COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT
(UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956)

AMONG

MAX LIFE INSURANCE COMPANY LIMITED  – Amalgamating Company 1
MAX FINANCIAL SERVICES LIMITED  – Amalgamated Company 1 / Transferor Company / Amalgamating Company 2
HDFC STANDARD LIFE INSURANCE COMPANY LIMITED  – Transferee Company
MAX INDIA LIMITED  – Amalgamated Company 2

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
1. **OVERVIEW AND OBJECTS OF THIS SCHEME**

1.1 **Brief Overview of the Companies**

1.1.1 **Max Life Insurance Company Limited (“Max Life”):**

(i) Max Life is an unlisted public limited company incorporated under the laws of India, having its registered office at 419, Bhai Mohan Singh Nagar, Railmaja, Tehsil Balachaur, District. Nawanshahr, Punjab – 144 533. The CIN of Max Life is U74899PB2000PLC045626.

(ii) Max Life is an Indian Insurance Company licensed and registered with the IRDAI and is carrying on Life Insurance Business.

(iii) Max Life was originally incorporated as ‘Max New York Life Insurance Company Limited’ on July 11, 2000. The name of Max Life was changed to its present name ‘Max Life Insurance Company Limited’ on July 06, 2012.

(iv) The shares and other securities of Max Life are not listed on any stock exchanges.

1.1.2 **Max Financial Services Limited (“MFSL”):**

(i) MFSL is a listed public limited company incorporated under the laws of India, having its registered office at Bhai Mohan Singh Nagar, Railmaja, Tehsil Balachaur, District. Nawanshahr, Punjab – 144 533. The CIN of MFSL is L24223PB1988PLC008031.

(ii) MFSL is a non-systemically important Core Investment Company and is engaged in the activity of making, nurturing and holding investment in its life insurance subsidiary (i.e. Max Life) and providing management advisory services to various companies.

(iii) MFSL was originally incorporated as ‘Maxxon India Limited’ on February 24, 1988 with the Registrar of Companies, Punjab. The name of MFSL has undergone the following changes:

(a) to ‘Max India Limited’ on July 30, 1993; and

(b) to ‘Max Financial Services Limited’ on February 01, 2016.

(iv) The Equity Shares of MFSL are listed on the Stock Exchanges.

(v) A composite scheme of arrangement in respect of the erstwhile Max India Limited (now MFSL) was approved by the Hon’ble Punjab and Haryana High Court *vide* its order dated December 14, 2015 and made effective from January 15, 2016. Pursuant to the aforesaid composite scheme of arrangement: (i) an undertaking pertaining to the activity of making, holding and nurturing investments in the health and allied activities along with related employees,
contracts, assets and liabilities, and the entire corporate management services of the erstwhile Max India Limited stood demerged, transferred and vested in Taurus Ventures Limited (renamed subsequently as the (new) Max India Limited), on a going concern basis; and (ii) an undertaking pertaining to the activity of making, holding and nurturing investments in the manufacturing activities represented by speciality films activities along with related employees, contracts, assets and liabilities of the erstwhile Max India Limited stood demerged, transferred and vested in Capricorn Ventures Limited (renamed as Max Ventures and Industries Limited) on a going concern basis. Post the demerger, the name of erstwhile Max India Limited was changed to MFSL.

1.1.3 HDFC Standard Life Insurance Company Limited (“HDFC Life”):

(i) HDFC Life is an unlisted public limited company incorporated under the laws of India, having its registered office at Lodha Excelus, 13th floor, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai – 400 011. HDFC Life was incorporated on August 14, 2000. The CIN of HDFC Life is U99999MH2000PLC128245.

(ii) HDFC Life is an Indian Insurance Company licensed and registered with the IRDAI and is carrying on Life Insurance Business.

(iii) The shares and other securities of HDFC Life are not listed on any stock exchanges.

1.1.4 Max India Limited (“Max India”):

(i) Max India is a listed public limited company incorporated under the laws of India, having its registered office at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533. The CIN of Max India is U85100PB2015PLC039155.

(ii) Max India is a non-systemically important Core Investment Company and is engaged in the activity of holding, making and nurturing investments in health and allied sector joint venture / subsidiaries. Max India also provides corporate management services to companies including its group companies / joint ventures in matters relating to functions such as treasury, finance, human resource, taxation, legal and regulatory, secretarial, investor relations, governance, corporate communication and branding, quality and service excellence, business performance and strategy, fund raising and other management advisory services.

(iii) Max India was originally incorporated as Taurus Ventures Limited on January 01, 2015. The name of Taurus Ventures Limited was changed to its present name ‘Max India Limited’ on February 12, 2016.

(iv) The Equity Shares of Max India are listed on the Stock Exchanges.

1.2 Overview of the Scheme of Amalgamation and Arrangement

1.2.1 This Scheme contemplates the following:
(i) amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1 in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(1B) of the IT Act;

(ii) demerger of the Life Insurance Undertaking from the Transferor Company and amalgamation of the Life Insurance Undertaking into and with the Transferee Company in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(19AA) of IT Act; and

(iii) amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2 in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(1B) of the IT Act.

1.2.2 In order to avoid multiplicity of schemes and the consequent increase in effort that may have to be expended by the Merger Entities, the Merger Entities’ shareholders and creditors (as applicable), Courts and Governmental Authorities, the Merger Entities are proposing this composite scheme of amalgamation and arrangement under Section 391-394 of the 1956 Act.

1.2.3 This Scheme shall be effective only upon the receipt of the final approval of the IRDAI in terms of the IRDAI Merger Regulations and the other conditions to effectiveness set out in Clause 6.1 of this Scheme.

1.2.4 After the effectiveness of this Scheme, the listing of: (i) the entire Share Capital of the Transferee Company, including the Equity Shares of the Transferee Company issued as consideration in terms of Part-IV of this Scheme to the shareholders of the Transferor Company (including Public Shareholders and shareholders of Amalgamating Company 1 who received Equity Shares of Amalgamated Company 1 / the Transferor Company pursuant to the amalgamation envisaged in Part-III of this Scheme); and (ii) the Equity Shares issued by Amalgamated Company 2 as consideration in terms of Part-V of this Scheme to the shareholders of Amalgamating Company 2 (including Public Shareholders and shareholders of Amalgamating Company 1 who received Equity Shares of Amalgamated Company 1 / Amalgamating Company 2 pursuant to the amalgamation envisaged in Part-III of this Scheme); with the Stock Exchanges shall be undertaken.

1.2.5 This document is segregated into 6 (six) parts:

(i) Part-I sets out an overview and objects of this Scheme and contains the definitions used in this Scheme and the principles of interpretation pertaining to this Scheme;

(ii) Part-II sets out the capital structure of the Merger Entities;

(iii) Part-III deals with the amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1 in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(1B) of IT Act, the consolidation of the authorised share capital of Amalgamating Company 1 with the authorised share capital of Amalgamated Company 1, the issuance of Equity Shares by Amalgamated Company 1, the consequential change in Share Capital of
Amalgamated Company 1 and the amendment that is to be undertaken to the main objects of Amalgamated Company 1;

(iv) Part-IV deals with the demerger of the Life Insurance Undertaking from the Transferor Company and amalgamation of the Life Insurance Undertaking into and with the Transferee Company in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(19AA) of IT Act, the issuance of Equity Shares by the Transferee Company and the consequential change in Share Capital of the Transferee Company;

(v) Part-V deals with the amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2 in accordance with Sections 391 to 394 of 1956 Act and in compliance with Section 2(1B) of IT Act, the consolidation of the authorised share capital of Amalgamating Company 2 with the authorised share capital of Amalgamated Company 2 and the issuance of Equity Shares by Amalgamated Company 2 and the consequential change in Share Capital of Amalgamated Company 2; and

(vi) Part-VI deals with the general terms and conditions applicable and sets out certain additional arrangements that form a part of this Scheme.

1.3 **Objects of this Scheme**

1.3.1 Max Life is a material subsidiary of MFSL. MFSL is engaged in the business of making, nurturing and holding investments in its life insurance subsidiary. MFSL and Max Life have proposed this Scheme to provide their respective shareholders the opportunity to hold shares directly in a listed life insurance company.

1.3.2 Max Life and HDFC Life, being Indian Insurance Companies carrying on Life Insurance Business, have proposed this Scheme to consolidate the Life Insurance Business of Max Life into and with HDFC Life. Max Life and HDFC Life believe that they have synergies and the product mix of their combined businesses will be well diversified. Max Life and HDFC Life expect that the combined entity arising out of such an arrangement shall have better prospects of growth and shall benefit the present and future policyholders and stakeholders of the combined entity.

1.3.3 This Scheme shall lead to the eventual listing of the Equity Shares of HDFC Life on the Stock Exchanges and ensure that the shareholders of MFSL, including its Public Shareholders, hold Equity Shares in 2 (two) listed entities, namely HDFC Life and Max India, thereby intending to maximise shareholders value. Each Merger Entity believes that this Scheme is in the best interests of itself and its respective shareholders and creditors as it is expected to provide greater financial strength and flexibility and better access to funds.

1.3.4 As mentioned above, MFSL’s business comprises the activity of making, nurturing and holding its investment in Max Life. Other than holding investment in Max Life, MFSL also has certain small value non insurance assets / businesses. HDFC Life, being a life insurance company, seeks to amalgamate only the Life Insurance Undertaking in terms of this Scheme. Post the demerger of the Life Insurance Undertaking into and with HDFC Life, MFSL would be left with certain residuary non insurance assets / businesses. Accordingly, Max India, another Max group entity having diversified
businesses, seeks to subsume the residuary non insurance assets / business and the remaining employees of MFSL.

1.4 Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

1.4.1 “1956 Act” means the Companies Act, 1956;

1.4.2 “2013 Act” means the Companies Act, 2013;

1.4.3 “Accounting Standards” means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;

1.4.4 “Affiliates”, in regard to a Person, means (i) in the case of a Person other than a natural person, any other Person that either directly or indirectly through one or more intermediate Persons, Controls, is controlled by, or is under common Control with such Person; and (ii) in the case of a Person who is a natural person, any relative (as such term is defined in Section 2(77) of the 2013 Act read with Rule 4 of the Companies (Specification of Definitions) Rules, 2014) of such a natural person and any Person, that is either directly or indirectly, through one or more intermediate Persons, controlled by such a natural person or by his / her relative; For the purposes of this definition, the term “Control”, in relation to any Person, means (i) the beneficial ownership, directly or indirectly, of more than fifty (50) per cent. of the voting rights or paid-up share capital of such a Person; or (ii) the right to nominate a majority of the directors or members on the board of directors or other such governing body of that Person; or, (iii) the possession of power to cause direction of the management or policies of such a Person, irrespective of whether the same is encapsulated in a formal agreement, arrangement or understanding; Correlative terms such as “controlling” and “controlled” shall be construed in accordance with this definition;

1.4.5 “Amalgamated Company 1” means MFSL;

1.4.6 “Amalgamated Company 2” means Max India;

1.4.7 “Amalgamating Company 1” means Max Life and its entire undertaking, business, activities and operations pertaining to its Life Insurance Business, including all the assets, liabilities (current or future, known or unknown), obligations, deposits and balances, investments, contracts, intellectual property rights, licenses, employees, proceedings before any Governmental Authorities and books and records pertaining to Max Life;

1.4.8 “Amalgamating Company 2” means MFSL, the residual company left after the amalgamation of Max Life into and with MFSL in terms of Part-III of this Scheme and the demerger of the Life Insurance Undertaking from MFSL and amalgamation of the Life Insurance Undertaking into and with HDFC Life in terms of Part-IV of this Scheme;
1.4.9  **Applicable Laws** means relevant and applicable central, state and local laws of India, including all statutes, enactments, acts of legislature, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, Accounting Standards, policies, administration, directions, directives, decisions, orders, executive orders, decrees, judicial decisions, orders of any Governmental Authority or other similar directives made pursuant to such laws, whether in effect on the date of this Scheme or at any time after such date;

1.4.10  **Appointed Date** means April 01, 2016 or such other date as may be specified by the IRDAI in its final approval for this Scheme in terms of the IRDAI Merger Regulations;

1.4.11  **Assets of the Life Insurance Undertaking** has the meaning assigned to such term in Clause 1.4.36(i) and shall include the Insurance Assets;

1.4.12  **Board of Directors**, in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;

1.4.13  **CBLO** means Collateral Borrowing and Lending Obligation;

1.4.14  **Contracts of the Life Insurance Undertaking** has the meaning assigned to such term in Clause 1.4.36(v);

1.4.15  **Control** has the meaning assigned to such term in Regulation 2(1)(e) of the SAST Regulations;

1.4.16  **Core Investment Company** has the meaning assigned to such term in the ‘Master Circular – Regulatory Framework for Core Investment Companies’ issued by the Reserve Bank of India on July 01, 2015;

1.4.17  **Cost to Company** means and includes the aggregate cost of the following:

   (i) fixed pay including basic wage, cash allowances and flexi pay, employer’s contribution to provident fund and gratuity fund; and

   (ii) variable pay / sales incentive / commissions at target i.e., at the rate of 100% (one hundred percent) target achievement at company and individual levels as per policy of the Transferor Company;

1.4.18  **Courts** mean the High Court of Bombay and the Punjab and Haryana High Court at Chandigarh and **Court** means: (i) with respect to HDFC Life, the High Court of Bombay; and (ii) with respect to MFSL, Max Life and Max India, the Punjab and Haryana High Court at Chandigarh; The term **Courts** or **Court** in this Scheme is deemed to include the relevant National Company Law Tribunal(s) having territorial jurisdiction in the State(s) in which the respective registered offices of the Merger Entities are located, if at any time prior to the Effective Date: (i) such National Company Law Tribunal(s) is empowered to approve compromises, arrangements and amalgamations in terms of Section 231 to 240 of the 2013 Act by the relevant Governmental Authority and (ii) this Scheme is filed with such National Company Law Tribunal(s) or pending the sanction of this Scheme, this Scheme is transferred to the relevant National Company Law Tribunal(s) for its consideration and approval in terms of Applicable Laws;
1.4.19 “Effective Date” has the meaning assigned to such term in Clause 6.2; any references in this Scheme to “upon this Scheme becoming effective” or “upon the effectiveness of this Scheme” or “post effectiveness of this Scheme” or “this Scheme becoming effective” means and refers to the Effective Date;

1.4.20 “Employees of the Life Insurance Undertaking” has the meaning assigned to such term in Clause 1.4.36(viii);

1.4.21 “Equity Shares”, in regard to a company, means the fully paid-up equity shares of such a company;

1.4.22 “Governmental Authority” means the Government of India, State Government(s) and any competent governmental, quasi-governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other law, rule or regulation making entity, including IRDAI, Competition Commission of India, SEBI and Reserve Bank of India and shall include any stock exchanges on which the securities of any of the Parties are / may be listed;

1.4.23 “HDFC Life” has the meaning assigned to such a term in Clause 1.1.3;

1.4.24 “ID Act” means the Industrial Disputes Act, 1947;

1.4.25 “Indian Insurance Company” has the meaning assigned to such term in Section 2(7A) of the Insurance Act;

1.4.26 “Insurance Act” means Insurance Act, 1938;

1.4.27 “Insurance Assets” means and includes (i) all premiums attributable or referable to Life Insurance Policies; (ii) any direct debit mandate, standing order or other instruction in force on the Effective Date, providing for the payment by a bank or other intermediary of premiums or other amounts to Max Life under or in respect of any Life Insurance Policies (iii) rights, benefits and powers under or by virtue of the Life Insurance Policies; (iv) any proposals for insurance not yet accepted and any offer or invitation for insurance made by Max Life; (v) the Shareholder’s Fund pertaining to Max Life; (vi) the Policyholders’ Fund pertaining to Max Life (vii) entitlement of Max Life to carry out in any capacity, including as trustee, any activity in connection with or for the purposes of the Life Insurance Undertaking and (viii) any other rights and entitlement of Max Life pertaining to the Life Insurance Policies;

