


SCHEDULE - I


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**SCHEME OF AMALGAMATION
OF
SHARE INDIA SECURITIES LTD
WITH
FMS SECURITIES LTD**

UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956

1.1 DEFINITIONS

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

- a. **"The Act"** means the Companies Act, 1956 (1 of 1956) and the Rules made there under;
- b. **"The Appointed Date"** means commencement of business on 1st April, 2009 or such other date as the Hon'ble High Court(s) may direct.
- c. **"The Effective Date"** means the date on which the transfer and vesting of the entire undertakings of the Transferor Company shall take effect, i.e., the date as specified in Clause 5 of this Scheme.
- d. **"This Scheme" or "the Scheme"** means the present Scheme of Amalgamation framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, where under the Transferor Company is proposed to be amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by any competent authority and/or by the Hon'ble High Court(s).
- e. **"The Transferor Company"** means **Share India Securities Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 301, Yamuna Towers, 13, Saini Enclave, Delhi 110 092.

The Transferor Company was incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Value Capital Services Pvt Ltd' vide Certificate of Incorporation No. 55-63504 dated 15th December, 1994 issued by the Registrar of Companies, Delhi & Haryana at New Delhi. The Company was converted into a public limited company and its name was changed to 'Value Capital Services Ltd' vide Fresh Certificate of Incorporation consequent upon change of name on conversion to public limited company dated 13th March, 2001 issued by the aforesaid ROC. Name of the Company was subsequently changed to its present name-Share India Securities Ltd vide Fresh Certificate of Incorporation consequent upon change of name dated 1st May, 2008 issued by the ROC, New Delhi.

- f. **"The Transferee Company"** means **FMS Securities Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at A-66, 1st Floor, Gurunanak Pura, Vikas Marg, Delhi 110 092.

For Share India Securities Ltd.


Director/Auth. Sign.





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The Transferee Company was incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'FMS Securities Ltd' vide Certificate of Incorporation No. 02-04175 dated 12th July, 1994 issued by the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram at Shillong. The Company obtained Certificate for Commencement of Business on 20th July, 1994. The Registered Office of the Company was shifted from the state of Assam to the NCT of Delhi as approved by the Hon'ble Company Law Board, Eastern Region Bench, Kolkata vide its order dated 9th August, 2000. The Registrar of Companies, Delhi and Haryana at New Delhi allotted a new company registration number- U 67120 DL 2000 PLC 108970 to the Company.

1.2 SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 1,89,90,820 divided into 18,99,082 Equity Shares of Rs. 10/- each.
- ii. The present Authorised Share Capital of the Transferee Company is Rs. 2,25,00,000 divided into 22,50,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 2,03,74,650 divided into 20,37,465 Equity Shares of Rs. 10/- each.

2. TRANSFER OF UNDERTAKING

- a. With effect from the commencement of business on 1st April, 2009, 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 where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, bookings and advances against bookings for/in residential and commercial plots and buildings, powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, membership of National Stock Exchange of India Ltd (NSE) and MCX Stock Exchange (MCX SX), Depository Participant of Central Depository Services (India) Ltd (CDSL), deposits and/or margin money with NSE, MCX SX, CDSL and other authorities, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trade marks, brands, copy rights; quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, concessions/ obligations under EPCG/Advance/DEPB licenses, approvals, clearances, environmental clearances, authorizations, certification, quality certification, utilities, electricity connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any stamp duty, levies or any other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act, for all the estate, right, title and interest of the Transferor Company therein so as to

For Shareholder/Securities Ltd

For FMS Securities Ltd

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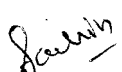
become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- b. The Transferor Company is a member/trading member of National Stock Exchange (NSE) for Capital Market Segment, Derivatives Segment and Currency Derivates Segment; trading member of MCX Stock Exchange for Currency Derivates Segment; and Depository Participant of Central Depository Services (India) Ltd (CDSL). Memberships/trading memberships and DP status held in the Transferor Company will be transferred to and vest in the Transferee Company for which necessary applications will be made by the Transferee Company to these stock exchanges, CDSL and other competent authorities.
- c. 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 Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Court 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.
- d. 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 Company whether provided for or not in the books of accounts of the Transferor Company 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.
- e. Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, credit of MAT, self assessment tax paid by or on behalf of the Transferor Company immediately before the amalgamation shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation.
- f. Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company shall file such forms as may be required or necessary with the Registrar of Companies with respect to the charges and mortgages created or to be created.

