

SCHEME OF ARRANGEMENT
BETWEEN
THE INVESTMENT TRUST OF INDIA LIMITED (Demerged Company)
AND
ITI WEALTH MANAGEMENT PRIVATE LIMITED (Resulting Company)
AND
THEIR RESPECTIVE MEMBERS AND CREDITORS

Under Section 391 to 394 read together with Section 100 to 102 of the Companies Act, 1956
and applicable provisions of the Companies Act, 2013

1. The Scheme is divided into following parts:
 - 1.1 Part 1 deals with the introductions and definitions and share capital of the Demerged Company and Resulting Company;
 - 1.2 Part 2 deals with the mechanics of the transfer of the demerger of the Wealth Management Advisory and Investments Undertaking by way of a demerger of business on a going concern basis for consideration being discharged by way of issue of shares of the Resulting Company to the shareholders of the Demerged Company including reduction in reserves of the Demerged Company desired to give effect to the demerger; and
 - 1.3 Part 3 deals with the general terms and conditions that will be applicable to Part 2 of the Scheme.

PART I
INTRODUCTION AND DEFINITIONS

1. The Investment Trust of India Limited ("ITI") is a company incorporated under the Companies Act, 1956 and is engaged in the business of Wealth Management Advisory, Investment and Finance Activity. ITI has two business activities, one is Wealth Management Advisory and investments and the other is Strategic Investment and Finance.
2. ITI Wealth Management Private Limited ("ITI WEALTH") is a wholly owned subsidiary of ITI to be incorporated under the Companies Act, 2013 and is authorised by its MOA and AOA to carry on Wealth Management Advisory, Investment & related Activities.

- 2.1 This Scheme of Arrangement ("**Scheme**") provides for Demerger of Wealth Management Advisory and Investments Division (*as defined hereunder*) of ITI into ITI WEALTH and consequent issue of equity shares of ITI WEALTH to the shareholders of ITI;
- 3. Rationale of the Scheme**
- 3.1 In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Wealth Management Advisory and Investments Division thereby transferring the Wealth Management Advisory and Investments Undertaking (as defined hereinafter) of ITI to ITI WEALTH, in the interests of maximizing overall shareholder value.
- 3.2 Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Wealth Management Advisory and Investments Undertaking of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391 to 394 read with relevant provisions of the Companies Act, 1956, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).
- 3.3 Accordingly, this Scheme under Sections 391 to 394 and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, has been proposed to provide for transfer of Wealth Management Advisory and Investments Undertaking of the Demerged Company by way of demerger to the Resulting Company and reduction of capital of Demerged Company by such extent deemed necessary.
- 3.4 Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Scheme becoming effective on the Effective Date (as defined hereinafter), the Wealth Management Advisory and Investments Undertaking of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.
- 4. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.**
- 5. The Demerger of the Wealth Management Advisory and Investments Undertaking (also referred to as "the Demerged Undertaking") from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:**
- 5.1 all the properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;

- 5.2 all the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
- 5.3 the properties and the liabilities relatable to the Demerged Undertaking being transferred by Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of Demerged Company immediately before the Demerger. For this purpose, any change in the value of assets consequent to their revaluation, if any, shall be ignored;
- 5.4 the Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of Demerged Company on a proportionate basis;
- 5.5 Shareholders holding at least 75% value of shares of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by Demerged Company; and
- 5.6 The transfer of the Demerged Undertaking shall be on a going concern basis.
- 6. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of law or for any other reason whatsoever and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

7. DEFINITIONS

- 7.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
 - 7.1.1 "Act" means the Companies Act, 1956 and Companies Act, 2013 and rules made there under and shall include any statutory modification or re-enactment or amendment thereof for the time being in force. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions of the said provisions in the Companies Act, 2013;