1.4.28 “Insurance Liabilities and Obligations” means and includes (i) all liabilities and obligations (including confidentiality and privacy obligations) of Max Life in respect of any personal data of any Person which relates to the Life Insurance Policies, and any consent given by any Person in respect of any data provided to Max Life in regard to any Life Insurance Policies; (ii) any liability, mandate or other instruction in force on the Effective Date or which has arisen or accrued after the Appointed Date as to payment, or manner of payment by Max Life of any sum payable under any Life Insurance Policies; (iii) all obligations to administer and negotiate any proposals for insurance which would become Policies upon acceptance; (iv) all obligations to issue a new, additional or replacement Policy to any Person entitled to exercise any right or option granted under the terms of a Policy to receive such a new, additional or
replacement Policy; and (v) any other outstanding liability or obligation of Max Life pertaining to the Life Insurance Policies;

1.4.29 “IPR of the Life Insurance Undertaking” has the meaning assigned to such term in Clause 1.4.36(vi);

1.4.30 “IRDAI Merger Regulations” means the Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013;

1.4.31 “IRDAI” means the Insurance Regulatory and Development Authority of India established under Section 3 of the Insurance Regulatory and Development Authority Act, 1999;

1.4.32 “IT Act” means the Income-tax Act, 1961;

1.4.33 “Liabilities of the Life Insurance Undertaking” has the meaning assigned to such term in Clause 1.4.36(ii) and includes the Insurance Liabilities and Obligations;

1.4.34 “Licenses of the Life Insurance Undertaking” has the meaning assigned to such term in Clause 1.4.36(vii);

1.4.35 “Life Insurance Business” has the meaning assigned to such term in Section 2(11) of the Insurance Act;

1.4.36 “Life Insurance Undertaking” means the entire undertaking, business, activities and operations of the Transferor Company pertaining to its Life Insurance Business, including the Life Insurance Business of Amalgamating Company 1 vested (whether actually registered or recorded in the name of the Transferor Company or not) in the Transferor Company through the amalgamation of Amalgamating Company 1 in terms of Part-III of this Scheme, including all the assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records pertaining to such Life Insurance Business and specifically includes any and all of the following:

(i) assets and property (wherever located, including in the possession of third parties) pertaining to such Life Insurance Business (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including Insurance Assets, office buildings, capital work-in-progress, furniture, fixtures, office equipment, computer software (including assets which are licensed, leased or otherwise) and licenses, appliances, accessories, vehicles, financial assets, cash and bank balance, application monies, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licenses, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies, security arrangements, receivables, claims against any third parties, guarantees, letters of credit, reversions, tenancies and other such arrangements or facilities, authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by Governmental Authorities, consents, privileges, liberties, advantages,
easements, exemptions, incentives receivable under Applicable Laws or in terms of any schemes or policies of Governmental Authorities, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to as the successor or successor-in-interest of Max Life and all other interests in connection with or relating to such Life Insurance Business, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to such Life Insurance Business and any of its equipment, whether on leasehold land or otherwise (collectively, “Assets of the Life Insurance Undertaking”);

(ii) debts, borrowings, duties, guarantees, and liabilities including, Insurance Liabilities and Obligations, current tax (including income tax, service tax, value added tax, sales tax, etc.) and deferred tax balances, contingent liabilities, present or future, relating to, or arising out of the activities or operations of such Life Insurance Business, including specific loans and borrowings (if any), and any current liabilities incurred and utilised solely for the activities or business or operation of such Life Insurance Business, all assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any contract or tort based on negligence or strict liability), whether provided for or not in the books of accounts or disclosed in the financial statements pertaining to such Life Insurance Business (collectively, “Liabilities of the Life Insurance Undertaking”);

(iii) deposits and balances with banks, Governmental Authorities, customers and other Persons, advance monies, earnest monies, payment against warrants or other entitlements, premium or policy payment received and, or, security deposits (including interest) paid or received, directly or indirectly, in connection such Life Insurance Business;

(iv) investments of all kinds (including shares and other securities whether in dematerialised or physical form, scrips, stocks, bonds, debenture stock, units, pass through certificates, security receipts, government securities, reverse repo, state government securities, treasury bills, CBLO, corporate bonds, exchange traded funds, certificate of deposit, commercial papers, venture capital units, fixed deposit, loans and mutual fund units) pertaining to such Life Insurance Business, including all investments made out of Policyholders’ Funds or Shareholders’ Funds (including investments in discontinued funds, policyholders’ unclaimed funds, amounts receivable from reinsurers, outstanding premium, amounts receivable from counterparties to derivative contracts and receivables from any parties under any agreements in force), non-unit reserves of unit linked insurance business, participating and non-participating funds of policy holders at their carrying value, all investments made out of Policyholders’ Funds of pension, annuity business and group
business at their carrying value, all investments made out of Policyholders’ unit reserves of unit linked insurance business at their market value, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, buildings, structures and offices held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to as the successor or successor-in-interest of Max Life;

(v) contracts, life insurance contracts, life insurance policies, agreement with custodian, reinsurance contracts, actuarial software contracts, derivative contracts, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, know your customer documents, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature pertaining to such Life Insurance Business, including agreements with any Governmental Authority, sale agreements, agreements to sell, equipment purchase agreements, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements and contracts with the supplier of goods or service providers or any agreement / contract / understanding / arrangement with a contractor for supply of manpower, and all rights, title, interests, claims and benefits, of whatsoever nature, which pertain to such Life Insurance Business (collectively, “Contracts of the Life Insurance Undertaking”);

(vi) intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, technical know-how, domain names, trade names, service marks, copyrights, designs and domain names, including applications made in regard to such intellectual property rights with Governmental Authorities, used by or held for use in connection with such Life Insurance Business, whether or not recorded in the books of accounts, and other intellectual property rights of any nature whatsoever, books, records, files, papers, process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form, relating to such Life Insurance Business (collectively, “IPR of the Life Insurance Undertaking”); provided, however, the intellectual property rights conditionally licensed to HDFC Life as described in of Clause 6.11 of this Scheme shall not form a part of the IPR of the Life Insurance Undertaking;

(vii) licenses, consents, approvals and permits (including the licenses granted by Governmental Authorities for the purpose of carrying on the relevant business
or in connection therewith), permissions, approvals, consents, authorizations, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, allotments, concessions, certifications, liberties, advantages, subsidies, certificates, tenancies, accumulated balances of credits under any Applicable Laws, including tax laws for the time being in force, including income tax benefits and exemptions (including the right to claim tax holiday under the IT Act), tax deferrals and benefits (including sales tax and service tax), central value added tax credits, interest tax credits, minimum alternate tax and other income-tax credits, sales tax credits, no-objection certificates, any other tax paid in advance or in excess or provisionally, benefit of any exemptions, privileges, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities and other services, and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever, including easements, tenancies, privileges and similar rights, whether statutory or otherwise, and any waiver of the foregoing, issued by any Governmental Authorities used or held for use in connection with such Life Insurance Business (collectively, “Licenses of the Life Insurance Undertaking”);

(viii) all employees, probationers, permanent employees, temporary employees, trainees, interns employed / engaged, in connection with such Life Insurance Business as on the Effective Date (collectively, “Employees of the Life Insurance Undertaking”); and

(ix) books, records, papers, files, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information, whether in physical or electronic form, directly or indirectly relating to such Life Insurance Business;

1.4.37 “Life Insurance Policies” means every Policy of Max Life including: (i) all Policies subsisting as on the Effective Date; (ii) Policies written by Max Life which have lapsed on or before Effective Date and which are reinstated after the Effective Date; and (iii) all proposals for insurance made to Max Life and every offer or invitation for insurance made by Max Life before Effective Date which have not become Policies in force by Effective Date but which subsequently become Policies;

1.4.38 “Max India” has the meaning assigned to such a term in Clause 1.1.4;

1.4.39 “Max Life” has the meaning assigned to such a term in Clause 1.1.1;

1.4.40 “Merger Entities” means Max Life, MFSL, HDFC Life and Max India;

1.4.41 “MFSL” has the meaning assigned to such a term in Clause 1.1.2; For the avoidance of doubt, it is clarified that the term “MFSL” when used in this Scheme (i) in the context of the amalgamation contemplated in Part-III of this Scheme, means MFSL, as it exists immediately prior to this Scheme becoming effective; (ii) in the context of the demerger contemplated in Part-IV of this Scheme, means MFSL post the amalgamation of Max Life into and with MFSL, but prior to the demerger of the Life Insurance Undertaking contemplated in Part-IV of this Scheme; and (iii) in the context of the amalgamation contemplated in Part-V of this Scheme, means MFSL post the demerger of the Life
Insurance Undertaking and amalgamation of the Life Insurance Undertaking into and with HDFC Life but prior to the amalgamation contemplated in Part-V of this Scheme;

1.4.42 “Person” means and includes any natural person, limited or unlimited liability company, corporation, limited or unlimited liability partnership firm, proprietorship firm, Hindu undivided family, trust, union, association or Governmental Authority or any other entity that may be treated as a person under Applicable Laws;

1.4.43 “Policy” means an insurance contract whether in the form of a policy or a Cover (as defined under Regulation 2(c) of the Insurance Regulatory and Development Authority (Protection of Policyholders’ Interests) Regulations, 2002) or a certificate of insurance;

1.4.44 “Policyholder” has the meaning assigned to such term in Section 2(2) of the Insurance Act;

1.4.45 “Policyholders’ Fund” has the meanings assigned to such term in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 and the circulars and guidelines issued thereunder;

1.4.46 “Promoter Group” has the meaning assigned to such term in Regulation 2(1)(zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

1.4.47 “Promoter” has the meaning assigned to such term in Regulation 2(1)(za) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

1.4.48 “Public Shareholders” in regard to a company, means shareholders of such company which are within the meaning of “public”, as the term is defined in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957;

1.4.49 “Record Date 1” means the date to be fixed in terms of Clause 3.5, for the purpose of issue of Equity Shares by Amalgamated Company 1 to the shareholders of Amalgamating Company 1 in terms of Part-III of this Scheme;

1.4.50 “Record Date 2” means the date to be fixed in terms of Clause 4.2, for the purpose of issue of Equity Shares by the Transferee Company to the shareholders of the Transferor Company in terms of Part-IV of this Scheme;

1.4.51 “Record Date 3” means the date to be fixed in terms of Clause 5.4 of this Scheme, for the purpose of issue of Equity Shares by Amalgamated Company 2 to the shareholders of Amalgamating Company 2 in terms of Part-V of this Scheme;

1.4.52 “Registrar of Companies” means (i) with respect to HDFC Life, the Registrar of Companies, Maharashtra at Mumbai; and (ii) with respect to MFSL, Max Life and Max India, the Registrar of Companies, Punjab at Chandigarh;

1.4.53 “SAST Regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

1.4.54 “Scheme” means this composite scheme of amalgamation and arrangement, along with all Schedules, and as modified or amended from time to time in accordance with Applicable Laws;
1.4.55 “SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;

1.4.56 “Share Capital”, in regard to a company, means the total issued, subscribed and paid up share capital of such a company;

1.4.57 “Share Entitlement Ratio” has the meaning assigned to such a term in Clause 4.3.2;

1.4.58 “Share Exchange Ratio 1” has the meaning assigned to such a term in Clause 3.6.2;

1.4.59 “Share Exchange Ratio 2” has the meaning assigned to such a term in Clause 5.6.2;

1.4.60 “Shareholders’ Fund” has the meanings assigned to such term in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the circulars and guidelines issued thereunder;

1.4.61 “Stock Exchanges” means collectively BSE Limited and the National Stock Exchange of India Limited;

1.4.62 “TDS” means Tax Deducted at Source as understood under the IT Act;

1.4.63 “Transferee Company” means HDFC Life; and

1.4.64 “Transferor Company” means MFSL post the amalgamation of Max Life into and with MFSL in terms of Part-III of this Scheme. For the avoidance of doubt, it is clarified that “Transferor Company” means and includes MFSL in its capacity as a successor / successor-in-interest of Max Life.

1.5 Interpretation

1.5.1 References to “Sections 391-394 of 1956 Act” or “Sections 391 to 394 of 1956 Act” in this Scheme means and includes references to Section 231 to 240 of the 2013 Act as and when such provisions are made effective in accordance with Applicable Laws. Any references to Sections of the 1956 Act shall be deemed to include references to the equivalent provisions of the 2013 Act, as and when such provisions are made effective in accordance with Applicable Laws.

1.5.2 In this Scheme, unless the context otherwise requires:

(i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;

(ii) the words “directly or indirectly” mean directly or indirectly through one or more Affiliates, associates, relatives or other intermediary Persons and “direct or indirect” shall have the correlative meanings;

(iii) any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
(iv) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

(v) the words “other”, “or otherwise” and “whatsoever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

(vi) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

(vii) the term “Clause” refers to the specified clause of this Scheme;

(viii) 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 legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;

(ix) in addition to the defined terms under Clause 1.4, certain terms are defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them;

(x) references to one gender includes all genders; and

(xi) words in the singular shall include the plural and *vice versa.*
PART-II: CAPITAL STRUCTURE

2. [CAPITAL STRUCTURE]¹

2.1 Max Life

2.1.1 The capital structure of Max Life as on March 31, 2016 was as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong></td>
<td></td>
</tr>
<tr>
<td>300,00,00,000 Equity Shares of Rs. 10 each</td>
<td>3,00,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,00,00,00,000</strong></td>
</tr>
<tr>
<td><strong>Issued, Subscribed and Paid-up Share Capital</strong></td>
<td></td>
</tr>
<tr>
<td>191,88,12,856 Equity Shares of Rs. 10 each</td>
<td>1,91,81,28,560</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,91,81,28,560</strong></td>
</tr>
</tbody>
</table>

2.1.2 The capital structure of Max Life has not undergone any changes and as on August 08, 2016 the capital structure of Max Life continues to be as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong></td>
<td></td>
</tr>
<tr>
<td>300,00,00,000 Equity Shares of Rs. 10 each</td>
<td>3,00,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,00,00,00,000</strong></td>
</tr>
<tr>
<td><strong>Issued, Subscribed and Paid-up Share Capital</strong></td>
<td></td>
</tr>
<tr>
<td>191,88,12,856 Equity Shares of Rs. 10 each</td>
<td>1,91,81,28,560</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,91,81,28,560</strong></td>
</tr>
</tbody>
</table>

2.1.3 Max Life is a subsidiary of MFSL. As on August 08, 2016 MFSL legally and beneficially held 132,42,10,379 (one hundred thirty two crore forty two lac ten thousand three hundred and seventy nine) Equity Shares of Max Life, representing 69.01% (sixty nine point zero one per cent) of the Share Capital of Max Life.

2.1.4 The shares and other securities of Max Life are, at present, not listed on any stock exchange, whether in India or in any other country.

2.2 MFSL

2.2.1 The capital structure of MFSL as on March 31, 2016 was as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong></td>
<td></td>
</tr>
<tr>
<td>30,00,00,000 Equity Shares of Rs. 2 each</td>
<td>60,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60,00,00,000</strong></td>
</tr>
<tr>
<td><strong>Issued, Subscribed and Paid-up Share Capital</strong></td>
<td></td>
</tr>
<tr>
<td>26,69,83,999 Equity Shares of Rs. 2 each</td>
<td>53,39,67,998</td>
</tr>
</tbody>
</table>

¹ All details in Part-II are to be updated as of the end of the month prior to month in which the Scheme is being filed with the Courts
Certain employee stock options granted to the employees of MFSL may get exercised before the Effective Date, as the case may be. The details of the unexercised employee stock options (net of cancellation) of the employees of MFSL as on March 31, 2016 are set out below:

<table>
<thead>
<tr>
<th>Unexercised Employee Stock Options</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,03,560 options entitling equivalent Equity Shares of Rs. 2 each</td>
<td>50,07,120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,07,120</strong></td>
</tr>
</tbody>
</table>

Subsequently, the capital structure of MFSL has undergone certain changes and as on August 08, 2016 the capital structure of MFSL is as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong></td>
<td></td>
</tr>
<tr>
<td>30,00,00,000 Equity Shares of Rs. 2 each</td>
<td>60,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60,00,00,000</strong></td>
</tr>
<tr>
<td><strong>Issued, Subscribed and Paid-up Share Capital</strong></td>
<td></td>
</tr>
<tr>
<td>26,70,22,899 Equity Shares of Rs. 2 each</td>
<td>53,40,45,798</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53,40,45,798</strong></td>
</tr>
</tbody>
</table>

The Equity Shares of MFSL are listed on the Stock Exchanges.

