five) Equity Shares of ₹10 each held in the Transferor Company No. 3-K2 Infosolutions Pvt Ltd.

9.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

9.3 The Equity Shares to be issued in terms of Para 9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

9.4 The issue and allotment of Equity Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Equity Shares in terms of this Scheme.

9.5 The Transferee Company is providing facility of holding shares in dematerialized form and for this purpose, it is registered with both the Depositories-National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL). Accordingly, the New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Companies in terms of this Scheme, will also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Companies. In case, any shareholder of the Transferor Companies fails

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to provide the necessary details of his depository account to the Transferee Company on or before the Record Date, the New Equity Shares in the Transferee Company will be issued to such shareholder in physical form.

9.6 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Companies.

9.7 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Companies, pursuant to this Scheme, shall be listed on Metropolitan Stock Exchange being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. The Transferee Company will make necessary application(s) to the Stock Exchange and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange and the SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.

9.8 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), the SEBI or any other competent authority, pursuant to the provisions of the Listing Agreement and SEBI Regulations, etc., such locked-in shares may be transferred within the Promoters' Group during such lock-in period.

9.9 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchange(s). The Transferee Company will comply with the applicable provisions in this regard.

10. UPON THIS SCHEME BECOMING FINALLY EFFECTIVE:

a. Entire Issued Share Capital and share certificates of the Transferor Companies shall automatically stand cancelled. Shareholders of the Transferor Companies will not be required to surrender the Share Certificates held in the Transferor Companies.

b. Cross holding of shares between the Transferor Companies inter se; and/or between the Transferor Companies and the Transferee Company, as the case may be, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction by the Tribunal under Section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Sections 66 of the Companies Act, 2013, and other applicable provisions, if any, relating

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to the reduction of share capital on cancellation of cross holding, if any. Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

c. The authorised share capital of the Transferor Companies shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Companies as on the effective date. In terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Companies on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Companies on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

d. Save as provided in Clause 10.c above, the Transferee Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.

11. ACCOUNTING FOR AMALGAMATION AND OTHER MATTERS

Upon the Scheme becoming effective, amalgamation of the Transferor Companies with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the Scheme in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with rule 3 of The Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

a. All the assets and liabilities recorded in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Companies as on the Appointed Date.

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b. Cross investments or other inter-company balances, if any, will stand cancelled.

c. All the reserves of the Transferor Companies under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.

d. Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

e. Accounting policies of the Transferor Companies will be harmonized with that of the Transferee Company following the amalgamation.

f. It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

12. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

a. The Transferor Companies will make necessary applications/ petitions under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Companies without the process of winding up and other connected matters.

b. The Transferee Company will also make necessary application(s)/ petition(s) under the provisions of Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016 and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme and other connected matters.

13. COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the IT Act and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee

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Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

14. COMPLIANCE WITH SEBI REGULATIONS

a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); Securities and Exchange Board of India (SEBI) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, as amended from time to time, and other applicable provisions, if any, the present Scheme of Amalgamation is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferee Company by passing a Resolution through e-voting and other means, as may be applicable. In terms of the aforesaid SEBI Circulars, the Scheme will be acted upon only if the votes cast by Public Shareholders of the Listed Transferee Company in favour of the proposed Scheme are more than the number of votes cast by Public Shareholders against the Scheme, if any.

b. Notwithstanding above, the Transferor Companies and the Transferee Company will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.

c. Metropolitan Stock Exchange will act as the Designated Stock Exchange for the purposes of this Scheme.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

a. The Transferor Companies and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.

b. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

c. The Transferor Companies and/or the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Transferor Companies and/or the Transferee Company will not be required to assign the reason for withdrawing from this Scheme.

16. INTERPRETATION

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If any doubt or difference or issue arises between the Transferor Companies and the Transferee Company or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar II, Delhi Meerut Expressway/NH-9, Delhi 110 091, Mobile: 93124 09354, e-mail: rajeev391@gmail.com; Website: www.rgalegal.in, whose decision shall be final and binding on all concerned.

17. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Companies and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

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