- 7.1.2 "Appointed Date" means April 1, 2015 or such other date as may be approved by the High Court of Judicature at Chennai;
- 7.1.3 "Board" in relation to each of the Resulting Company and the Demerged Company, as the case may be, shall, unless it be repugnant to the context or otherwise, includes a committee of directors or any person duly constituted and authorized by the respective Boards of Directors
- 7.1.4 "Court" or "High Court" means Hon'ble High Court at Chennai having jurisdiction in relation to the Demerged Company and the Resulting Company, or such other competent authority or the National Company Law Tribunal to whom this Scheme in its present form is submitted for sanctioning under Sections 391 to 394 of the Act
- 7.1.5 "Effective Date" means the date on which the certified copy of the Order of the High Court of Judicature at Chennai is filed with the Registrar of Company, Tamil Nadu;
- 7.1.6 "ITI" or "Demerged Company", means The Investment Trust of India Limited a company incorporated under the Companies Act, 1956 and having its registered office at No. 7, 'B' Block, II Avenue, 'Also Samar' First Floor, Anna Nagar, (East), Chennai 600 102;
- 7.1.7 "ITI WEALTH" or the "Resulting Company" means ITI Wealth Management Private Limited, a company to be incorporated under the Companies Act, 2013 and having its registered office at No. 7, 'B' Block, II Avenue, 'Also Samar' First Floor, Anna Nagar, (East), Chennai 600 102;
- 7.1.8 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court at Chennai for sanction with any modification(s) approved or imposed or directed by the said High Court;
- 7.1.9 "**Record Date**" means the date to be fixed by the Board of Directors of the Resulting Company, for the purpose of issue of shares of the Resulting Company to the shareholders of Demerged Company on demerger of the Wealth Management Advisory Undertaking and transfer and vesting thereof into the Resulting Company;
- 7.1.10 "**Remaining Business**" means all the business of ITI remaining with ITI after transfer of the Wealth Management Advisory and Investments Undertaking pursuant to the Scheme.

7.1.11 " **Wealth Management Advisory and Investments Division**" means all activities and business of ITI relating to wealth management advisory services including current investments portfolio, assets given on hire-purchase and activities related thereto.

7.1.12 "**Wealth Management Advisory and Investments Undertaking**" or "**Demerged Undertaking**" shall mean and include:

- a. All assets of Wealth Management Advisory and Investments Division of ITI as on the Appointed Date including the Current investments and assets given on hire purchase (including equity shares held in ITI Wealth Management Private Limited), (hereinafter referred to "the said Assets");
- b. All debts, liabilities, duties and obligations of Wealth Management Advisory and Investments Division of ITI as on the Appointed Date (hereinafter referred to "the said Liabilities");
- c. Without prejudice to the generality of sub-clause (a) above, the Demerged Undertaking of ITI (Wealth Management Advisory and Investments Division) shall include all their reserves, provisions, funds, moveable and immovable properties (including the lease hold land, if any), assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licenses, permits, authorisations, quota, rights, trade marks, patents, brands, secret formulae, drawings, research rights and other industrial intellectual properties, imports, telephone/facsimile/ telex and other communication facilities and equipments including computers, hardware, software, and other electronic equipments and instruments, system of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Wealth Management Advisory and Investments Division of ITI, rights and powers of every kind, nature and description, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Wealth Management Advisory and Investments Division of ITI;
*[a list of the significant assets and liabilities of Wealth Management Advisory and Investments Division of ITI are set out in **Annexure I** below;]*

8. SHARE CAPITAL

8.1 The share capital of ITI as on March 31, 2015 is as under:

	Amount in INR
Authorised:	
45,00,000 Equity Shares of INR 10/- each	45,000,000
1,00,000 1% Redeemable Pref Shares of INR 100/- each	10,000,000
	<u>55,000,000</u>
Issued, Subscribed and Paid-up:	
37,50,000 Equity Shares of INR 10/- each	37,500,000
75,000 1% Redeemable Pref Shares of INR 100/- each	7,500,000
	<u>45,000,000</u>

