



MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
MAX INDIA LIMITED

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सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): U74999MH2019PLC320039

I hereby certify that the name of the company has been changed from ADVAITA ALLIED HEALTH SERVICES LIMITED to MAX INDIA LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name ADVAITA ALLIED HEALTH SERVICES LIMITED.

Given under my hand at Mumbai this First day of July two thousand twenty.



Khomane Uday Sudam

Registrar of Companies

RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

MAX INDIA LIMITED

167, Floor 1, Plot-167A, Ready Money, Mansion, Dr. Annie Besant Road, Worli, MUMBAI, Mumbai City, Maharashtra, India, 400018





**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

Central Registration Centre

Certificate of Incorporation

[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

I hereby certify that **ADVAITA ALLIED HEALTH SERVICES LIMITED** is incorporated on this Twenty third day of January Two thousand nineteen under the Companies Act, 2013 (18 of 2013) and that the company is limited by shares.

The Corporate Identity Number of the company is **U74999MH2019PLC320039**.

The Permanent Account Number (PAN) of the company is **AARCA8316K**

The Tax Deduction and Collection Account Number (TAN) of the company is **MUMA58247A**

Given under my hand at Manesar this Twenty third day of January Two thousand nineteen .



Digital Signature Certificate

MUKESH KUMAR

Deputy Registrar Of Companies

For and on behalf of the Jurisdictional Registrar of Companies

Registrar of Companies

Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on www.mca.gov.in

Mailing Address as per record available in Registrar of Companies office:

ADVAITA ALLIED HEALTH SERVICES LIMITED

167, Floor 1, Plot-167A, Ready Money, Mansion, Dr. Annie Besant Road,

Worli, MUMBAI, Mumbai City, Maharashtra, India, 400018



* as issued by the Income Tax Department

[COMPANY LIMITED BY SHARES]
MEMORANDUM OF ASSOCIATION
OF
MAX INDIA LIMITED

- *1. The Name of the Company is MAX INDIA LIMITED**
- 2. The Registered office of the company will be situated in the state of Maharashtra-MH**
- 3. (a) The objects to be pursued by the company on its incorporation are :-**
1. To champion quality of life of senior citizens by encouraging independence, preserving dignity, enabling freedom of choice and protecting privacy of life by providing independent living, assisted living skilled nursing and all other kinds of human care services associated therewith and by conducting a range of social, educational, devotional and recreational programmes for the senior citizens and purchase or otherwise acquire lands, houses, buildings, sheds and improve, manage, construct, erect, control, sell, enter into arrangements and/or lease out flats, houses, apartments, commercial complexes and to otherwise deal with properties of all kinds, for the purpose of providing entire range of services to senior citizens.
 2. To carry on the business of providing management and consultancy services, shared services, nurturing the learning and development objectives for acquisition of skills and knowledge, including recruitment personnel management in the Company, its affiliates, subsidiaries, associates, joint venture companies and other companies including those with similar objects as that of the Company.
- 3. (b) Matters which are necessary for furtherance of the objects specified in clause 3 (a) are :-**
1. To enter into any arrangement/agreement or contract with any person, Association, Firm, or Corporation whether in India or outside, for technical collaboration, know-how, training of technicians, or for such other purpose that may seem beneficial and conducive to the objects of the Company.
 2. To acquire and undertake all or any part of business property, liabilities and rights of any person, firm, or Company carrying on any business which this Company is authorized to carry on or be possessed of property suitable for the purpose of the Company.
 3. To enter into any arrangement with any Government or Authority, (Supreme, Local, Municipal or otherwise) that may seem conducive to Company's objects or any of them and to obtain from any such Government or Authority all rights, concession and privileges which the Company may think desirable to obtain in connection with its business and to carry out, exercise and comply with any such arrangement, rights, privileges and concessions.