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 the Transferor Company 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 the Transferor Company, the Transferee Company had been a party thereto.

For Share India Securities Ltd.


Director/Auth. Sign.

For FMS Securities Ltd


Director/Auth. Sign.

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- b. The transfer of the said assets and liabilities of the Transferor Company 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 Company 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 Company or in favour of any other 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 this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.

4. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company 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 Company 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 the High Court(s) order under Sections 391 and 394 of the Act 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 COMPANY

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

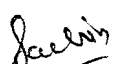
7. EMPLOYEES OF TRANSFEROR COMPANY

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- a. All the employees of the Transferor Company 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 favorable than those subsisting in the Transferor Company on the said date.

For Share India Securities Ltd.


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For Share India Securities Ltd.


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- 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 Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company 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 Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

8. CONDUCT OF BUSINESS BY TRANSFEROR & TRANSFEEE COMPANIES

8.1 From the Appointed Date until the Effective Date, the Transferor Company

- 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. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company 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.

8.2 Notwithstanding anything contained in sub-clause '8.1' above, the Transferor Company as well as the Transferee Company shall be free to conduct their respective businesses and to take all steps in this regard including raising of funds either through fresh share capital or loan during the pendency of the amalgamation process.

9. ISSUE OF SHARES BY TRANSFEEE 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 Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot 1 (one) Equity Share of Rs. 10/- each in the Transferee Company, credited as fully paid up, to the Members of the Transferor Company whose names appear in the Register of Members as on the Record Date, to be fixed by the Board of Directors of the Transferee Company, for every 1 (one) fully paid up Equity Share of Rs. 10 each held in the Transferor Company.

9.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to 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. The new Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

For Share India Securities Ltd.

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9.4 The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Equity Shares to the Members of the Transferor Company in terms of Para 9.1 above.

9.5 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 Company.

10. Upon this Scheme becoming finally effective:

- a. Entire issued share capital and share certificates of the Transferor Company shall automatically stand cancelled.
- b. Cross holding of shares between the Transferor Company and the Transferee Company on the record date, if any, 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 High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating 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, and accordingly, the provisions of section 101 of the Act will not be applicable.
- c. The authorized capital of the Transferor Company shall be added to and shall form part of the authorized capital of the Transferee Company. Accordingly, the authorized capital of the Transferee Company shall stand increased to this extent without payment of any fees or charges to the Registrar of Companies and/or to any other government authority.
- d. Save as provided in Para 10.c above, the Transferee Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.
- e. The name of the Transferee Company shall be replaced with the name of the Transferor Company. Accordingly, name of the Transferee Company will be changed to Share India Securities Ltd. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval u/s 21 and 31 of the Act and other applicable provisions, if any, for change of name of the Transferee Company to Share India Securities Ltd. Fresh approval of the members will not be required for the said change of name. However, the Transferee Company will make necessary application to the Registrar of Companies and other competent authorities, if any, and comply with the applicable provisions of the Companies Act, 1956 in this regard.