8.2 The share capital of ITI WEALTH on incorporation shall be, as under:

	Amount in INR
Authorised:	
10,000 Equity Shares of INR10/- each	100,000
	<u>100,000</u>
Issued Subscribed and Paid-up:	
10,000 Equity Shares of INR 10/- each	100,000
	<u>100,000</u>

PART II

DEMERGER OF ITI

9. VESTING OF WEALTH MANAGEMENT ADVISORY DIVISION

- 9.1 Upon this Scheme coming into effect and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire Wealth Management Advisory and Investments Division shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in ITI WEALTH, as a going concern in accordance with 2(19AA) of the Income Tax Act, 1961, so as to vest in ITI WEALTH all the rights, title and interest of ITI in the Wealth Management Advisory and Investments Division, subject to subsisting charges and pledges, if any, in the following manner:
- 9.2 With effect from the Appointed Date the whole of the Wealth Management Advisory and Investments Division shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in ITI

WEALTH, at their book values, as at the Appointed Date so as to vest in ITI WEALTH all the rights, title and interest of ITI therein;

- 9.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of ITI relatable to the Wealth Management Advisory and Investments Division shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to or deemed to be transferred to ITI WEALTH so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of ITI WEALTH 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, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 9.4 Investments held by the Demerged Company, in the Resulting Company shall be treated in the manner as provided in clause 10.1.4 below.
- 9.5 ITI WEALTH shall, before allotment of the equity shares to the shareholders of ITI, without following the procedure laid down under applicable provisions of the Act, alter the Clause V relating to the authorised share capital, in the Memorandum of Association of the Company, by-
- "The Authorised Share Capital of the Company is Rs. 22,500,000 (Rupees Two Crores Twenty Five Lacs) only divided into 7,50,000 equity shares of Rs.10 (Rupees ten only) each and 150,000 Preference Shares of Rs. 100/- (Rupees one hundred only) each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013, or provided by the Articles of Association of the Company for the time being."
- 9.6 ITI WEALTH shall, before allotment of the equity shares to the shareholders of ITI, without following the procedure laid down under applicable provisions of the Act, alter Article 3 relating to the authorised share capital in the Articles of Association of the Company, by substituting the existing Article with the following Article-
- "The authorised share capital of the Company is 22,500,000 (Rupees Two Crores Twenty Five Lacs) only divided into 750,000 equity shares of Rs.10 (Rupees ten only) each and 150,000 Preference Shares of Rs. 100/- (Rupees one hundred only) each. The Company shall have the power to increase, consolidate, subdivide, realise or otherwise alter its share capital subject to the provisions of the Act."

10. ISSUE OF SHARES BY ITI WEALTH TO ITI SHAREHOLDERS

- 10.1 Upon this Scheme coming into effect, ITI WEALTH shall, without any further application or deed, issue and allot to every member of ITI, holding fully paid up equity shares and preference shares in ITI and whose names appear in the Register of Members of ITI on the Record Date, in respect of
- 10.1.1 Every 50 (Fifty) equity shares of the face value of INR 10 each fully paid-up held by such members in ITI, a) 10 (Ten) equity shares of the face value of INR 10 each (the "**ITI WEALTH Equity Shares**") and b) 1 (One) 1% Redeemable Preference share of the face value of INR 100 each (the "**ITI WEALTH Preference Shares**") of ITI WEALTH credited as fully paid-up with rights attached thereto as per Annexure 2:
- 10.1.2 Every 1 (One) 1% Redeemable Preference Shares of the face value of INR 100 each fully paid-up held by such members in ITI, 1 (One) 1% Redeemable Preference share of the face value of INR 100 each of ITI WEALTH credited as fully paid-up with rights attached thereto (the "**ITI WEALTH Preference Shares**") as per Annexure 2:
- 10.1.3 the ITI WEALTH Equity Shares and ITI Wealth Preference Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of ITI WEALTH;
- 10.1.4 **10,000** Equity Shares of the Resulting Company held by the Demerged Company (transferred as part of Demerged Undertaking) on the Record date shall be deemed to have been cancelled without any further act or deed. Reduction and cancellation of shares in the manner aforesaid shall be treated as integral part of the Scheme and order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the act confirming reduction.
- 10.1.5 ITI WEALTH shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of the ITI WEALTH equity shares and ITI WEALTH Preference Shares to the members of ITI under the Scheme;
- 10.1.6 The Board of Directors of ITI WEALTH shall consolidate all fractional entitlements, if any, arising due to the demerger of the Wealth Management Advisory Division of ITI and allot equity shares and preference after rounding them off to nearest decimal to the respective shareholders;