HDFC Life

The capital structure of HDFC Life as on March 31, 2016 was as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong></td>
<td></td>
</tr>
<tr>
<td>3,00,00,00,000 Equity Shares of Rs. 10 each</td>
<td>30,00,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,00,00,00,000</strong></td>
</tr>
<tr>
<td><strong>Issued, Subscribed and Paid-up Share Capital</strong></td>
<td></td>
</tr>
<tr>
<td>1,99,52,88,138 Equity Shares of Rs. 10 each</td>
<td>19,95,28,81,380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,95,28,81,380</strong></td>
</tr>
</tbody>
</table>

*The details of the unexercised employee stock options (net of cancellation) of the employees of HDFC Life as on March 31, 2016 are set out below:
Unexercised Employee Stock Options | Amount in Rs.
--- | ---
3,43,06,377 options entitling equivalent Equity Shares of Rs. 10 each | 34,30,63,770

Total | 34,30,63,770

2.3.2 Subsequently, the capital structure of HDFC Life has undergone certain changes and as on August 08, 2016 the capital structure of HDFC Life is as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td></td>
</tr>
<tr>
<td>3,00,00,00,000 Equity Shares of Rs. 10 each</td>
<td>30,00,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,00,00,00,000</strong></td>
</tr>
<tr>
<td>Issued, Subscribed and Paid-up Share Capital**</td>
<td></td>
</tr>
<tr>
<td>1,99,70,83,264 Equity Shares of Rs. 10 each</td>
<td>19,97,08,32,640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,97,08,32,640</strong></td>
</tr>
</tbody>
</table>

**Certain employee stock options granted to the employees of HDFC Life which are vested may get exercised before the Effective Date. The details of the unexercised employee stock options (net of cancellation) of the employees of HDFC Life as on August 08, 2016 are set out below:

Unexercised Employee Stock Options | Amount in Rs.
--- | ---
2,92,44,415 options entitling equivalent Equity Shares of Rs. 10 each | 29,24,44,150

**Total** | **29,24,44,150**

2.3.3 The shares and other securities of HDFC Life are, at present, not listed on any stock exchange, whether in India or in any other country.

2.4 Max India

2.4.1 The capital structure of Max India as on March 31, 2016 was as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td></td>
</tr>
<tr>
<td>300,00,00,000 Equity Shares of Rs. 2 each</td>
<td>600,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>600,00,00,000</strong></td>
</tr>
<tr>
<td>Issued, Subscribed and Paid-up Share Capital</td>
<td></td>
</tr>
<tr>
<td>250,000 Equity Shares of Rs. 2 each</td>
<td>5,00,000</td>
</tr>
</tbody>
</table>
| **Total** | **5,00,000**

2.4.2 Subsequently, the capital structure of Max India has undergone certain changes and as on August 08, 2016 the capital structure of Max India is as under:

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised Capital</td>
<td></td>
</tr>
<tr>
<td>300,00,00,000 Equity Shares of Rs. 2 each</td>
<td>600,00,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>600,00,00,000</strong></td>
</tr>
<tr>
<td>Issued, Subscribed and Paid-up Share Capital***</td>
<td></td>
</tr>
</tbody>
</table>

---
## In terms of the Composite Scheme of Arrangement amongst Max Financial Services Limited (formerly known as ‘Max India Limited’) (‘MFSL’), Max India Limited (formerly known as ‘Taurus Ventures Limited’) and Max Ventures and Industries Limited (formerly known as ‘Capricorn Ventures Limited’) (MVIL) and their respective shareholders and creditors, as sanctioned by the Hon’ble High Court of Punjab & Haryana vide order dated December 14, 2015, employees of MFSL who held 2,503,560 stock options and which options were outstanding as on effective date of the said scheme, i.e. January 15, 2016, are eligible for 2,503,560 stock options of Max India under a new ESOP scheme on similar terms and conditions. Max India is in the process of implementation of the said ESOP scheme.

2.4.3 The Equity Shares of Max India are listed on the Stock Exchanges.
PART-III: AMALGAMATION OF AMALGAMATING COMPANY 1 INTO AND WITH AMALGAMATED COMPANY 1

3. AMALGAMATION OF AMALGAMATING COMPANY 1 INTO AND WITH AMALGAMATED COMPANY 1

3.1 Vesting of assets, liabilities and entire business of Amalgamating Company 1 into and with Amalgamated Company 1

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the present and future assets and liabilities of Amalgamating Company 1, whether known or unknown, and the entire business of Amalgamating Company 1, including the Life Insurance Business, shall stand transferred to and vested in Amalgamated Company 1, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, in accordance with Sections 391 to 394 of the 1956 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

3.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

(i) all assets of Amalgamating Company 1 that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in Amalgamated Company 1, wherever located, and shall become the property and an integral part of Amalgamated Company 1 in terms of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) all other movable properties of Amalgamating Company 1, including investments in shares and any other securities, investments made out of Policyholders’ Funds or Shareholders’ Funds (including investments in discontinued funds, policyholders’ unclaimed funds, amounts receivable from reinsurer, outstanding premium, amounts receivable from counterparties to the derivative contracts and receivables from any party under any agreements in force), non-unit reserves of unit linked insurance business, participating and non-participating funds of policy holders at their carrying value, all investments made out of Policyholders’ Funds of pension, annuity business and group business at their carrying value, all investments made out of Policyholders’ unit reserves of unit linked insurance business at their market value, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, scrips, stocks, bonds, debenture stock, units, pass through certificates, security receipts, government securities, state government securities, CBLO, corporate bonds, exchange traded funds, certificate of deposit, commercial papers, venture
capital units, fixed deposit, mutual fund units, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons, shall without any further act or deed, become the property of Amalgamated Company 1 and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. For the avoidance of doubt, it is clarified that the Insurance Assets and investments of Amalgamating Company 1 shall, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 1 on the Appointed Date.

(iii) all leased / licensed immovable properties of Amalgamating Company 1, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Amalgamating Company 1, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in Amalgamated Company 1, without any further act or deed, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme. Amalgamated Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to Amalgamated Company 1.

(iv) all debts, liabilities, contingent liabilities, present or future, duties and obligations of the Amalgamating Company 1, secured or unsecured, whether known or unknown, including the Insurance Liabilities and Obligations, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Amalgamated Company 1, without any further act or deed, and Amalgamated Company 1 shall discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that 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 Clause.

(v) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses to which Amalgamating Company 1 is a party or to the benefits of which Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, including the agreement executed by Amalgamating Company 1 with its custodian, reinsurance contracts, actuarial software contracts, derivative contracts, those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in
relation to Amalgamating Company 1, agreements with service providers or contractors for the supply of manpower or contract labour, shall be and remain in full force and effect on, against or in favour of Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of Amalgamating Company 1, Amalgamated Company 1 had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, Life Insurance Policies, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Amalgamating Company 1 or to the benefits of which Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company 1. All agreements to which Amalgamating Company 1 is a party or to the benefits of which Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company 1 on the same terms and conditions. Amalgamated Company 1 and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.

(vi) any notices, disputes, pending suits / appeals, legal, taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to Amalgamating Company 1 (including before any tax authority or tribunal), whether by or against Amalgamating Company 1, whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Amalgamating Company 1 or by anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against Amalgamated Company 1 in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against Amalgamating Company 1, as if this Scheme had not been implemented.

(vii) all the property, assets and liabilities of Amalgamating Company 1 shall be transferred by Amalgamating Company 1 to Amalgamated Company 1 at the values appearing in the books of account of Amalgamating Company 1 on the Appointed Date. The accounts of Amalgamated Company 1 shall be reconstructed in accordance with Applicable Laws and the relevant provisions of this Scheme.

(viii) (a) all employees, probationers, permanent employees, temporary employees, trainees and interns of Amalgamating Company 1 shall become employees, probationers, permanent employees, temporary
employees, trainees and interns, in the same capacity, as the case may be, of Amalgamated Company 1 with effect from the Effective Date, on such terms and conditions as are no less favourable, than those on which they are engaged by Amalgamating Company 1, without any interruption of service as a result of this amalgamation and transfer.

(b) In regard to employees of Amalgating Company 1 who qualify as “workmen” under the ID Act and who are being transferred to Amalgamated Company 1 in terms of this Scheme, Amalgamated Company 1 confirms that it shall comply with the provisions of Section 25FF of the ID Act, to the extent applicable.

(c) With regard to provident fund, gratuity, leave encashment, deferred cash benefits, long term incentive plans, and any other special scheme or benefits created or existing for the benefit of such employees of Amalgamating Company 1, including the phantom stock option plan of the Amalgamating Company 1, upon this Scheme becoming effective, Amalgamated Company 1 shall stand substituted for Amalgamating Company 1 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by Amalgamating Company 1, in accordance with the provisions of Applicable Laws or otherwise. Upon the Scheme becoming effective, the Amalgamated Company 1 shall have the right to wind up / extinguish such trusts / funds of the Amalgamating Company 1 for which it has been substituted and transfer all benefits and liabilities accrued to the employees covered under such trusts / funds, to any of its own trusts / funds maintained in respect of such provident fund, gratuity, leave encashment and any other special schemes or benefits created or existing for the benefit of its own employees, on no less favourable terms and conditions, subject to obtaining necessary approvals in this regard, if any. For the avoidance of doubt, it is clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Amalgamating Company 1 for such purpose shall be treated as having been continuous.

(d) Amalgamated Company 1 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other statutory / leave / terminal benefits to the employees of Amalgamating Company 1, the past services of such employees with Amalgamating Company 1 shall also be taken into account and the Transferee Company shall make the payment of retrenchment compensation, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable.

(e) Upon this Scheme becoming effective, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee’s position, compensation, or benefits), payroll records,
medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its employees and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to Amalgamated Company 1 which shall continue to abide by any agreement(s) / settlement(s) entered into by Amalgamating Company 1 with any of its employees prior to the Appointed Date and from the Appointed Date till Effective Date.

(ix) all the intellectual property rights of any nature whatsoever of Amalgamating Company 1 shall stand transferred to and vested in Amalgamated Company 1.

(x) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.), deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of Amalgamating Company 1, including all or any refunds or claims shall be treated as the tax liability or refunds / credits / claims, as the case may be, of Amalgamated Company 1 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to Amalgamating Company 1, shall pursuant to this Scheme becoming effective, be available to Amalgamated Company 1.

(xi) all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by Governmental Authorities for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description whatsoever in relation to Amalgamating Company 1, or to the benefit of which Amalgamating Company 1 may be eligible / entitled and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of Amalgamating Company 1, Amalgamated Company 1 had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company 1 pursuant to the sanction of this Scheme by the Court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company 1 shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

(xii) benefits of any and all corporate approvals as may have already been taken by Amalgamating Company 1, including approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297, and 372A of the 1956 Act and Sections 42, 62(1A), 180, 185, 186 and 188 of the 2013 Act shall stand transferred to Amalgamated Company 1 and the said corporate approvals and compliances
shall be deemed to have been taken / complied with by Amalgamated Company 1.

(xiii) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by Amalgamating Company 1 shall be deemed to have been accrued to and, or, acquired for and on behalf of Amalgamated Company 1 and shall, upon this Scheme becoming effective without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in Amalgamated Company 1 to that extent and shall become the estates, assets, right, title, interests and authorities of Amalgamated Company 1.

(xiv) the Board of Directors of Amalgamating Company 1 and Amalgamated Company 1 shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 3.1.2 of this Scheme.

3.1.3 Upon this Scheme becoming effective and the consequent amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1, the secured creditors of Amalgamated Company 1, if any, shall continue to be entitled to security over only such properties and assets forming part of Amalgamated Company 1, as existing immediately prior to the amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1. For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company 1 and Amalgamated Company 1 which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Amalgamated Company 1. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.

3.2 Saving of Concluded Transactions

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company 1 as envisaged in this Part-III shall not affect any transaction or proceedings already concluded by the Amalgamating Company 1 on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company 1 accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company 1 in respect thereto as done and executed on behalf of itself.

3.3 Conduct of business until Effective Date

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

(i) Amalgamating Company 1 undertakes to carry on and shall be deemed to have carried on the business activities of Amalgamating Company 1 and stand possessed of the properties and assets of Amalgamating Company 1, for and on account of and in trust for Amalgamated Company 1; and

(ii) all profits or income arising or accruing to or received by Amalgamating Company 1 and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax,
3.4 Transfer of authorised share capital of Amalgamating Company 1 to Amalgamated Company 1

3.4.1 Upon this Scheme becoming effective and with effect from the Appointed Date the authorised share capital of Amalgamating Company 1 shall stand transferred to and be merged with the authorised share capital of Amalgamated Company 1, without any liability for payment of any additional fees or stamp duty.

3.4.2 Upon this Scheme becoming effective and consequent to transfer of the existing authorised share capital of Amalgamating Company 1 in accordance with Clause 3.4.1, the authorised share capital of Amalgamated Company 1 of Rs. 60,00,00,000 (Indian rupees sixty crores), divided into 30,00,00,000 (thirty crore) Equity Shares of Rs. 2 (Indian rupees two) each, shall stand increased by an aggregate amount of Rs. 3,000,00,00,000 (Indian rupees three thousand crores), and the resultant authorised share capital of Amalgamated Company 1 shall be Rs. 3,060,00,00,000 (Indian rupees three thousand and sixty crores), divided into 1,530,00,00,000 (one thousand five hundred and thirty crores) Equity Shares of Rs. 2 (Indian rupees two) each. Accordingly, Clause V of the Memorandum of Association of Amalgamated Company 1 shall stand modified and be substituted by the following:

“The Authorised Share Capital of the Company is Rs. 3,060,00,00,000 (Indian rupees three thousand and sixty crores), divided into 1,530,00,00,000 (one thousand five hundred and thirty crores) Equity Shares of Rs. 2 (Indian rupees two) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes / kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide.”

3.4.3 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of Amalgamated Company 1 and, or, Amalgamating Company 1, as the case may be, undergoes any change, either as a consequence of any corporate actions or otherwise, then this Clause 3.4 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

3.4.4 The consent of the shareholders of Amalgamating Company 1 and Amalgamated Company 1 to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clause 3.4 of this Scheme to the Memorandum of Association of Amalgamated Company 1, and no further resolutions, whether under Sections 13 of the 2013 Act, any other applicable provisions of the 1956 Act or the 2013 Act or under the Articles of Association of Amalgamated Company 1, shall be required to be separately passed, nor shall Amalgamated Company 1 be required to file any separate return with the concerned Registrar of Companies or pay any additional registration fees, stamp duty, etc.
3.5 **Record Date 1**

The Board of Directors of Amalgamated Company 1 shall, after procuring the consent of the respective Board of Directors of the other Merger Entities, determine Record Date 1 (which shall be a date falling prior to the date on which Equity Shares are issued and allotted by the Transferee Company in terms of Part-IV of this Scheme) for issue and allotment of Equity Shares of Amalgamated Company 1 to the relevant shareholders of Amalgamating Company 1 in terms of Clause 3.6. On determination of Record Date 1, Amalgamating Company 1 shall provide to Amalgamated Company 1, the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in Amalgamated Company 1 in terms of this Scheme in order to enable Amalgamated Company 1 to issue and allot such Equity Shares to such shareholders of Amalgamating Company 1. It is hereby clarified that, the Board of Directors of the Merger Entities may, if they deem fit and subject to the requirement in Clause 4.2 that Record Date 2 be a date after the date on which Amalgamated Company 1 allots shares in terms of Part-III of this Scheme, decide to have 1 (one) “record date” for 2 (two) or more parts of this Scheme, and the provisions of this Clause 3.5 shall not act as a bar against such discretion vested with the Board of Directors of the Merger Entities.