* *The name of the Company was changed from Advaita Allied Health Services Limited to Max India Limited, pursuant to Clause 3.10 of the Composite Scheme of Amalgamation and Arrangement amongst Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Advaita Allied Health Services Limited and their respective shareholders and creditors as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai vide order dated January 17, 2020. Fresh certificate of Incorporation, after change of name of the Company was issued by Registrar of Companies, Mumbai on July 1, 2020.*

4. Generally to purchase, or take on lease, or in exchange, hire, or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient with reference to any of these objects and capable of being profitably dealt with in connection with and of the Company's property or right, for the time being.
5. To design, develop, alter, exchange, process, manufacture, deal either as principals agents let on hire, import or export the technical know how, machinery, assemblies, components and other parts specified above and ancillaries thereof.
6. To institute, conduct, defend, compound, compromise any legal proceedings against or by the Company.
7. To remunerate any person, firm or Company for services rendered or to be rendered in the acquisition of property by the Company or the conduct of its business.
8. To employ experts to investigate and examine into the condition, prospect, value, character and circumstances of any business concern and undertaking and generally of any asset property or rights proposed to be acquired by the Company.
9. To distribute in specie any of the Company among the members in the event of winding up of the Company.
10. To sell, improve, manage, develop, exchange, lease, mortgage, and dispose of, turn to account or otherwise deal in all or any part of the property and rights of the Company.
11. To open account or accounts with any individual, firm or company or with any Bank or Financial Institutions, shroffs and to pay into and to withdraw money from such account.
12. To distribute as dividend or bonus, among the members or to place to reserve or otherwise to apply as the company may, from time to time, think fit, any money received by way of premium on shares or debentures issued at a premium by the Company and money arising from the sale by the Company of forfeited shares.
13. To undertake the study of markets and conduct survey of consumer tastes in India or foreign markets, and to co-operate with Trade Associations and Government Agencies/ Authorities.
14. To establish, purchase and take on lease or otherwise acquire and run shops, showrooms, distributing centres, stores and depots at any place in India and abroad.
15. To acquire, purchase and take on lease all or any of the fixed assets, machineries furniture, fixtures, stores, stock of raw and finished materials, privileges, quota rights pertaining to any business to achieve the aforesaid objects.
16. To acquire for the purpose of the Company by purchase, lease, exchange or otherwise any estates, lands, buildings and hereditament of any nature or description and any estate or interest therein, and any rights over or connected with land and to turn the same to account as may seem expedient in connection with the business of the Company.
17. To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit in connection with its business and also invest the money of the Company not immediately required in such manner as from time to time may be determined provided that the Company shall not carry on the business of banking in any such case as defined under the Banking Regulations Act, 1949.
18. To manufacture, import, export, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plants, machines, apparatus, tools, utensils, substances, material made things, necessary or convenient for carrying on any of the above specified business or proceedings.


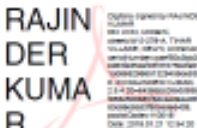
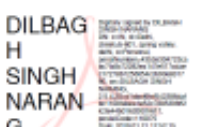

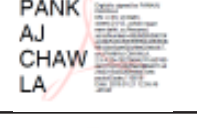

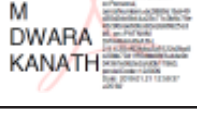
19. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes rewards and donations.
20. To take interest and promote and undertake the formation and establishment of such institutions, and companies as may be considered to be conducive to the interest of the Company and also to promote subsidiaries and ancillaries.
21. To sell, lease, mortgage, or otherwise dispose of property, assets or undertaking of the Company including by way of demerger or spin-off of the assets or undertakings or any part thereof for such consideration as the Company may think fit, and in particular for shares, stocks, debentures or securities of any other Company having objects altogether or in part similar to those of this Company.
22. To employ/acquire technical experts, technocrats, consultants, engineers mechanics, foremen and skilled and unskilled labour for any of the purpose of business of the Company.
23. To amalgamate with or take over other company or companies having objects altogether or in part similar to those of this Company.
24. To insure with any person or company against losses, damages, risks and liabilities of any kind which may affect the Company either wholly or in part directly or indirectly.
25. To enter into partnership, agreement or into arrangement for sharing profits or into any union of interest, joint venture, reciprocal concession or co-operation with any person or persons, company or companies carrying on or engaged in or about to carry on or engage in or being authorized to carry on or engage in, any business or transaction which this Company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as to directly or indirectly benefit the Company.
26. To apply for, purchase or otherwise acquire and protect and renew in any part of the world, any patents, Designs/Trade Marks/Copyrights, patent rights, invention licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any information as to any invention which may seem calculated directly or indirectly to benefit the Company in connection with its business and to use, exercise develop or grant licences in respect of the information so acquired and to spend money in experimenting upon, testing or improving any such patents, inventions or rights and to get the existings converted/ transferred in the name of the Company.
27. To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills shops, machinery, engines, roadways, tramways, railways, branches or sidings, bridges, reservoirs, water courses wharves, electric works and other works and conveniences which are calculated directly or indirectly to advance the interest of the Company and to join with any person in doing any of these things.
28. To pursue the registration or other recognition of company in any country, State or place and to establish and to regulate agency for the purpose of the Company's business and to apply or join in applying to any Parliament, Local Government, Municipal or other authority or body, Indian or foreign, for any Acts or Parliament laws, decrees, concessions, orders rights or privileges that are conducive to the Company's object or any of them and to oppose any proceedings or applications which may seem calculated indirectly or, directly to prejudice Company's interest rights.
29. To do all or any of Company's business or of principals, agents or representatives of any person, Firm, Company or Corporation, having business or objects altogether or in part similar