11. ACCOUNTING FOR AMALGAMATION

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:

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- a. The amalgamation shall be an 'amalgamation in the nature of merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'pooling of interests' method in accordance with the said AS-14.
 - b. Accordingly, all the assets and liabilities recorded in the books of the Transferor Company 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 book values as reflected in the books of the Transferor Company as on the Appointed Date.
 - c. Inter-company balances, if any, will stand cancelled.
 - d. All the reserves of the Transferor Company 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.
 - e. In terms of the provisions of the Accounting Standard 14, any surplus/deficit arising out of Amalgamation shall be adjusted in the General Reserve of the Transferee Company.
 - f. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

12. APPLICATION TO HIGH COURTS

- a. The Transferor Company will make joint/separate applications/petitions under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Delhi at New Delhi for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- b. The Transferee Company will also make joint/separate application(s)/petition(s) under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Delhi at New Delhi for sanctioning of this Scheme and other connected matters.

13. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a. The Transferor Company 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 Court(s) 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.

For Share India Securities Ltd.

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Director/Auth. Sign.

For FMS Securities Ltd

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Director/Auth. Sign.

- c. In the event that any conditions are imposed by any competent authority or the Court(s) which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from this Scheme.
- d. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme is/are inconsistent with the provisions of the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any.

14. INTERPRETATION

If any doubt or difference or issue arises between the Transferor Company 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, 138-A, Pocket-F, Mayur Vihar II, Delhi 110 091, Phone 93124 09354, 011-2277 3618, whose decision shall be final and binding on all concerned.

15. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company 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 Company 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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-13-

SCHEDULE - I

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Schedule of properties

(As on March 31, 2009)

Share India Securities Limited

Transferor Company

Particulars	Amount (Rs.)
PART-I	
Short Description of the Free hold Property of the Transferor Company	NIL
PART-II	
Short Description of the Lease hold Property of the Transferor Company	NIL
PART-III	
Short Description of all the Stocks, Shares, Debentures and other Charges in Action of the Transferor Company	
<u>Fixed Assets</u>	
Computers	36,73,637.00
Vehicles AVEO UVA Car No. DL7C E9358	5,19,295.00
Office Equipments	25,30,171.58
Furniture and Fixtures	3,87,518.00
Investments Share India Commodity Brokers Pvt. Ltd. (2,50,000 shares)	25,00,000.00
<u>Current Assets</u>	
Debtors (As per list enclosed)	8,71,12,625.19
Loans & Advances (As per list enclosed)	2,58,11,285.01
Stock in hand (As per list enclosed)	52,82,792.50
Cash & Bank balances:	
Cash in Hand	1,15,044.73
Bank Balance:	4,35,30,817.51
ICICI BANK LTD - 000405035168	1,936.12
PNB-MAHARAJ GANJ - 2989002105000772	9,361.26

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AXIS -230010200014678	10,000.00	
ICICI BANK - 000405022413	24,038,800.74	
ICICI BANK -NARAINA-033505000399	250.00	
HDFC - 0030340004173	2,500,000.00	
HDFC MCX - 00030340035964	210,000.00	
HDFC MCX -000303400035974	10,000.00	
ICICI CDX-000705027989	11,000.00	
ICICI BANK LTD - 018505000678	87,504.00	
ICICI BANK LTD - 018505000679	301,459.00	
ICICI BANK - 000405040574	91,729.46	
ICICI BANK - 000705009504	6,391,298.21	
ICICI BANK -000705010777	9,800,096.45	
ICICI BANK 000705010775	67,382.27	
Deposits with Banks:		
		1,63,00,000.00
FDR ICICI - (NO-414669813)	1,500,000.00	
FDR10L-ICICI-(000414670535)	1,000,000.00	
FDR ICICI -714867076	1,750,000.00	
FDR ICICI - 000714869100	2,500,000.00	
FDR HDFC -GLOBE-05984460004819	1,000,000.00	
FDRICICI - (NO -414669812)	1,250,000.00	
FDR ICICI - (000714867770)	2,000,000.00	
FDR ICICI - 000714867771)	2,500,000.00	
FDR HDFC - NSCCL LTD.	800,000.00	
FDR WITH HDFC BANK (MCX GLOBE)	2,000,000.00	

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Joint Registrar (Co.)
for Registrar General

Dated this the 20th May, 2010
(By order of the Court)

Certified to be True Copy

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