3.6 **Issue of Shares**

3.6.1 Upon this Scheme becoming effective, the shareholders of Amalgamating Company 1 as of Record Date 1, other than the Amalgamated Company 1 itself, shall be entitled to receive Equity Shares of Amalgamated Company 1 as detailed in this Clause 3.6 of this Scheme.

3.6.2 Amalgamating Company 1 and Amalgamated Company 1 have engaged M/s S.R. Batliboi & Co. LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, M/s S.R. Batliboi & Co. LLP, has issued a valuation report dated August 08, 2016. Amalgamated Company 1 had engaged M/s CLSA India Private Limited, Merchant Bankers, to provide a fairness opinion on share exchange ratio adopted under this Scheme. In connection with such engagement, M/s CLSA India Private Limited, Merchant Banker has issued a fairness opinion dated August 08, 2016. The Board of Directors of Amalgamating Company 1 and Amalgamated Company 1 have determined the share exchange ratio as 1 (one): 4.98433 (four point nine eight four three three), i.e., 1 (one) Equity Share of the Amalgamated Company 1 : 4.98433 (four point nine eight four three three) Equity Shares of the Amalgamating Company 1 (“Share Exchange Ratio 1”), based on their independent judgment and after taking into consideration the aforesaid valuation report and fairness opinion at their respective meetings held on August 08, 2016.

3.6.3 Amalgamated Company 1 shall issue and allot Equity Shares of Amalgamated Company 1 as per Share Exchange Ratio 1 to the shareholders of Amalgamating Company 1, other than the Amalgamated Company 1 itself on Record Date 1, i.e., 1 (one) Equity Share having a face value of Rs. 2 (Indian rupees two) each of Amalgamated Company 1 shall be issued and allotted for every 4.98433 (four point nine eight four three three) Equity Shares having a face value of Rs. 10 (Indian rupees ten) each of Amalgamating Company 1. No consideration shall be payable by Amalgamated Company 1 for the Equity Shares of Amalgamating Company 1 held by Amalgamated Company 1 (either held directly or through its nominee shareholders in Amalgamating Company 1).
3.7 Issuance mechanics and other relevant provisions

3.7.1 In the event that Amalgamating Company 1 and, or, Amalgamated Company 1, as the case may be, change their capital structures either by way of any increase (by issue of Equity Shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner (except in case of issuance of Equity Shares by Amalgamated Company 1 upon exercise of the employee stock options by the holders of such options, to the extent mentioned in Clause 2 hereof), which would have the effect of bringing some change to the capital structures of such company(ies), subject to the approval of the Merger Entities, Share Exchange Ratio 1 shall be modified / adjusted in terms of Clause 6.7, to take into account the effect of such corporate actions.

3.7.2 Subject to Applicable Laws, the Equity Shares of Amalgamated Company 1 that are to be issued in terms of Clause 3.6 may be issued in dematerialised form or in physical form through individual or consolidated (for all shareholders) share certificate(s). The Board of Directors of Amalgamated Company 1 shall determine the mode and manner of issuance of such Equity Shares. The register of members maintained by Amalgamated Company 1 and, or, other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company 1, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of Directors of Amalgamated Company 1) be updated to reflect the issue of Equity Shares in terms of Clause 3.6. The shareholders of Amalgamating Company 1 shall provide such confirmation, information and details as may be required by Amalgamated Company 1 to enable it to issue the aforementioned Equity Shares and it shall be deemed that the relevant shareholders have consented to receive such Equity Shares in the form determined by the Board of Directors of Amalgamated Company 1.

3.7.3 For the purpose of the allotment of Equity Shares of Amalgamated Company 1 pursuant to Clause 3.6, in case any member’s holding in Amalgamating Company 1 is such that the member becomes entitled to a fraction of an Equity Share of Amalgamated Company 1, Amalgamated Company 1 shall issue shares to such members for the whole number ignoring such fractions.

3.7.4 Equity Shares to be issued by Amalgamated Company 1 pursuant to Clause 3.6 in respect of Equity Shares of the shareholders of Amalgamating Company 1 which are held in abeyance shall also be kept in abeyance.

3.7.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company 1, the Board of Directors of Amalgamating Company 1 shall be empowered in appropriate cases, prior to, or even subsequent to, the Record Date 1, to effectuate such a transfer in Amalgamating Company 1 as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in Amalgamating Company 1 and in relation to the Equity Shares issued by Amalgamated Company 1 upon the effectiveness of this Scheme. The Board of Directors of Amalgamated Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Amalgamated Company 1 on account of difficulties faced in the transition period.
3.7.6 The Equity Shares to be issued and allotted by Amalgamated Company 1 in terms of Clause 3.6 shall be subject to the provisions of the Memorandum of Association and Articles of Association of Amalgamated Company 1 and shall rank pari passu in all respects with the existing Equity Shares of Amalgamated Company 1.

3.8 Dissolution of Amalgamating Company 1

Upon this Scheme becoming effective, Amalgamating Company 1 shall stand dissolved without being wound-up, without any further act or deed.

3.9 Taxes

3.9.1 The provisions of Part-III of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Part-III of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid section at a later date (not being a date after the Effective Date), including resulting from an amendment of law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall, subject to the approval of the Merger Entities in terms of Clause 6.7, stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

3.9.2 The tax payments (including income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company 1 after the Appointed Date until this Scheme becomes effective, shall be deemed to be paid by Amalgamated Company 1 and shall, in all proceedings, be dealt with accordingly.

3.9.3 Without prejudice to the generality of the above, all benefits, incentives, losses (including book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including income tax, minimum alternate tax, tax deducted at source, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which Amalgamating Company 1 is entitled to, shall be available to and vest in Amalgamated Company 1, in terms of Applicable Laws, upon this Scheme becoming effective.

3.9.4 All tax assessment proceedings / appeals of whatsoever nature pertaining to Amalgamating Company 1 shall be continued and, or, enforced as and from the Effective Date, by or against Amalgamated Company 1. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1.

3.9.5 Upon this Scheme becoming effective, the accounts of Amalgamated Company 1 as on the Appointed Date shall be reconstructed in accordance with the terms of Part-III of this Scheme. Amalgamated Company 1 shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Part-III and
other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1.

3.10 Accounting Treatment

3.10.1 Upon this Scheme becoming effective, Amalgamated Company 1 shall account for the amalgamation in its books of account in accordance with the method of accounting as prescribed under ‘pooling of interest’ method in accordance with applicable Accounting Standards, as amended from time to time.

3.10.2 The accounting treatment will be as under:

(i) for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., in the books of account of Amalgamated Company 1 upon effectiveness of this Scheme, financial statements of Amalgamating Company 1 as on the Appointed Date shall be prepared and exchanged between Amalgamating Company 1 and Amalgamated Company 1;

(ii) all the assets, liabilities and reserves of Amalgamating Company 1 as recorded in their respective financial statements referred to in sub-clause (i) above shall be recorded in the books of accounts of Amalgamated Company 1 as such, subject to suitable adjustments being made to ensure uniformity of accounting policies, if any;

(iii) investment in the Share Capital of Amalgamating Company 1 in the books of accounts of Amalgamated Company 1, whether held directly or indirectly through nominees, shall stand cancelled;

(iv) Amalgamated Company 1 shall credit the aggregate par value of the Equity Shares to be issued to the shareholders of Amalgamating Company 1 pursuant to this Scheme to the ‘equity share capital account’ in its books of accounts; and

(v) surplus or deficit, if any, arising as a result of amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1, i.e., the difference between the amount of share capital to be issued and allotted by Amalgamated Company 1 to the shareholders of Amalgamating Company 1 in terms of this Scheme, and the amount of share capital of Amalgamating Company 1, after adjustment of cancellation of the investment of Amalgamated Company 1 in Amalgamating Company 1, should be adjusted in capital reserve in the financial statements of Amalgamated Company 1. Consequently the share capital of Amalgamating Company 1 shall stand cancelled.

3.10.3 The identity of the reserves of Amalgamating Company 1, if any, and to the extent deemed appropriate by the Board of Directors of Amalgamated Company 1, shall be preserved and they shall appear in the financial statements of Amalgamated Company 1 in the same form and manner, in which they appeared in the financial statements of Amalgamating Company 1, as on the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of Amalgamating Company 1, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain
available for such distribution by Amalgamated Company 1, subsequent to this Scheme becoming effective.

3.10.4 The balances of the profit and loss account of Amalgamating Company 1 as appearing in its financial statements shall be aggregated with, and added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of Amalgamated Company 1.

3.10.5 The Amalgamated Company 1 shall record in its books of account, all transactions of Amalgamating Company 1 in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.

3.10.6 Intangible assets and goodwill, if any, transferred on amalgamation shall be amortized in the books of accounts of Amalgamated Company 1 in accordance with Accounting Standards.

3.10.7 In case of any differences in accounting policies followed by Amalgamating Company 1 from that of Amalgamated Company 1, impact of the same till the date immediately preceding the Appointed Date shall be quantified and be appropriately adjusted and reported in accordance with Accounting Standards in the books of Amalgamated Company 1, so as to ensure that the financial statements of Amalgamated Company 1 reflect the financial position on the basis of consistent accounting policies. However, any difference in accounting policies arising on account of regulations stipulated by IRDA, the same shall not be treated as difference in accounting policy and hence will not be subject to any adjustment.

3.10.8 Notwithstanding the above, the Board of Directors of Amalgamated Company 1 is authorised to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

3.10.9 Upon effectiveness of this Scheme, Amalgamated Company 1 shall prepare its financial statements as on the Appointed Date and such financial statements shall clearly segregate, and provide for, the Life Insurance Business vested in it through the amalgamation of Amalgamating Company 1.

3.11 Alteration of the main objects

3.11.1 Upon this Scheme becoming effective and with effect from Appointed Date, the main objects clause of the Memorandum of Association of Amalgamated Company 1 shall be amended to include the main objects currently contained in the Memorandum of Association of Amalgamating Company 1. Accordingly, Clause III(A) of the Memorandum of Association of Amalgamated Company 1 shall stand modified by inclusion of the following additional paragraph in the main objects as paragraph 11 in Clause III(A) of the Memorandum of Association of Amalgamated Company 1 after the existing paragraph 10:

“To carry on in India or elsewhere the business to establish, organize, manage, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize, insurance and assurance, business in all its branches of life insurance including whole life insurance, human body part, limbs and organs insurance, accidental insurance and such other insurance, assurance, plan and...
schemes and to act as agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to insurance business subject to applicable laws”

3.11.2 The consent of the shareholders of Amalgamating Company 1 and Amalgamated Company 1 to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clauses 3.11.1 of this Scheme to the Memorandum of Association of Amalgamated Company 1, and no further resolutions, whether under Sections 13 of the 2013 Act, any other applicable provisions of the 1956 Act or the 2013 Act or under the Articles of Association of Amalgamated Company 1, shall be required to be separately passed, nor shall Amalgamated Company 1 be required to file any separate return with the concerned Registrar of Companies or pay any additional registration fees, stamp duty, etc.
4. **DEMERGER OF LIFE INSURANCE UNDERTAKING FROM THE TRANSFEROR COMPANY AND AMALGAMATION OF THE LIFE INSURANCE UNDERTAKING INTO AND WITH THE TRANSFEE COMPANY**

4.1 **Demerger and vesting of the Life Insurance Undertaking**

4.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the present and future assets and liabilities of Life Insurance Undertaking, whether known or unknown, and the entire business of the Life Insurance Undertaking shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, in accordance with Sections 391 to 394 of the 1956 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

4.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

(i) all Assets of the Life Insurance Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Transferee Company, wherever located, and shall become the property and an integral part of the Transferee Company in terms of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) all Assets of the Life Insurance Undertaking that are movable properties other than those described under sub-clause (i) above, including investments in shares and any other securities, investments made out of Policyholders’ Funds or Shareholders’ Funds (including investments in discontinued funds, policyholders’ unclaimed funds, amounts receivable from reinsurer, outstanding premium, amounts receivable from counterparties to the derivative contracts and receivables from any party under any agreements in force), non-unit reserves of unit linked insurance business, participating and non-participating funds of policy holders at their carrying value, all investments made out of Policyholders’ Funds of pension, annuity business and group business at their carrying value, all investments made out of Policyholders’ unit reserves of unit linked insurance business at their market value, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, scrips, stocks, bonds, debenture stock, units, pass through certificates, security receipts,
government securities, state government securities, CBLO, corporate bonds, exchange traded funds, certificate of deposit, commercial papers, venture capital units, fixed deposit, mutual fund units, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons shall, without any further act or deed, become the property of the Transferee Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. For the avoidance of doubt, it is clarified that Insurance Assets and investments of Life Insurance Undertaking shall, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on the Appointed Date.

(iii) all Assets of the Life Insurance Undertaking that are leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Transferee Company.

(iv) all Liabilities of the Life Insurance Undertaking shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that 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 Clause.

(v) all Contracts of the Life Insurance Undertaking shall be and remain in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise), the Transferee Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, reinsurance
contracts, actuarial software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the Life Insurance Undertaking or to the benefit of which the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) may be eligible in connection with the Life Insurance Undertaking and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, in terms of this Scheme or by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. All Contracts of the Life Insurance Undertaking subsisting or having effect immediately before the Effective Date shall stand vested in favour of the Transferee Company on the same terms and conditions. The Transferee Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.

(vi) any notices, disputes, pending suits / appeals, legal, taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to Life Insurance Undertaking, whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of Life Insurance Undertaking in the Transferee Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against Life Insurance Undertaking, as if this Scheme had not been implemented.

(vii) all the property, assets and liabilities of the Life Insurance Undertaking shall be transferred by the Transferor Company to the Transferee Company at the values appearing in the books of account of the Transferor Company (whether pursuant to actions contemplated in Part-III of this Scheme or otherwise) on the Appointed Date. The accounts of the Transferor Company and the Transferee Company shall be reconstructed in accordance with Applicable Laws and the relevant provisions of this Scheme.

(viii) (a) all Employees of the Life Insurance Undertaking shall become employees, probationers, permanent employees, temporary employees, trainees, and interns, as the case may be, of the Transferee Company with effect from the Effective Date, without any interruption of service as a result of the demerger. Upon transfer of Employees of the Life Insurance Undertaking to Transferee Company, the aggregate Cost to Company of the relevant individual shall be the same as those provided
to such individual by the Transferor Company and all other benefits and schemes applicable to such individual shall be, subject to the right of the Transferee Company in terms of Clause 4.1.2(viii)(f) to re-classify the designation of any such individual, as per the policies and procedures of the Transferee Company which are applicable to the employees of the Transferee Company within the same service band / pay band as that of the relevant individual.

(b) In regard to Employees of the Life Insurance Undertaking who qualify as “workmen” under the ID Act and who are being transferred to the Transferee Company in terms of this Scheme, the Transferee Company confirms that it shall comply with the provisions of Section 25FF of the ID Act, to the extent applicable.

(c) Upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred Employees of the Life Insurance Undertaking for such purpose shall be treated as having been continuous. Without prejudice to the generality of the foregoing, the benefits or schemes created by the Transferor Company for Employees of the Life Insurance Undertaking shall continue to be provided to the transferred Employees of the Life Insurance Undertaking, as set forth below:

(1) in regard to provident fund, it is clarified that the exempted provident fund trust of the Transferor Company, which is registered in the name of erstwhile Max India (now MFSL) shall not form part of the Life Insurance Undertaking and shall not be transferred to the Transferee Company as the Employees of the Life Insurance Undertaking are currently covered under the aforesaid exempted provident fund trust by virtue of Max Life being a subsidiary of MFSL. The Transferee Company shall make all necessary arrangement in respect of payment pertaining to provident fund to the Employees of the Life Insurance Undertaking. The provident fund accumulations pertaining to the Employees of the Life Insurance Undertaking shall be transferred to the provident fund of the Transferee Company, whether maintained with the Regional Provident Fund Commissioner or to any private fund maintained by the Transferee Company, as the case maybe, in accordance with Applicable Laws.