- to those of this Company and to carry on the business of the Company with foreign collaboration on terms and conditions, subject to laws governing the same.
30. Subject to the provisions of applicable provisions of the Companies Act, as amended, from time to time, to invest in any, real or personal property rights or interest acquired by or belonging to the Company in any personal company on behalf of or for the benefit of the Company but with the declared trust in favour of the Company.
 31. To carry on any business or branch of a business which this Company is authorized to carry on by means of or through the agency of any subsidiary ancillary company or companies and to enter into any arrangement with any such subsidiary company/ companies for taking the profits, bearing losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any other business or branch so carried on, and to appoint Directors or managers of any such company.
 32. To take such steps as may be necessary to give the Company the same rights or privileges in any part of the world as are possessed by local companies or concerns of a similar nature.
 33. Subject to the directives of Reserve Bank of India and applicable provisions of the Companies Act as amended, from time to time, and the rules made thereunder, to borrow or raise money or to receive money on deposit or loan at interest or otherwise in such manner as the Company may think and in particular by the issue of debentures or debentures stock (perpetual or otherwise) any convertible or not, or shares of the Company and to secure the repayment of any such money borrowed, raised or received or owing by mortgage, pledge, charge or lien upon all or any of the property, assets or revenue of the Company (both present and future) including its uncalled Capital and to give to the creditors the power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company in connection with its business provided that the Company shall not carry on banking business as defined in Banking Regulations Act, 1949.
 34. To create depreciation fund, reserve fund, sinking fund, insurance fund, provident fund or any special or other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose whatsoever conducive to the interest of the Company.
 35. To pay all costs, charges and expenses of and incidental to the promotion, registration and establishment of the Company.
 36. To draw, accept and make, endorse, discount and negotiate promissory notes, cheques, hundies, bills of exchange, bills of lading and other negotiable instruments in connection with the business of the Company.
 37. To train or pay for the training in India or abroad of any of the Company's officers, employees or any candidate in the interest of or for the furtherance of the Company's objects.
 38. To make donations to such person or institutions either in cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and to provide for the welfare of the Directors, Officers, employees and ex-directors, ex-officers, and ex-employees of the Company and wives, widows, and families of the dependants or connection of such persons, by building or contributing to the building of houses, dwelling, chawls or by grants of moneys, pension allowances, bonus or other payments, or by creating and from time to time subscribing or contributing towards places of executions and recreation, hospitals and dispensaries, medical and other attendance and