11. ACCOUNTING TREATMENT IN BOOKS OF ITI WEALTH ON DEMERGER

- 11.1 ITI WEALTH shall, upon the Scheme becoming operative, record the transfer of assets and liabilities of the Wealth Management Advisory and Investments Division pursuant to this Scheme, at their book values as appearing in the books of ITI.
- 11.2 ITI WEALTH shall credit its share capital account with the aggregate face value of the ITI WEALTH Equity Shares and ITI Wealth Preference Shares issued by it to the members of ITI pursuant to this Scheme.

- 11.3 The excess or deficit, if any, remaining after the recording the aforesaid entries in clause 11.1 and clause 11.2, the cost in relation to transfer of assets pertaining to Wealth Management Advisory Division to Resulting Company such as stamp duty, registration charges, etc. and other entries in accordance with the Scheme, shall be debited as Goodwill or credited by Resulting Company to its Capital Reserve Account (to the extent of Capital Reserve reduced in books of Demerged Company) and balance to the General reserve Account, as the case may be.

12. ACCOUNTING TREATMENT IN BOOKS OF ITI ON DEMERGER

- 12.1 Upon the Scheme coming into effect, ITI's books of accounts shall reflect the assets and liabilities of the remaining business, after vesting of the Wealth Management Advisory and Investments Division at book values to ITI WEALTH;
- 12.2 Upon the Scheme coming into effect, the deficit of (A) assets of the remaining business over (B) liabilities of the remaining business, aggregate of the reserves and the share capital account, shall be treated as Capital Loss and such Capital Loss shall be debited by ITI to Reconstruction Reserve Account.
- 12.3 The amount equivalent to the Reconstruction Reserve Account will be withdrawn and set off first against Capital Reserve Account and balance if any adjusted in General Reserve / Profit and Loss account as the case may be;
- 12.4 The adjustment of Capital Loss against Reconstruction Reserve Account and the subsequent withdrawal of Reconstruction Reserve Account and set off thereof against Capital Reserve Account shall be effected as a part of the Scheme only.

13. BUSINESS AND PROPERTY IN TRUST FOR ITI WEALTH

- 13.1 During the period between the Appointed Date and the Effective Date:
- 13.1.1 ITI shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets of the Wealth Management Advisory and Investments Division for and on account of and in trust for ITI WEALTH;
- 13.1.2 All the profits or income accruing or arising to ITI, including dividends, or expenditure or losses arising or incurred by ITI on account of the Wealth Management Advisory and Investments Division, shall for all purposes be treated and deemed to accrue as the profits or income or expenditure or losses (as the case may be) of ITI WEALTH; and
- 13.1.3 ITI shall not utilize the profits or income, if any, relating to the Wealth Management Advisory and Investments Division for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of ITI WEALTH.

- 13.2 As and from the date of acceptance of this Scheme by the Board of Directors of ITI and the Board of Directors of ITI WEALTH and till the Effective Date, ITI shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of Wealth Management Advisory and Investments Division or any part thereof without the prior written concurrence of the Board of Directors of ITI WEALTH.