(2) In regard to the existing gratuity, leave encashment, deferred cash benefits, long term incentive plans, and any other special
scheme or benefits applicable to the Employees of the Life Insurance Undertaking, the Transferee Company and the Transferor Company shall take appropriate actions / steps under Applicable Laws to ensure that the accumulations under each of the employee benefit funds with respect to the Employees of the Life Insurance Undertaking can be transferred by the Transferor Company to the Transferee Company’s employee benefit funds and thereafter, upon effectiveness of this Scheme, the accumulations under each such employee benefit fund in regard to the Employees of the Life Insurance Undertaking shall stand transferred to the employee benefit funds of the Transferee Company. Post the effectiveness of the Scheme, the Transferee Company shall make all necessary arrangements to ensure that payments pertaining to gratuity, provident fund, leave encashment, deferred cash benefits, long term incentive plans and any other special schemes or benefits applicable to the Employees of the Life Insurance Undertaking, subject to Applicable Laws, are in accordance with the policies and procedures of the Transferee Company, provided that the aggregate Cost to Company of all the Employees of the Life Insurance Undertaking shall at all times be same as those provided to such employees by the Transferor Company.

For avoidance of doubt, it is clarified that all the payments to Employees of the Life Insurance Undertaking that shall be due and payable on or prior to the Effective Date shall have been made by the Transferor Company.

(d) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other statutory / leave / terminal benefits to the Employees of the Life Insurance Undertaking, the past services of such Employees of the Life Insurance Undertaking shall also be taken into account and the Transferee Company shall make the payment of retrenchment compensation, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable.

(e) Upon this Scheme becoming effective employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee’s position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the Employees of the Life Insurance Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Transferee Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company (whether as a successor / successor-in-interest of
Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) with any of the Employees of the Life Insurance Undertaking prior to the Appointed Date and from the Appointed Date till Effective Date.

(f) In case of conflict of any positions / designations between the other employees of the Transferee Company and the Employees of the Life Insurance Undertaking, the Board of Directors of the Transferee Company shall be, subject to the other provisions contained in this Clause 4.1.2(viii), entitled to re-classify the designation of any relevant employee or Employee of the Life Insurance Undertaking, to resolve such conflict provided that the aggregate Cost to Company of the relevant Employees of the Life Insurance Undertaking shall at all times be same as that provided to such Employees of the Life Insurance Undertaking by the Transferor Company and that all other benefits provided to such Employees of the Life Insurance Undertaking shall be as per the policies and procedures of the Transferee Company which are applicable to the employees of the Transferee Company within the same service band / pay band as that of the said Employee of the Life Insurance Undertaking as re-classified by the Board of Directors of the Transferee Company.

(ix) In terms of the Max Employee Stock Plan – 2003 of the Transferor Company made effective on October 01, 2003 and adopted by Board of Directors of erstwhile Max India Limited on August 25, 2003, pursuant to the approval of the members of erstwhile Max India Limited granted by virtue of special resolutions passed on September 30, 2003, as amended by special resolutions passed on September 27, 2011, September 30, 2014 and September 23, 2015 (“Transferor Company ESOP Scheme”), the Transferor Company, as of August 8, 2016, has the following outstanding employee stock options: (1) 7,20,895 (seven lakh twenty thousand eight hundred and ninety five) employee stock options, which have an exercise price of Rs. 2 (Indian rupees two) per Equity Share (“Tranche 1 Transferor Company Options”), and (2) 17,73,000 (seventeen lakh seventy three thousand) employee stock options, which have an exercise price of Rs. 312 (Indian rupees three hundred and twelve) per Equity Share (“Tranche 2 Transferor Company Options”). The Tranche 1 Transferor Company Options and Tranche 2 Transferor Company Options are together referred to as the “Transferor Company Options” Simultaneous with the effectiveness of this Scheme:

(a) The Transferee Company shall formulate an employee stock option plan / scheme, the terms of which shall be similar to the Transferor Company ESOP Scheme, for enabling continuity of benefits in favour of the relevant option holders in terms of the Transferor Company ESOP Scheme (“Transferee Company ESOP Scheme”).

(b) It is intended that upon the effectiveness of this Scheme, the Transferor Company Options, of the relevant holders of the Transferor Company holding Transferor Company Options as of the Record Date 2, shall be substituted with options of the Transferee Company in terms of this Clause 4.1.2(ix)(b). The entitlement of the relevant option holders
holding Transferor Company Options has been adjusted and the exercise price modified after taking into consideration: (i) the number and price of employee stock options in the Transferor Company in such a manner that the total value to the relevant option holders of the employee stock options remains the same upon the effectiveness of this Scheme; and (ii) the vesting period and the validity of the employee stock options remains the same and unaltered to protect the rights of the relevant option holders; and, accordingly, such option holders holding Transferor Company Options shall be granted and vested 233 (two hundred and thirty three) employee stock options by the Transferee Company under the Transferee Company ESOP Scheme ("Transferee Company Options") for every granted and vested 100 (one hundred) Transferor Company Options held by such option holders as of Record Date 2. For the avoidance of doubt, it is clarified that the above swap has been calculated based on Share Entitlement Ratio. The relevant options holders holding Tranche 1 Transferor Company Options shall have the option to, at their sole discretion, pay the exercise price of Rs. 2 (Indian rupees two) per Equity Share before the Record Date 2 to the Transferor Company and, upon payment of such exercise price, they shall be issued and allotted Equity Shares of the Transferor Company before the Record Date 2 and before exchange of the Equity Shares of the Transferor Company for the Equity Shares of the Transferee Company as per the Share Entitlement Ratio.

(c) Transferee Company Options which have been granted as a substitute to Tranche 1 Transferor Company Options (which have not been exercised prior to Record Date 2) shall, pursuant to adjustment of the exercise price based on Share Entitlement Ratio, have an exercise price of Rs. 10 (Indian rupees ten) per Equity Share. Transferee Company Options which have been granted as a substitute to Tranche 2 Transferor Company Options shall, pursuant to adjustment of the exercise price based on Share Entitlement Ratio, have an exercise price of Rs. 133.90 (Indian rupees one hundred and thirty three point ninety) per Equity Share. Upon the issuance of the Transferee Company Options and completion of other actions specified in this Clause 4.1.2(ix), the Transferor Company ESOP Scheme shall be deemed to be cancelled.

(d) It is declared that the adjustment made in terms of this Clause 4.1.2(ix) is such that, the terms and conditions applicable to the Transferee Company Options are no less favourable than those provided under the Transferor Company ESOP Scheme. Further, the terms and conditions applicable to the Transferee Company Options shall always remain no less favourable than those provided under the Transferor Company ESOP Scheme. The relevant option holders have consented to such adjustments and no other approvals shall be required from the relevant option holders for undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme and for formulating the Transferee Company ESOP Scheme and substituting the employee stock options as contemplated under this Clause 4.1.2(ix).
(e) The exercise date and the validity period of the Transferee Company Options shall be on or before a date which is 4 (four) years from the date of vesting of the relevant Transferor Company Options in favour of the relevant options holders (whether or not such option holders are employees of the Transferee Company).

(f) The approval granted to this Scheme by the shareholders of the relevant Merger Entity, Stock Exchange, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to the Transferor Company for undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme and to Transferee Company for formulating the Transferee Company ESOP Scheme and substituting the employee stock options as contemplated under this Clause 4.1.2(ix), including in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015.

(g) Any employee stock options already committed but not yet granted as per the Transferor Company ESOP Scheme by the Transferor Company after June 30, 2016 shall be settled in cash by the Transferor Company prior to the amalgamation of Amalgamating Company 1 into and with the Transferor Company and prior to the Effective Date, and the Transferee Company shall have no liabilities or other obligations in respect of such employee stock options.

(h) Notwithstanding anything to the contrary contained in this Scheme and in the Transferor Company ESOP Scheme, it is clarified that the Transferee Company Options are being granted to substitute the granted and vested Transferor Company Options held by the relevant option holders in the Transferor Company as of Record Date 2 and for discharging the obligations to such option holders. It is hereby clarified the procedure set out in this Clause 4.1.2(ix) is a fair and reasonable adjustment to the entitlement of the relevant option holders, including adjustment to the number of employee stock options and to the exercise price, and, inter alia, the following factors have been taken into consideration for formulating this Clause 4.1.2(ix): (1) the number and price of employee stock options have been adjusted in a manner such that total value to the option holders of the employee stock options remains the same, and (2) the vesting period and the life of the employee stock options remains the same and is unaltered as far as possible to protect the rights of the relevant option holders.

(x) Pursuant to Clause 3.1.2(viii), the obligations pertaining to phantom stock options of the Amalgamating Company 1 are to be undertaken by the Transferor Company upon the Effective Date. Simultaneously, on the Effective Date, all the present and future assets and liabilities of Transferor Company pertaining to the Life Insurance Undertaking (including the obligations under any phantom stock option of the Amalgamating Company 1 as specifically set forth hereunder) shall stand transferred to the Transferee Company. In this regard, upon the Effective Date:
(a) The Transferee Company shall formulate and adopt a new phantom stock plan and the terms and conditions applicable to such a phantom stock plan shall be determined by the Board of Directors of the Transferee Company (such a plan is hereinafter referred to as “Transferee Company PSP” and the phantom stock that are to be issued under Transferee Company PSP shall be referred to as “Transferee Company PSP Units”). Upon the issuance of the Transferee Company PSP Units, the employee phantom stock option plan 2012 (as amended) and employee phantom stock option plan 2014 of the Amalgamating Company 1 (as amended) (“Existing PSPs”) shall be deemed to be cancelled.

(b) In respect of the units granted by Amalgamating Company 1 in terms of the Existing PSPs to the employees of Amalgamating Company 1, which have not vested as of Record Date 2 or if vested, have not been exercised by such option holders as of Record Date 2, the holders of such phantom stock units shall, upon the effectiveness of this Scheme, be granted 47 (forty seven) Transferee Company PSP Unit for every 100 (hundred) phantom stock unit held in Amalgamating Company 1 by such option holder as of Record Date 2. For the avoidance of doubt, it is clarified that the above entitlement has been calculated based on the Share Exchange Ratio 1 and Share Entitlement Ratio. Pursuant to this clause, in case such holder of phantom stock units under the Existing PSPs becomes entitled to a fraction of a Transferee Company PSP Unit, then the Transferee Company shall issue Transferee Company PSP Units to such option holder for the whole number ignoring such a fraction.

(c) Subject to Clause 4.1.2(x)(a) and Clause 4.1.2(x)(g) below, the terms and conditions applicable to the Transferee Company PSP shall be no less favourable than those provided under the Existing PSPs.

(d) While granting the aforesaid Transferee Company PSP Units, Transferee Company shall, subject to Applicable Laws, take into account the period during which the employees held the phantom stock units granted by Amalgamating Company 1 prior to the issuance of Transferee Company PSP Units, for determining of minimum vesting period required for Transferee Company PSP Units.

(e) (1) Subject to Clause 4.1.2(x)(e)(2), the provisions of Clause 11 of the Existing PSPs pertaining to termination of employment, including resignation, involuntary termination (downsizing etc.) of employment and termination of employment “for cause” shall mutatis mutandis apply to the Transferee Company PSP.

(2) In case of involuntary termination without “Cause”, the unvested Transferee Company PSP Units, if any, shall be accelerated and shall vest in the option holder on the date of termination and all vested Transferee Company PSP Units shall be exercised by the option holder within a period of 30 (thirty) calendar days from the date of his termination becoming effective, failing which
such vested Transferee Company PSP Units shall lapse and all rights there under shall extinguish with immediate effect. Any conflicting provision in the Existing PSPs in this regard shall be overridden.”

(f) The approval granted to this Scheme by the shareholders of the relevant Merger Entity, Stock Exchange, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to Amalgamating Company 1 / Transferor Company for undertaking any modifications made or required to be made to Existing PSPs and to the Transferee Company for formulating and adopting the Transferee Company PSP, including in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(g) Transferee Company PSP Units granted as per this Clause 4.1.2(x) shall be exercised in accordance with the terms of the Transferee Company PSP and the policies of the Transferee Company.

(xi) all IPR of the Life Insurance Undertaking shall stand transferred to and vested in the Transferee Company.

(xii) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.), deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in connection with the Life Insurance Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds / credits / claims, as the case may be, of the Transferee Company and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in connection with the Life Insurance Undertaking, shall pursuant to this Scheme becoming effective, will be available to the Transferee Company.

(xiii) all Licenses of the Life Insurance Undertaking shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise), the Transferee Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications /
documents with relevant authorities concerned for information and record purposes.

(xiv) benefits of any and all corporate approvals as may have already been taken by the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in connection with the Life Insurance Undertaking, including approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297, and 372A of the 1956 Act and Sections 42, 62(1A), 180, 185, 186 and 188 of the 2013 Act shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company.

(xv) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in regard to the Life Insurance Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company and shall, upon this Scheme becoming effective, pursuant to the provisions of Section 394(2) of the 1956 Act or its equivalent provision in the 2013 Act, as applicable, and other applicable provisions of the 1956 Act or the 2013 Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

(xvi) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of Amalgamating Company 1 or the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise), insofar as the same pertains to the Life Insurance Undertaking, shall be accepted by the relevant bankers and credited to the accounts of the Transferee Company.

Notwithstanding anything to the contrary contained in this Scheme, it is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records of the Transferor Company, except those pertaining to the Life Insurance Undertaking which are transferred to the Transferee Company in terms of this Clause 4.1.2, shall be transferred to, or vested in, the Transferee Company in terms of the provisions of this Scheme. The Board of Directors of Amalgamating Company 1, Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 4.1.2 of this Scheme.

4.1.3 Upon this Scheme becoming effective and the consequent demerger and vesting of Life Insurance Undertaking into and with the Transferee Company the secured creditors of the Transferor Company, if any, shall not be entitled to any encumbrance over any of the assets of the Life Insurance Undertaking. For the avoidance of doubt, it is clarified that all the assets of Life Insurance Undertaking shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Transferee Company in accordance with
the provisions of Applicable Laws. For this purpose, no further consent from the existing creditors of the Transferor Company, if any, shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors, if any.

4.1.4 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise), in relation to the Life Insurance Undertaking, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Life Insurance Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in relation to the Life Insurance Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the Life Insurance Undertaking.

4.1.5 The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) in connection with the Life Insurance Undertaking. For the avoidance of doubt, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and 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 (whether as a successor / successor-in-interest of Amalgamating Company 1 in terms of Part-III of this Scheme or otherwise) insofar as the same are in connection with the Life Insurance Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

4.2 **Record Date 2**

The Board of Directors of the Transferor Company shall, after procuring the consent of the respective Board of Directors of the other Merger Entities, determine Record Date 2 (which shall be a date post the date on which Equity Shares are issued and allotted by Amalgamated Company 1 in terms of Part-III of this Scheme) for issue and allotment of Equity Shares of the Transferee Company to the relevant shareholders of the Transferor Company in terms of Clause 4.3. On determination of Record Date 2, the Transferor Company shall provide to the Transferee Company, the list of its shareholders as on such Record Date 2 (including shareholders who were issued Equity
Shares by the Transferor Company in terms of Part-III of this Scheme), who are entitled to receive the Equity Shares in the Transferee Company in terms of this Scheme in order to enable the Transferee Company to issue and allot such Equity Shares to such shareholders of the Transferor Company. It is hereby clarified that, subject to the requirement that Record Date 2 be a date post the date on which Equity Shares are issued and allotted by Amalgamated Company 1 in terms of Part-III of this Scheme, the Board of Directors of the Merger Entities may, if they deem fit, decide to have 1 (one) “record date” for 2 (two) or more parts of this Scheme, and the provisions of this Clause 4.2 shall not act as a bar against such discretion vested with the Board of Directors of the Merger Entities.

4.3 Issue of Shares

4.3.1 Upon this Scheme becoming effective, the shareholders of the Transferor Company as of Record Date 2 shall be entitled to receive Equity Shares of the Transferee Company as detailed in this Clause 4.3 of this Scheme.

4.3.2 The Transferor Company had engaged M/s S.R. Batliboi & Co. LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, M/s S.R. Batliboi & Co. LLP, has issued a valuation report dated August 08, 2016. The Transferor Company had engaged M/s CLSA India Private Limited, Merchant Bankers, to provide a fairness opinion on share entitlement ratio adopted under this Scheme. In connection with such engagement, M/s CLSA India Private Limited, Merchant Banker has issued a fairness opinion dated August 08, 2016. The Board of Directors of the Transferor Company has determined the share entitlement ratio as 233 (two hundred and thirty three) Equity Shares in the Transferee Company : 100 (one hundred) Equity Shares in the Transferor Company, based on its independent judgment and after taking into consideration the aforesaid valuation report and fairness opinion at its respective meetings held on August 08, 2016. Similarly, the Transferee Company had engaged M/s Haribhakti & Co. LLP, to provide a valuation report. In connection with such engagement, M/s Haribhakti & Co. LLP, has issued a valuation report dated August 08, 2016. The Transferee Company had engaged Kotak Mahindra Capital Company Limited, Merchant Bankers, and Citi Group Global Markets India Private Limited, Merchant Bankers, to provide a fairness opinion on share entitlement ratio adopted under this Scheme. In connection with such engagement, Kotak Mahindra Capital Company Limited, Merchant Bankers, and Citi Group Global Markets India Private Limited, Merchant Banker have issued their respective fairness opinion dated August 08, 2016. The Board of Directors of the Transferee Company has determined the share entitlement ratio as 233 (two hundred and thirty three) Equity Shares in the Transferee Company : 100 (one hundred) Equity Shares in the Transferor Company, based on its independent judgment and after taking into consideration the aforesaid valuation report at its meetings held on August 08, 2016. The aforesaid share entitlement ratio of 233 : 100, i.e., 233 (two hundred and thirty three) Equity Shares in the Transferee Company : 100 (one hundred) Equity Shares in the Transferor Company, is referred to as “Share Entitlement Ratio”.

4.3.3 The Transferee Company shall issue and allot Equity Shares of the Transferee Company as per Share Entitlement Ratio to the shareholders of the Transferor Company (including shareholders who have received Equity Shares in terms of Clause 3.6) on Record Date 2, i.e., 233 (two hundred and thirty three) Equity Shares having a face value of Rs. 10 (Indian rupees ten) each of the Transferee Company for every 100 (one
hundred) Equity Shares having a face value of Rs. 2 (Indian rupees two) each of the Transferor Company.

4.4 **Issuance mechanics and other relevant provisions**

4.4.1 In the event that the Transferor Company and, or, the Transferee Company, as the case may be, change their capital structures either by way of any increase (by issue of Equity Shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner (except in case of issuance of Equity Shares by the Transferor Company or the Transferee Company upon exercise of the employee stock options by the holders of such options, to the extent mentioned in Clause 2 hereof), which would have the effect of bringing some change to the capital structures of such company(ies), subject to the approval of the Merger Entities, Share Entitlement Ratio shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.

4.4.2 Subject to Applicable Laws, the Equity Shares of the Transferee Company that are to be issued in terms of Clause 4.3 shall be issued in dematerialised form, unless a shareholder of the Transferor Company gives a notice to the Transferee Company on or before the Record Date 2, requesting for issuance of such Equity Shares in physical form. The register of members maintained by Transferee Company and, or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of Directors of Transferee Company) be updated to reflect the issue of Equity Shares in terms of Clause 4.3. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Transferee Company to enable it to issue the aforementioned Equity Shares.

4.4.3 For the purpose of the allotment of Equity Shares of the Transferee Company pursuant to Clause 4.3, in case any member’s holding in the Transferor Company (including the fractional entitlement arising out of the allotment contemplated in Part-III of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Transferee Company, the Transferee Company shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of Directors of the Transferee Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then the Transferee Company shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of Directors of the Transferee Company deems possible to their respective fractional entitlements in the Transferee Company in terms of Share Entitlement Ratio.

4.4.4 Equity Shares to be issued by the Transferee Company pursuant to Clause 4.3 in respect of Equity Shares of the shareholders of the Transferor Company which are held in abeyance shall also be kept in abeyance.

4.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the
Record Date 2, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Transferor Company and in relation to the Equity Shares issued by the Transferee Company upon the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

4.4.6 The Equity Shares to be issued and allotted by the Transferee Company in terms of Clause 4.3 shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company and shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company.

4.5 Saving of Concluded Transactions

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Part IV shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

4.6 Conduct of business until Effective Date

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

(i) the business pertaining to the Life Insurance Undertaking shall be deemed to have been carried on account of, and the properties and assets of Life Insurance Undertaking shall be deemed to have been held for and in trust for, the Transferee Company; and

(ii) all profits or income arising or accruing to or received in regard to the Life Insurance Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Life Insurance Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company.

4.7 Taxes

4.7.1 The provisions of Part-IV of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Part-IV of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid section at a later date (not being a date after the Effective Date), including resulting from an amendment of law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall, subject to the approval of the Merger Entities in terms of
Clause 6.7, stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

4.7.2 With effect from the Appointed Date and upon this Scheme becoming effective, all taxes and duties payable by the Transferor Company, accruing and relating to the operations of the Life Insurance Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Transferee Company.

4.7.3 Upon this Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit), CENVAT, customs, VAT, sales tax, service tax etc. relating to the Life Insurance Undertaking to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company, without any further act or deed.

4.7.4 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Life Insurance Undertaking shall be continued and, or, enforced as and from the Effective Date, by or against the Transferee Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger of the Life Insurance Undertaking and amalgamation of the Life Insurance Undertaking into and with the Transferee Company.

4.7.5 Upon this Scheme becoming effective, the accounts of the Transferee Company as on the Appointed Date shall be reconstructed in accordance with the terms of Part-IV of this Scheme. The Transferee Company shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc. and shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Part-IV and other relevant provisions of this Scheme, as result of demerger and vesting of the Life Insurance Undertaking in the Transferee Company.

4.8 Accounting Treatment

4.8.1 Accounting treatment in the books of the Transferor Company:

(i) Upon this Scheme becoming effective, the book value of assets and liabilities of the Life Insurance Undertaking as appearing in the books of account of the Transferor Company (as a consequence of actions contemplated in Clause 3.10.2(i) of this Scheme) and transferred to the Transferee Company shall be reduced from the book value of assets and liabilities of the Transferor Company as on the Appointed Date.

(ii) The difference between the book value of assets and liabilities of the Life Insurance Undertaking, shall, in case of a debit balance, be debited in the books of the Transferor Company against the following, in the order specified:

(a) capital reserve account created in terms of Part-III of this Scheme;
(b) capital redemption reserve;
4.8.2 Accounting treatment in the books of the Transferee Company:

(i) Upon effectiveness of this Scheme, the Transferee Company shall record the assets and liabilities transferred to and vested in it pursuant to this Scheme, at the same book values as appearing in the books of the Life Insurance Undertaking of the Transferor Company (as a consequence of actions contemplated in Clause 3.1.0.2(i) of this Scheme) as on the Appointed Date.

(ii) The Transferee Company shall credit to its share capital in its books of account, the aggregate face value of the Equity Shares issued to the shareholders of the Transferor Company by it in terms of Clause 4.3.

(iii) The surplus or deficit, if any, of the value of the assets over the value of the liabilities of the Life Insurance Undertaking acquired pursuant to this Scheme by the Transferee Company, shall, after adjusting for the face value of the Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme, shall be: (a) in case of a surplus, recorded as and credited to the capital reserve account, in the books of the Transferee Company, and (b) in case of a deficit, recorded as and debited to the goodwill account in the books of the Transferee Company.

(iv) Notwithstanding the above, the Board of Directors of the Transferee Company is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

4.8.3 Upon effectiveness of this Scheme, the Transferee Company shall prepare its financial statements as on the Appointed Date, after taking into account the financial statements prepared by Amalgamated Company 1 in terms of Clause 3.10.9.

4.9 Listing of Equity Shares issued as consideration

Post effectiveness of this Scheme, the Equity Shares of the Transferee Company shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of...
the aforesaid circular and Applicable Laws and take all steps to get its Equity Shares listed on the Stock Exchanges.

4.10 **Miscellaneous**

4.10.1 The Equity Shares of the Transferee Company issued and allotted pursuant to this Scheme shall remain frozen in the depositories system until listing and trading permission is granted by the relevant designated stock exchange for their listing and trading. Post the issuance of Equity Shares by the Transferee Company in terms of Clause 4.3, there shall be no change in the Share Capital or ‘Control’ in the Transferee Company between Record Date 2 and the date of listing of such Equity Shares, which may affect the status of the approval granted by the Stock Exchanges, and any other Governmental Authority in this regard.

4.10.2 Post the effectiveness of this Scheme, the terms “Promoters” and “Promoter Group” in regard to the Transferee Company shall mean Housing Development Finance Corporation Limited and Standard Life (Mauritius Holdings) 2006 Limited. All other shareholders of the Transferee Company shall be “Public Shareholders” and shall not be entitled to be classified as a “Promoters” or a part of the “Promoter Group”.

4.10.3 Upon effectiveness of this Scheme, the provisions of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to this Scheme. Accordingly, upon effectiveness of this Scheme and to vest the Life Insurance Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the Life Insurance Undertaking in the Transferee Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Transferor Company in terms of Part-III of this Scheme.
5. AMALGAMATION OF AMALGAMATING COMPANY 2 INTO AND WITH AMALGAMATED COMPANY 2

5.1 Transfer and vesting of assets, liabilities and entire business of Amalgamating Company 2 into and with Amalgamated Company 2

5.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the present and future assets and liabilities of Amalgamating Company 2, whether known or unknown, and the entire business of Amalgamating Company 2 (after the demerger of the Life Insurance Undertaking as set out in Part-IV) shall stand transferred to and vested in Amalgamated Company 2, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, in accordance with Sections 391 to 394 of the 1956 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

5.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

(i) all assets of Amalgamating Company 2 that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in Amalgamated Company 2, wherever located, and shall become the property and an integral part of Amalgamated Company 2 in terms of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) all other movable properties of Amalgamating Company 2, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons shall, without any further act or deed, become the property of Amalgamated Company 2 and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. For the avoidance of doubt, it is clarified that investments of Amalgamating Company 2 shall, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company 2 on the Appointed Date.

(iii) all leased / licensed / owned immovable properties of Amalgamating Company 2, including any right or interest in the buildings and structures...
standing thereon and all lease / license or rent agreements entered into by Amalgamating Company 2, together with security deposits and advance prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in Amalgamated Company 2, without any further act or deed, pursuant to Section 394(2) of the 1956 Act, or the applicable provisions of the 2013 Act and the provisions of this Scheme. Amalgamated Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and all relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreement and shall, in accordance with the terms of such agreements, refund the security deposits and advance / pre-paid lease / license fee to Amalgamated Company 2.

(iv) all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of Amalgamating Company 2 shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Amalgamated Company 2, without any further act or deed, and Amalgamated Company 2 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that 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 Clause. All loans, advances, guarantees and other obligations due from Amalgamating Company 2 to Amalgamated Company 2 or vice versa or provided by Amalgamated Company 2 for and behalf of Amalgamating Company 2 or vice versa shall stand cancelled and shall have no effect.

(v) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses to which Amalgamating Company 2 is a party or to the benefits of which Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, including those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to Amalgamating Company 2, shall be and remain in full force and effect on, against or in favour of Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of Amalgamating Company 2, Amalgamated Company 2 had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Amalgamating Company 2 or to the benefits of which Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or
accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company 2. All agreements to which Amalgamating Company 2 is a party or to the benefits of which Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company 2 on the same terms and conditions. Amalgamated Company 2 and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.

(vi) any notices, disputes, pending suits / appeals, legal, taxation, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to Amalgamating Company 2, whether by or against Amalgamating Company 2, whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Amalgamating Company 2 or by anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against Amalgamated Company 2 in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against Amalgamating Company 2, as if this Scheme had not been implemented.

(vii) all the property, assets and liabilities of Amalgamating Company 2 shall be transferred by Amalgamating Company 2 to Amalgamated Company 2 at the values appearing in the books of account of Amalgamating Company 2 the Appointed Date. The accounts of Amalgamated Company 2 shall be reconstructed in accordance with Applicable Laws and the relevant provisions of this Scheme.

(viii) (a) all employees, probationers, permanent employees, temporary employees, trainees and interns of Amalgamating Company 2 shall become employees, probationers, permanent employees, temporary employees, trainees and interns, as the case may be, of Amalgamated Company 2 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are engaged by Amalgamating Company 2, without any interruption of service as a result of this amalgamation and transfer.

(b) In regard to employees of Amalgamating Company 2 who qualify as “workmen” under the ID Act and who are being transferred to Amalgamated Company 2 in terms of this Scheme, Amalgamated Company 2 confirms that it shall comply with the provisions of Section 25FF of the ID Act, to the extent applicable.

(c) With regard to provident fund, gratuity, leave encashment, deferred cash benefits long term incentive plans, and any other special scheme or benefits created or existing for the benefit of such employees of Amalgamating Company 2, upon this Scheme becoming effective, Amalgamated Company 2 shall stand substituted for Amalgamating
Company 2 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by Amalgamating Company 2, in accordance with the provisions of Applicable Laws. Upon the Scheme becoming effective, the Amalgamated Company 2 shall have the right to wind up / extinguish such trusts / funds of the Amalgamating Company 2 for which it has been substituted and transfer all benefits and liabilities accrued to the employees covered under such trusts / funds, to any of its own trusts / funds maintained in respect of such provident fund, gratuity, leave encashment and any other special schemes or benefits created or existing for the benefit of its own employees, on no less favourable terms and conditions, subject to obtaining necessary approvals in this regard, if any. For the avoidance of doubt, it is clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Amalgamating Company 2 for such purpose shall be treated as having been continuous. Amalgamated Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other statutory / leave / terminal benefits to the employees of Amalgamating Company 2, the past services of such employees with Amalgamating Company 2 shall also be taken into account and Amalgamated Company 2 shall make the payment of retrenchment compensation, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable.

(d) Upon this Scheme becoming effective, Amalgamating Company 2 will transfer / handover to Amalgamated Company 2, copies of employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee’s position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its employees and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause. Amalgamated Company 2 shall continue to abide by any agreement(s) / settlement(s) entered into by Amalgamating Company 2 with any of its employees prior to the Appointed Date and from the Appointed Date till Effective Date.

(e) In case of conflict of any positions / designations between the employees of Amalgamated Company 2 and the employees transferred from Amalgamating Company 2 as a consequence of this Scheme, the Board of Directors of Amalgamated Company 2 and its Nomination and Remuneration Committee shall be entitled to re-classify the designation of any relevant employee to resolve such conflict, provided that the remuneration and all other economic benefits that the new designation
of the relevant employee carry are same as those provided to such employee by the Amalgamating Company 2.

(f) For the avoidance of doubt, it is further clarified that the exempted provident fund of Amalgamating Company 2, which is registered in the name of erstwhile Max India shall be subsumed into Amalgamated Company 2 and all employees of Amalgamating Company 2 shall continue to be members of such a provident fund trust.

(ix) Upon the effectiveness of this Scheme, the stock options that are due to be granted under the employee stock options scheme of Amalgamating Company 2 (“Amalgamated Company 2 ESOP Scheme”) on the basis of the Share Exchange Ratio 2 to the option holders of Amalgamating Company 2, shall be settled for cash by Amalgamated Company 2 based on the fair value of the equivalent number of shares of Amalgamated Company 2. The fair value for this purpose shall be determined in a manner approved by the Board of Directors of the Amalgamated Company 2. The approval granted to this Scheme by the shareholders of the relevant Merger Entity, Stock Exchange, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to Amalgamating Company 2 for undertaking any modifications made or required to be made to Amalgamating Company 2 ESOP Scheme, including in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(x) The approval granted to this Scheme by the shareholders of the relevant Merger Entity, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to Amalgamating Company 2 for undertaking any modifications made or required to be made to Amalgamating Company 2 PSP and to Amalgamated Company 2 for formulating and adopting Amalgamated Company 2 PSP.