14. LEGAL PROCEEDINGS

- 14.1 All legal proceedings of whatsoever nature by or against ITI pending and/or arising at the Appointed Date and relating to the Wealth Management Advisory and Investments Division of ITI, as and from the Effective Date, shall be continued and enforced by or against in the manner and to the same extent as would or might have been continued and enforced by or against ITI
- 14.2 After the Appointed Date, if any proceedings are taken against ITI in respect of the matters referred to in the sub-clause 14.1 above, it shall defend the same at the cost of ITI WEALTH and ITI WEALTH shall reimburse and indemnify ITI against all liabilities and obligations incurred by ITI in respect thereof.
- 14.3 ITI WEALTH undertakes to expeditiously have all legal or other proceedings initiated by or against ITI referred to in sub-clause 14.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against ITI WEALTH to the exclusion of ITI.

15. CONTRACTS, DEEDS, ETC.

- 15.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Wealth Management Advisory and Investments Division and to which ITI is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of, as the case may be, and may be enforced by or against the ITI WEALTH as fully and effectually as if, instead of ITI, ITI WEALTH had been a party thereto. ITI WEALTH shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme. ITI WEALTH shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of ITI and to implement or carry out all formalities required on the part of ITI to give effect to the provisions of this Scheme.

16. SAVING OF CONCLUDED TRANSACTIONS

- 16.1 The transfer of assets under Clause 9 above and the continuance of proceedings by or against ITI WEALTH under Clause 14 above shall not affect any transaction or proceedings already concluded by ITI in respect of the Wealth Management Advisory

and Investments Division on or after the Appointed Date till the Effective Date, to the end and intent that ITI WEALTH accepts and adopts all acts, deeds and things done and executed by ITI in respect thereto as done and executed on behalf of itself.

17. STAFF, WORKMEN & EMPLOYEES

17.1 On the Scheme becoming operative, all staff, workmen and employees of the Wealth Management Advisory and Investments Division of ITI in service on the Effective Date shall be deemed to have become staff, workmen and employees of ITI WEALTH without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with ITI WEALTH shall not be less favourable than those applicable to them with reference to the Wealth Management Advisory and Investments Division on the Effective Date.

17.2 It is expressly provided that on this Scheme coming into effect, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Wealth Management Advisory and Investments Division shall become the trusts/funds of ITI WEALTH for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Wealth Management Advisory and Investments Division in relation to such Fund or Funds shall become those of ITI WEALTH. It is clarified that the services of the staff, workmen and employees of the Wealth Management Advisory and Investments Division will be treated as having been continuous for the purpose of the said Fund or Funds.

18. CHANGE OF NAME OF ITI WEALTH

18.1 Upon the Scheme becoming effective, without any further act or deed, the Resulting Company shall be re-named as The Investment Trust of India Limited while the Demerged Company shall be re-named as ITI Holdings and Investment Limited.

18.2 The name of the Resulting Company and Demerged Company wherever it occurs in the respective Memorandum and Articles of Association be substituted by the respective new names i.e. The Investment Trust Of India Limited and ITI Holdings and Investment Limited respectively.

18.3 It is further clarified that the Resulting Company and Demerged Company shall not be required to pass any resolution under Section 13 and other applicable provisions, if any of the Companies Act, 2013, for Change of name of the Resulting Company and Demerged Company, as envisaged in clause 18.1 of this Scheme and that the

- members of the Demerged Company and Resulting Company shall be deemed to have accorded their consent under various provisions of the Act and Rules made there under to the change of name in terms of this Scheme.
- 18.4 The name of the Resulting Company wherever it occurs in its Memorandum and Articles of Association be substituted by the new name i.e The Investment Trust Of India Limited.

PART III

GENERAL TERMS AND CONDITIONS

19. APPLICATION TO HIGH COURT

- 19.1 ITI and ITI WEALTH shall with all reasonable dispatch make applications under Sections 391 to 394 read with Section 100 and 104 of the Act and other applicable provisions of the Act to the High Court at Chennai for seeking approval of the Scheme.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 20.1 ITI and ITI WEALTH by their respective Board of Directors or any Committee constituted by their respective Boards may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. ITI and ITI WEALTH shall authorise their respective Boards of Directors or any Committee constituted by them to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authority or otherwise howsoever arising out of or by virtue of the Scheme or implementation thereof and/or any matter concerned or connected therewith.