(xi) all the intellectual property rights, of any nature whatsoever, of Amalgamating Company 2 shall stand transferred to and vested in Amalgamated Company 2.

(xii) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.), deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of Amalgamating Company 2, including all or any refunds or claims shall be treated as the tax liability or refunds / credits / claims, as the case may be, of Amalgamated Company 2 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, tax losses, including brought forward business loss, unabsorbed depreciation, etc., as would have been available to Amalgamating Company 2, shall pursuant to this Scheme becoming effective, be available to Amalgamated Company 2.

(xiii) all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities (other than IRDAI) for the purpose of carrying on its business or in connection therewith) and certificates of every kind and
description whatsoever in relation to Amalgamating Company 2, or to the benefit of which Amalgamating Company 2 may be eligible / entitled and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of Amalgamating Company 2, Amalgamated Company 2 had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company 2 pursuant to the sanction of this Scheme by the Court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company 2 shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

(xiv) benefits of any and all corporate approvals as may have already been taken by Amalgamating Company 2, including approvals under Sections 81(1A), 293(1)(a), 293(1)(d), 295, 297, and 372A of the 1956 Act and Sections 42, 62(1A), 180, 185, 186 and 188 of the 2013 Act shall stand transferred to Amalgamated Company 2 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by Amalgamated Company 2.

(xv) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by Amalgamating Company 2 shall be deemed to have been accrued to and, or, acquired for and on behalf of Amalgamated Company 2 and shall, upon this Scheme becoming effective, pursuant to the provisions of Section 394(2) of the 1956 Act or its equivalent provision in the 2013 Act, as applicable, and other applicable provisions of the 1956 Act or the 2013 Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in Amalgamated Company 2 to that extent and shall become the estates, assets, right, title, interests and authorities of Amalgamated Company 2.

Notwithstanding anything to the contrary contained in this Scheme, it is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records pertaining to the Life Insurance Undertaking shall be transferred to, or vested in, Amalgamated Company 2 in terms of the provisions of this Scheme.

(xvi) the Board of Directors of Amalgamating Company 2 and Amalgamated Company 2 shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 5.1.2 of this Scheme.

5.1.3 Upon this Scheme becoming effective and the consequent amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2, the secured creditors of Amalgamated Company 2, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company 2, as existing immediately prior to the amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2 and the secured creditors of Amalgamating Company 2,
if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Amalgamating Company 2, as existing immediately prior to the amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2 but after the demerger of the Life Insurance Undertaking and amalgamation of the Life Insurance Undertaking into and with the Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company 2 and Amalgamated Company 2 which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Amalgamated Company 2. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.

5.1.4 Amalgamated Company 2 shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of Amalgamating Company 2, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which Amalgamating Company 2 has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Amalgamated Company 2 shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Amalgamating Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Company 2 inter alia in its capacity as the successor entity of Amalgamating Company 2.

5.1.5 Amalgamated Company 2 shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Amalgamating Company 2. For the avoidance of doubt, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company 2 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. Amalgamated Company 2 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company 2 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

5.2 Saving of Concluded Transactions

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company 2 as envisaged in this Part V shall not affect any transaction or proceedings already concluded by the Amalgamating Company 2 on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company 2 accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company 2 in respect thereto as done and executed on behalf of itself.
5.3 **Conduct of business until Effective Date**

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

(i) Amalgamating Company 2 undertakes to carry on and shall be deemed to have carried on the business activities of Amalgamating Company 2 and stand possessed of the properties and assets of Amalgamating Company 2, for and on account of and in trust for Amalgamated Company 2; and

(ii) all profits or income arising or accruing to or received by Amalgamating Company 2 and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, service tax etc.) or losses arising in or incurred by Amalgamating Company 2 shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of Amalgamated Company 2.

5.4 **Transfer of authorised share capital of Amalgamating Company 2 to Amalgamated Company 2**

5.4.1 Upon this Scheme becoming effective, the authorised share capital of Amalgamating Company 2 shall stand transferred/added to and be merged with the authorised share capital of Amalgamated Company 2, without any liability for payment of any additional fees or stamp duty.

5.4.2 Upon this Scheme becoming effective, and consequent to transfer of the existing authorised share capital of Amalgamating Company 2 in accordance with Clause 5.4.1, the authorised share capital of Amalgamated Company 2 of Rs. 60,00,00,000 (Indian rupees sixty crore), divided into 30,00,00,000 (thirty crore) Equity Shares of Rs. 2 (Indian rupees two) each, shall stand increased by an aggregate amount of Rs. 3,060,00,00,000 (Indian rupees three thousand and sixty crore), and the resultant authorised share capital of Amalgamated Company 2 shall be Rs. 3,120,00,00,000 (Indian rupees three thousand one hundred and twenty crore), divided into 1,560,00,00,000 (one thousand five hundred and sixty crore) Equity Shares of Rs. 2 (Indian rupees two) each. Accordingly, Clause V of the Memorandum of Association of Amalgamated Company 2 shall stand modified and be substituted by the following:

"The Authorised Share Capital of the Company is Rs. 3,120,00,00,000 (Indian rupees three thousand one hundred and twenty crore), divided into 1,560,00,00,000 (one thousand five hundred and sixty crore) Equity Shares of Rs. 2 (Indian rupees two) each. The Board of Directors of the Company shall have the power to classify the unclassified shares of the Company into several classes/kinds or vice versa, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as the Board of Directors may decide."

5.4.3 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of Amalgamated Company 2 and, or, Amalgamating Company 2, as the case may be, undergoes any change, either as a consequence of any corporate actions or otherwise,
then this Clause 5.4 shall automatically stand modified / adjusted automatically accordingly to take into account the effect of such change.

5.4.4 The consent of the shareholders of Amalgamating Company 2 and Amalgamated Company 2 to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clause 5.4 of this Scheme to the Memorandum of Association of Amalgamated Company 2, and no further resolutions, whether under Sections 13 of the 2013 Act, any other applicable provisions of the 1956 Act or the 2013 Act or under the Articles of Association of Amalgamated Company 2, shall be required to be separately passed, nor shall Amalgamated Company 2 be required to pay any additional registration fees, stamp duty, etc.

5.5 Record Date 3

The Board of Directors of Amalgamating Company 2 shall, after procuring the consent of the Board of Directors of the other Merger Entities, determine Record Date 3 (which shall be a date post the date on which Equity Shares are issued and allotted by Amalgamated Company 1 in terms of Part-III of this Scheme) for issue and allotment of Equity Shares of Amalgamated Company 2 to the relevant shareholders of Amalgamating Company 2 in terms of Clause 5.6. On determination of Record Date 3, Amalgamating Company 2 shall provide to Amalgamated Company 2, the list of its shareholders as on such Record Date 3, who are entitled to receive the Equity Shares in Amalgamating Company 2 in terms of this Scheme in order to enable Amalgamated Company 2 to issue and allot such Equity Shares to such shareholders of Amalgamating Company 2. It is hereby clarified that, the Board of Directors of the Merger Entities may, if they deem fit and subject to the requirement in Clause 4.2 that Record Date 2 be a date after the date on which Amalgamated Company 1 allots shares in terms of Part-III of this Scheme, decide to have 1 (one) “record date” for 2 (two) or more parts of this Scheme, and the provisions of this Clause 5.5 shall not act as a bar against such discretion vested with the Board of Directors of the Merger Entities.

5.6 Issue of Shares

5.6.1 Upon this Scheme becoming effective, the shareholders of Amalgamating Company 2 as of Record Date 3 shall be entitled to receive Equity Shares of Amalgamated Company 2 as detailed in this Clause 5.6 of this Scheme.

5.6.2 Amalgamating Company 2 and Amalgamated Company 2 have engaged M/s Price Waterhouse & Co LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, M/s Price Waterhouse & Co LLP, has issued a valuation report dated August 08, 2016. Amalgamating Company 2 and Amalgamated Company 2 had engaged M/s Ambit Private Limited, Merchant Bankers, to provide a fairness opinion on share exchange ratio adopted under this Scheme. In connection with such engagement, M/s Ambit Private Limited, Merchant Banker has issued a fairness opinion dated August 08, 2016. The Board of Directors of Amalgamating Company 2 and Amalgamated Company 2 have determined the share exchange ratio as 1 : 500, i.e., 1 (one) Equity Share of Amalgamated Company 2 : 500 (five hundred) Equity Shares of Amalgamating Company 2 (“Share Exchange Ratio 2”), based on their independent judgment and after taking into consideration the aforesaid valuation report and fairness opinion at their respective meetings held on August 08, 2016.
5.6.3 Amalgamated Company 2 shall issue and allot Equity Shares of Amalgamated Company 2 as per Share Exchange Ratio 2 to the shareholders of Amalgamating Company 2 (including shareholders who have received Equity Shares in terms of Clause 3.6) on Record Date 3, i.e., 1 (one) Equity Share having a face value of Rs. 2 (Indian rupees two) each of Amalgamated Company 2 shall be issued and allotted for every 500 (five hundred) Equity Shares having a face value of Rs. 2 (Indian rupees two) each of Amalgamating Company 2.

5.7 Issuance mechanics and other relevant provisions

5.7.1 In the event that Amalgamating Company 2 and/or, Amalgamated Company 2, as the case may be, change their capital structures either by way of any increase (by issue of Equity Shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner (except in case of issuance of Equity Shares by Amalgamating Company 2 or Amalgamated Company 2 upon exercise of the employee stock options by the holders of such options, to the extent mentioned in Clause 2 hereof), which would have the effect of bringing some change to the capital structures of such company(ies), subject to the approval of the Merger Entities in terms of Clause 6.7, Share Exchange Ratio 2 shall stand modified/adjusted accordingly to take into account the effect of such corporate actions.

5.7.2 Subject to Applicable Laws, the Equity Shares of Amalgamated Company 2 that are to be issued in terms of Clause 5.6 shall be issued in dematerialised form, unless a shareholder of Amalgamating Company 2 gives a notice to Amalgamated Company 2 on or before the Record Date 3, requesting for issuance of such Equity Shares in physical form. The shareholders of Amalgamating Company 2 shall provide such confirmation, information and details as may be required by Amalgamated Company 2 to enable it to issue the aforementioned Equity Shares.

5.7.3 For the purpose of allotment of Equity Shares of Amalgamated Company 2 pursuant to Clause 5.6, in case any member’s holding in Amalgamating Company 2 (including the fractional entitlement arising out of the allotment contemplated in Part-III of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of Amalgamated Company 2, Amalgamated Company 2 shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of Directors of Amalgamated Company 2 in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated Company 2 shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of tax and other expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of Directors of the Amalgamated Company 2 deems possible to their respective fractional entitlements in Amalgamated Company 2 in terms of Share Exchange Ratio 2.

5.7.4 Equity Shares to be issued by Amalgamated Company 2 pursuant to Clause 5.6 in respect of Equity Shares of the shareholders of Amalgamating Company 2 which are held in abeyance shall also be kept in abeyance.

5.7.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company 2, the Board of Directors of
Amalgamating Company 2 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 3, to effectuate such a transfer in Amalgamating Company 2 as if such changes in registered holder were operative as on the Record Date 3, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in Amalgamating Company 2 and in relation to the Equity Shares issued by Amalgamated Company 2 upon the effectiveness of this Scheme. The Board of Directors of Amalgamated Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Amalgamated Company 2 on account of difficulties faced in the transition period.

5.7.6 The Equity Shares to be issued and allotted by Amalgamated Company 2 in terms of Clause 5.6 shall be subject to the provisions of the Memorandum of Association and Articles of Association of Amalgamated Company 2 and shall rank pari passu in all respects with the existing Equity Shares of Amalgamated Company 2.

5.8 Dissolution of Amalgamating Company 2

Upon this Scheme becoming effective, Amalgamating Company 2 shall stand dissolved without being wound-up, without any further act or deed.

5.9 Taxes

5.9.1 The provisions of Part-V of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Part-V of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid section at a later date (not being a date after the Effective Date), including resulting from an amendment of law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall, subject to the provisions of Clause 6.7, stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

5.9.2 The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company 2 after the Appointed Date, shall be deemed to be paid by Amalgamated Company 2 and shall, in all proceedings, be dealt with accordingly.

5.9.3 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central value added tax, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which Amalgamating Company 2 is entitled to in terms of Applicable Laws, shall be available to and vest in Amalgamated Company 2, upon this Scheme coming into effect.

5.9.4 All tax assessment proceedings / appeals of whatsoever nature pertaining to Amalgamating Company 2 shall be continued and, or, enforced as and from the Effective Date, by or against Amalgamated Company 2. The aforementioned
proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2.

5.9.5 Upon this Scheme becoming effective, the accounts of Amalgamated Company 2 as on the Appointed Date shall be reconstructed in accordance with the terms of Part-V of this Scheme. Amalgamated Company 2 shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Part-V and other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2.

5.10 Accounting Treatment

5.10.1 Upon this Scheme becoming effective, Amalgamated Company 2 shall account for the amalgamation in its books of account in accordance with the method of accounting as prescribed under ‘pooling of interest’ method in accordance with applicable Accounting Standards, as amended from time to time.

5.10.2 The accounting treatment will be as under:

(i) for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., in the books of account of Amalgamated Company 2 upon effectiveness of this Scheme, financial statements of Amalgamating Company 2 as on the Appointed Date shall be prepared and exchanged between Amalgamating Company 2 and Amalgamated Company 2;

(ii) all the assets, liabilities and reserves of Amalgamating Company 2 as recorded in their respective financial statements referred to in sub-clause (i) above shall be recorded in the books of accounts of Amalgamated Company 2 as such, subject to suitable adjustments being made to ensure uniformity of accounting policies, if any;

(iii) the amount of inter-company balances, if any, between Amalgamating Company 2 and Amalgamated Company 2 as on Appointed Date shall stand cancelled, without any further act or deed. For the avoidance of doubt, it is hereby clarified that with effect from Appointed Date, there will be no accrual of interest or other charges in respect of any such loans, advances and other obligations;

(iv) Amalgamated Company 2 shall credit the aggregate par value of the Equity Shares to be issued to the shareholders of Amalgamating Company 2 pursuant to this Scheme to the ‘equity share capital account’ in its books of accounts; and

(v) surplus or deficit, if any, arising as a result of amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2, i.e., the difference between the amount of share capital to be issued and allotted by Amalgamated Company 2 to the shareholders of Amalgamating Company 2 in terms of Part-
V of this Scheme, and the amount of share capital of Amalgamating Company 2, should be adjusted in capital reserve in the financial statements of Amalgamated Company 2.

5.10.3 The identity of the reserves of Amalgamating Company 2, if any, and to the extent deemed appropriate by the Board of Directors of Amalgamated Company 2, shall be preserved and they shall appear in the financial statements of Amalgamated Company 2 in the same form and manner, in which they appeared in the financial statements of Amalgamating Company 2, as on the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of Amalgamating Company 2, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by Amalgamated Company 2, subsequent to this Scheme becoming effective.

5.10.4 The balances of the profit and loss account of Amalgamating Company 2 as appearing in its financial statements shall be aggregated, and added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of Amalgamated Company 2.

5.10.5 The Amalgamated Company 2 shall record in its books of account, all transactions of Amalgamating Company 2 in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.

5.10.6 Intangible assets and goodwill, if any, transferred / arising on amalgamation shall be amortized in the books of accounts of Amalgamated Company 2 in accordance with Accounting Standards.

5.10.7 In case of any differences in accounting policies followed by Amalgamating Company 2 from that of Amalgamated Company 2, impact of the same till the date immediately preceding the Appointed Date shall be quantified and be appropriately adjusted and reported in accordance with Accounting Standards in the books of Amalgamated Company 2, so as to ensure that the financial statements of Amalgamated Company 2 reflect the financial position on the basis of consistent accounting policies.

5.10.8 Notwithstanding the above, the Board of Directors of Amalgamated Company 2 is authorised to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

5.11 **Listing of Equity Shares issued as consideration**

Post effectiveness of this Scheme, the Equity Shares to be issued and allotted by Amalgamated Company 2 in terms of Clause 5.6 of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Amalgamated Company 2 shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid circular and Applicable Laws and take all steps to get the Equity Shares issued by it in pursuance to this Scheme listed on the Stock Exchanges.
6. GENERAL PROVISIONS

6.1 Conditions Precedent

The Merger Entities shall file the drawn-up order of the relevant Court approving this Scheme with the relevant Registrar of Companies only upon the fulfillment of the following conditions precedent:

(i) Competition Commission of India approving this Scheme and the other transactions contemplated in this Scheme;

(ii) receipt of final approval of the IRDAI under the IRDAI Merger Regulations by Max Life and HDFC Life;

(iii) the aggregate foreign shareholding in MFSL immediately prior to the effectiveness of this Scheme, and thereafter on a continuous basis until completion of the issuance of Equity Shares by MFSL and HDFC Life pursuant to this Scheme being such that the aggregate foreign investment in MFSL does not exceed the permissible sectoral cap for insurance (including all issuances pursuant to this Scheme); and

(iv) satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between the Merger Entities in writing.

6.2 Effective Date

Subject to fulfilment of the conditions precedent set forth in Clause 6.1, this Scheme shall become effective on the last of the following dates (“Effective Date”):

(i) the date on which the Merger Entities file the drawn-up order of the relevant Court approving this Scheme with the relevant Registrar of Companies; For the avoidance of doubt, it being clarified that in case the Merger Entities make such filings on different dates, then the last date on which such filings are made with relevant Registrar of Companies shall be deemed as the Effective Date; or

(ii) such other date as may be specified by the IRDAI in its final approval for this Scheme in terms of the IRDAI Merger Regulations.

6.3 Sequencing of Events

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:

(i) amendment to the main objects of Amalgamated Company 1 as provided in Part-III of this Scheme;

(ii) amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1 in accordance with Part-III of this Scheme;
(iii) transfer of the authorised share capital of Amalgamating Company 1 to Amalgamated Company 1 as provided in Part-III of this Scheme, and consequential increase in the authorised share capital of Amalgamated Company 1 as provided in Part-III of this Scheme;

(iv) cancellation of the shareholding of Amalgamated Company 1 in Amalgamating Company 1 (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;

(v) dissolution of Amalgamating Company 1 without winding-up;

(vi) issue and allotment of Equity Shares of Amalgamated Company 1 to the shareholders of Amalgamating Company 1 as of Record Date 1 in accordance with Part-III of this Scheme and completion of all actions set forth in Clause 3.7.2;

(vii) demerger of the Life Insurance Undertaking from the Transferor Company and amalgamation of the Life Insurance Undertaking into and with the Transferee Company in accordance with Part-IV of this Scheme;

(viii) issue and allotment of Equity Shares of the Transferee Company to the shareholders of the Transferor Company as of Record Date 2 in accordance with Part-IV of this Scheme;

(ix) amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2 in accordance with Part-V of this Scheme;

(x) transfer of the authorised share capital of Amalgamating Company 2 to Amalgamated Company 2 as provided in Part-V of this Scheme, and consequential increase in the authorised share capital of Amalgamated Company 2 as provided in Part-V of this Scheme;

(xi) dissolution of Amalgamating Company 2 without winding-up; and

(xii) issue and allotment of Equity Shares of Amalgamated Company 2 to the shareholders of Amalgamating Company 2 as of Record Date 3 in accordance with Part-V of this Scheme.

6.4 **Withdrawal of this Scheme**

The Merger Entities may through mutual consent and acting through their respective Board of Directors withdraw this Scheme from the relevant Court.

6.5 **Costs and Expenses**

Each Merger Entity shall bear the stamp duty payable on the drawn-up order issued to it by the Court sanctioning this Scheme pursuant to its company petition in the state where its registered office is situated immediately prior to the Effective Date.

6.6 **Binding Effect**
Upon this Scheme becoming effective it shall be binding on the Merger Entities, their respective shareholders, creditors and all other stakeholders.

6.7 Amendment

The Merger Entities may through mutual consent and acting through their respective Board of Directors, including committees thereof, amend the provisions of this Scheme. Upon sanction of this Scheme by the Courts, this Scheme shall not be amended without the approval of the relevant Court(s).

6.8 Approval by Public Shareholders of MFSL and Max India

MFSL and Max India shall act upon this Scheme only if the votes cast by their respective Public Shareholders in favor of this Scheme are more than the number of votes cast by the Public Shareholders against it as required under the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Public Shareholders of MFSL and Max India shall be entitled to vote through postal ballot and e-voting and MFSL and Max India shall make the requisite arrangements in this regard.

6.9 Effectiveness Long Stop Date

In the event the Effective Date does not occur on or before February 28, 2018, or by such later date as may be agreed by the Merger Entities through mutual consent (acting through their respective Board of Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person in terms of this Scheme. In such case, costs incurred by the companies shall be borne and discharged by the relevant Merger Entity incurring such costs.

6.10 Non-Compete and Non-Solicitation Arrangement

6.10.1 The goodwill attached to the insurance products and the business of Max Life / Life Insurance Undertaking, whether or not inclusive of the word ‘Max’, shall be vested in HDFC Life pursuant to the provisions of Part-IV of this Scheme. HDFC Life has recognized that the “Promoters” and “Promoter Group” of MFSL, namely the Persons set forth in Schedule 1 (“Relevant Persons”) have significant goodwill, knowledge, and expertise in the insurance sector, and hence, the ability to set up a successful competing business, either directly or indirectly, which would impair the commercial viability of the intended outcome of this Scheme. HDFC Life has therefore requested the Relevant Persons to, and the Relevant Persons have agreed to, enter into the non-compete and non-solicit arrangement, to protect the interests of HDFC Life, its shareholders (including the Public Shareholders of MFSL who would become shareholders of HDFC Life as a consequence of the consideration shares issued by HDFC Life to such shareholders in terms of this Scheme) and the success of this Scheme.

6.10.2 In return for the sale of the goodwill of the Relevant Persons pertaining to and arising from the life insurance business of Max Life and the assurance, promise and undertaking of the Relevant Persons that they shall not engage in the life insurance business, business of distribution of life insurance products (including, without limitation, corporate agency, insurance broking, web aggregation or any other mode of
marketing or distribution of life insurance policies), the business of reinsurance and / or the pension business ("Competing Business"), HDFC Life has agreed to pay a separate non-compete fee of Rs. 8,50,00,00,000 (Indian rupees eight hundred and fifty crore) and the Relevant Persons have agreed to comply with such non-compete obligations and non-solicitation obligations upon effectiveness of this Scheme, for a period of 4 (four) years from the date of payment of Rs. 500,00,00,000 (Indian rupees five hundred crores), which is to be paid by the Transferee Company within 8 (eight) Business Days from the Effective Date.

6.10.3 Since the goodwill and the ability to set-up a Competing Business by the Relevant Persons, immediate and proximate to this Scheme becoming effective is not in the interest of the shareholders of HDFC Life (including the Public Shareholders of MFSL who would become shareholders of HDFC Life as a consequence of the consideration shares issued by HDFC Life to such shareholders in terms of this Scheme), and would diminish the value of the intended outcome of this Scheme, the scope of the non-compete and non-solicit arrangement is reasonable in scope and relates only to the Competing Business. The arrangement is reasonably restricted to only India and the United Arab Emirates, both being countries that are directly linked to the commercial activities of HDFC Life. Finally, the arrangement is also for a limited and reasonable duration of 4 (four) years, which is the minimum amount of time required to ensure the commercial feasibility and viability of the intended outcome of this Scheme. This arrangement does not restrict competition, is in line with previous decisions by the Competition Commission of India, and is, as a result of the sale of the goodwill of the Relevant Persons pertaining to and arising from the life insurance business of Max Life to HDFC Life in terms of this Scheme and the non-compete and non-solicit arrangement, recognized as a valid and enforceable agreement under Section 27 of the Indian Contract Act, 1872.

6.10.4 Pursuant to approval of this Scheme by the Board of Directors of the relevant companies on August 08, 2016, the Relevant Persons and Max India, HDFC Life and Max Life have, for the sake of good order and to clearly capture the understanding mentioned above, executed a non-compete agreement dated August 08, 2016 which shall become effective upon the effectiveness of this Scheme.

6.10.5 [In this regard, MFSL shall seek the approval of its Public Shareholders through requisite resolutions for the non-compete fee payable to the Relevant Persons under the non-compete agreement mentioned above.]²

6.11 Trade Mark License Arrangement

Certain Intellectual Property Rights which do not form a part of the IPR of the Life Insurance Undertaking but are essential for smooth transition of the business carried on by the Life Insurance Undertaking from Max Life to HDFC Life, post effectiveness of this Scheme, are to be licensed to HDFC Life by Max India for a mutually agreed period. Pursuant to approval of this Scheme by the Board of Directors of the relevant companies on August 08, 2016, Max India, MFSL, HDFC Life and Max Life have, for the sake of good order and to clearly capture the understanding mentioned above,  

² As and when such approval is obtained by MFSL, but in any case prior to filing this Scheme with the High Court, details of the resolution passed by the shareholders shall be inserted in this clause, and the language shall be amended to states “MFSL has obtained the approval of its Public Shareholders…”.  

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executed a trademark license agreement dated August 08, 2016. In this regard, such Persons shall strictly abide by, and comply with, their respective obligations under such a trademark license agreement.

6.12 Policyholders’ Protection

HDFC Life and Max Life shall submit a joint report (duly approved by their respective Board of Directors) to the IRDAI on the manner in which the interest of the Policyholders’ will be protected, as required under Regulation 4.1(f) of the IRDAI Merger Regulations. HDFC Life shall, post the effectiveness of this Scheme, comply with the provisions of the aforementioned joint report.

6.13 Removal of Difficulties

The Merger Entities may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Courts or of any directive or orders of any Governmental Authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After dissolution of Amalgamating Company 1 and Amalgamating Company 2, the Transferee Company and or, Amalgamated Company 2 through their respective Board of Directors shall be authorised, in consultation with the other surviving Merger Entities, if required, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Court(s) or of any directive or order of any other Governmental Authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

6.14 SAST Regulations

For the avoidance of doubt, it is clarified that pursuant to amalgamation of Amalgamating Company 1 into and with Amalgamated Company 1 and the subsequent amalgamation of Amalgamating Company 2 into and with Amalgamated Company 2, the ‘Control’ over Amalgamated Company 2 shall not change, and therefore, the requirement to make an ‘open offer’ shall not be triggered in terms of the provisions of the SAST Regulations.

6.15 Miscellaneous

6.15.1 The provisions of this Scheme are inextricably inter-linked with the other provisions of this Scheme and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 6.3.

6.15.2 Max India shall not be liable for any claims or liabilities (including tax claims) present or future pertaining to the Life Insurance Undertaking and Amalgamating Company 1. All claims or liabilities (including tax claims) present or future pertaining to the Life Insurance Undertaking and Amalgamating Company 1 shall be to the account of and / or payable by HDFC Life. Similarly, HDFC Life shall not be liable for any claims or liabilities (including tax claims) present or future pertaining to MFSL other than claims
or liabilities (including tax claims) pertaining to the Life Insurance Undertaking and/or Amalgamating Company 1. All claims or liabilities (including tax claims) present or future pertaining to MFSL other than claims or liabilities (including tax claims) pertaining to the Life Insurance Undertaking and/or Amalgamating Company 1 shall be to the account of and/or payable by Max India.

6.15.3 Notwithstanding anything to the contrary contained in this Scheme: (i) Amalgamated Company 2 shall not, post this Scheme becoming effective, undertake any action in connection with the Life Insurance Undertaking, whether as a result of such an entity being the successor/ successor-in-interest of Amalgamating Company 1 or Amalgamating Company 2 or otherwise, that interferes with, or prejudices, or adversely affects, the rights of HDFC Life or the ability of HDFC Life to fully benefit from the provisions of Part-IV of this Scheme or which nullifies any provision of Part-IV of this Scheme; and (ii) Transferee Company shall not, post this Scheme becoming effective, undertake any action in connection with the non-insurance assets/business of Amalgamating Company 2 transferred to Amalgamated Company 2 in terms of Part-V of this Scheme that interferes with, or prejudices, or adversely affects, the rights of Amalgamated Company 2 or the ability of Amalgamated Company 2 to fully benefit from the provisions of Part-V of this Scheme or which nullifies any provision of Part-V of this Scheme; If any such action is undertaken, the same shall be deemed to be void ab initio.

6.15.4 The reduction of capital reserves/revenue reserves of MFSL as contemplated in Clause 4.8.1(ii) shall be effected as an integral part of this Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act, and any other applicable provisions of the 1956 Act or the 2013 Act, and the order of the Court sanctioning this Scheme shall also be deemed to be an order under Sections 102 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, confirming the reduction of capital reserves/revenue reserves in MFSL as contemplated in Clause 4.8.1(ii). The reduction of capital reserves/revenue reserves in MFSL involves either a diminution of liability in respect of the unpaid share capital or payment to any shareholder of any part of the paid-up share capital, and accordingly the provisions of the Section 101 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, shall not be applicable to such reductions. The approval of the shareholders and creditors of MFSL accorded for this Scheme shall also constitute approval for reduction of capital reserves/revenue reserves/securities premium account in accordance with Section 100 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, and accordingly no separate approval/consent shall be necessary from such shareholders/creditors. For the purpose of the aforesaid reduction, separate applications under Section 100 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, may, if required, be filed by MFSL before the Court. Such applications for reduction of capital reserves/revenue reserves/securities premium account shall be conditional upon the sanction of this Scheme by the Court under Sections 391-394 of the 1956 Act. If this Scheme is not sanctioned by the Court, the reduction contemplated in this Scheme shall not take effect and shall be deemed to be redundant. MFSL or its successor (namely Max India) shall not be required to add the words “and reduced” as part of their respective names as contemplated under Section 102(2) of the 1956 Act or such other equivalent provision of the 2013 Act.
6.15.5 The relevant Registrar / Sub-Registrar of Assurances, Tehsildar / Collector, municipal corporation, panchayat and other land authorities where the immovable properties of the relevant companies are located shall, post effectiveness of this Scheme, cause the record of title to be mutated in the land records so as to give effect to this Scheme and to vest such immovable properties in the successor entities in accordance with the provisions of this Scheme. For this purpose, the relevant companies shall file appropriate applications / documents with relevant Governmental Authorities concerned for information and record purposes and undertake other procedural compliances.
## Schedule 1 – Relevant Persons

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the Shareholder</th>
<th>PAN Number / Corporate Identification Number</th>
<th>Permanent Address / Registered Office</th>
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<tbody>
<tr>
<td><strong>Individual</strong></td>
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</tr>
<tr>
<td>1.</td>
<td>Mr. Analjit Singh</td>
<td>ABLPS7514D</td>
<td>15. Dr. Abdul Kalam Marg (formerly Aurangzeb Road), New Delhi – 110 011</td>
</tr>
<tr>
<td>2.</td>
<td>Mrs. Neelu Analjit Singh</td>
<td>AATPS0682D</td>
<td></td>
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<tr>
<td>3.</td>
<td>Mr. Veer Singh</td>
<td>ASHPS7471E</td>
<td></td>
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<tr>
<td>4.</td>
<td>Ms. Tara Singh Vachani</td>
<td>BBCPS3362P</td>
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<tr>
<td>5.</td>
<td>Ms. Piya Singh</td>
<td>APDPS6582D</td>
<td></td>
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<td><strong>Body Corporate</strong></td>
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<tr>
<td>1.</td>
<td>Max Ventures Investment Holdings Private Limited</td>
<td>U74899DL1988PTC030778</td>
<td>Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020</td>
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<td>Pen Investments Limited</td>
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<td>Cheminvest Limited</td>
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