21. CONDITIONALITY OF THE SCHEME

- 21.1 This Composite Scheme is and shall be conditional upon and subject to:
- 21.1.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 21.1.2 The approval by the requisite majorities of the classes of persons of ITI and ITI WEALTH as directed by the High Court under Section 391 of the Act.
- 21.1.3 All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained.
- 21.1.4 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be

given effect to only if is approved in its entirety unless specifically agreed otherwise by ITI and ITI WEALTH and by their respective Board of Directors or any Committee constituted by them.

22. EFFECT OF NON-RECEIPT OF APPROVALS

- 22.1 In case the Scheme is not sanctioned by the Chennai High Court, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and ITI and ITI WEALTH shall bear the entire cost, charges and expenses in connection with the Scheme equally unless otherwise mutually agreed.

23. COSTS, CHARGES & EXPENSES

- 23.1 All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by ITI WEALTH.

ANNEXURE 1**[List of the significant assets and liabilities of Wealth Management Advisory and Investments Division of ITI]**

Particulars	Assets on Hire Purchase (A)	Current Investment and Wealth Management Business (B)	(A+B)
Other Current Liabilities			
Service Tax Deposit on IP Received	1,524		1,524
Service Tax Deposit on Fin Charges	37,333		37,333
Statutory Liabilities		126,242	126,242
Expenses Payable		349,355	349,355
Rental Deposits		275,000	275,000
Total Liabilities (1)	38,857	750,597	789,454
Fixed Assets			
Tangible Assets	465,572	903,087	1,368,659
Long Term Loans & Advances			
Security Deposit - Unsecured	37,500		37,500
Other Non Current Assets		29,650	29,650
Current Assets			
Current Investments		16,514,195	16,514,195
Trade Receivables		21,166	21,166
Cash & Bank Balances	1,500,000	1,875,138	3,375,138
Short Term Loans & Advances		3,663,555	3,663,555
Other Current Assets			-
Total Assets (2)	2,003,072	23,006,791	25,009,863
Net Assets (2 - 1)	1,964,215	22,256,194	24,220,409

Annexure 2

TERMS AND CONDITIONS FOR ISSUE OF REDEEMABLE PREFERENCE SHARES (RPS)

Dividend Rate on RPS	1% p.a.
Listed	RPS will not be listed on any Stock Exchange
Tenure of RPS	5 (Five) Years
Redemption Option of RPS	ITI WEALTH shall also have an option to redeem the RPS any time after 3 Years from the date of allotment of RPS in such amount as may be determined by Board of ITI WEALTH .

TERMS AND CONDITIONS OF RPS

(to be printed on the reverse of the share certificate)

The following rights shall be attached to the preference shares of Rs.100/- each:

- I) The Preference Shares shall be non-convertible;
- II) The Preference Shares shall be non-cumulative;
- III) The Preference Shares shall be non-participating;
- IV) In the event of winding up of ITI WEALTH (including capital uncalled for at the commencement of winding up) remaining after paying and discharging the debts and liabilities of ITI WEALTH and the cost of winding up shall be applied in the following order of priority:
 - (a) in repayment of capital paid up or credited as paid up on the RPS;
 - (b) in payment of arrears of dividend on the RPS up to the date of commencement of the winding up, whether earned or declared or not;
 - (c) the surplus, if any, shall be divided amongst the holders of the equity shares according to the amounts paid up thereon.
- V) The RPS shall be deemed to be allotted on the Effective Date.
- VI) The RPS shall be taken as redeemed and fully discharged on payment of the redemption amount by ITI WEALTH to the holder thereof as per the Register of Preference Shareholder. Such payment will be a legal discharge of the liability of ITI WEALTH towards the Preference Shareholders.
- VII) The record date for distribution of dividend and payment of the redemption amount will be 30 days prior to each dividend distribution date and each redemption date.
- VIII) The Preference Shareholders will not be entitled to any rights and privileges of equity shareholders, other than those available to them under statutory requirements.