- other assistances as the Company shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious, scientific, national or other institutions and objects which shall have any moral, public or other claim to support or aid by the Company either by the reason of locality of operations or of public and general utility or otherwise, subject to applicable provisions of the Companies Act, as amended, from time to time.
39. To give to officers, servants or employees of the Company any share or interest in the profits of the Company's business or any branch thereof and whether carried on by means of or through the agency of any subsidiary/ancillary Company or not and for that purpose to enter into any arrangements, the Company may think fit.
 40. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory provident pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pension, allowances or employments or any other pecuniary aid to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or to who are or were at any time the Directors and Officers of the Company or any such other company as aforesaid, and the wives, widows, families and dependants of any such person, and also establish and subsidize and subscribe to any institution, association, club or funds calculated to the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and to any of the matter aforesaid either alone or in conjunction with any such company aforesaid.
 41. To provide residential and/or sleeping accommodation for workmen and other and in connection with to afford to such persons facilities and convenience for washing, bathing, cooling, reading and writing and for the purchase, sale and consumption of provisions both liquid and solid and for the safe custody of goods.
 42. To refer or agree to refer any claim, demand, dispute or any other question, by or against Company, or in which the Company is interested or concerned, and whether between the Company and the member or members or their representatives, or between the Company and third parties to arbitration in India and/or at place outside India, and to observe and perform all acts, deeds, matters and things necessary to carry out or enforce the awards decisions.
 43. To make donations in cash or in kind subject to the applicable provisions of the Companies Act, as amended from time to time.
4. **The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.**
 - *5. **The Authorised Share Capital of the Company is Rs. 60,05,00,000 (Indian Rupees Sixty Crore Five Lakh only), divided into 6,00,50,000 (six crore fifty thousand) Equity Shares of Rs. 10 (Indian Rupees Ten) 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.**

* *Clause 5 has been altered pursuant to Clause 3.2 of the Composite Scheme of Amalgamation and Arrangement amongst Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Advaita Allied Health Services Limited and their respective shareholders and creditors as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai vide order dated January 17, 2020.*

- 6 We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:

SUBSCRIBER DETAILS						
S. No.	Name, Address, Description and Occupation	DIN/PAN/Passport Number	No. of shares taken		DSC	Dated
1	Venkatraman Krishnan S/o Late Shri Krishna Rao Venkatraman R/o. A-38, Lajpat Nagar, Sahibabad, District Ghaziabad, Uttar Pradesh-201005 Occupation - Service	00402601	1	Equity		21/01/19
2	M/s. Max India Limited having its registered office at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144533 through its authorized representative Mr. Rajinder Kumar S/o. Late Shri Ved Parkash R/o. WZ - 279A, Tihar Village, New Delhi 110018 Occupation - Service	BKGPK4121D	64	Equity		21/01/19
3	Dilbagh Singh Narang S/o. Ajit Singh Narang, R/o. B-601, AG BROS CGHS Ltd. Spring Valley Appts, Plot 3C, Sector 11, Dwarka, Delhi - 110075 Occupation - Service	ABQPN6299M	1	Equity		21/01/19
4	Mr. Jatin Khanna S/o. Shri Harish Kumar Khanna R/o. C-199, Vivek Vihar, Phase-I, Delhi - 110 095 Occupation - Service	07089135	1	Equity		21/01/19
5	Pankaj Chawla S/o. Shri Ashok Chawla R/o. 21/12, Ashok Nagar, New Delhi - 110 018 Occupation - Service	AFTPC2661M	1	Equity		21/01/19
6	Sandeep Pathak S/o Harish Chandra Pathak R/o. C-1/132, Yamuna Vihar, New Delhi - 110 053 Occupation - Service	AKYPP9914E	1	Equity		21/01/19
7	Patnam Dwarakanath S/o. Shri Venkata Patnam Ramanarao R/o. M1018-A, Magnolias, DLF Golf Links, DLF City Phases, Gurgaon - 122009, Haryana Occupation - Service	AAYPD9326N	1	Equity		21/01/19
Total Shares taken			70.00	Equity		

SIGNED BEFORE ME				
Name	Address, Description and Occupation	DIN/PAN/Passport Number/Membership Number	DSC	Dated
FCS	Kiran Sharma E-145 Basement, Kalkaji, New Delhi-110019, Company Secretary	4942		21/01/19

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(COMPANY LIMITED BY SHARES)

*
ARTICLES OF ASSOCIATION

OF

MAX INDIA LIMITED

PART-I

Interpretation

1. Unless the context otherwise requires, words of expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Company. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith.

“The Act” means the Companies Act, 2013 and includes where the context so admits any prior enactment including, the Companies Act, 1956, re-enactment or statutory modification thereof for the time being in force.

“These Articles” means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

“The Company” means the above named Company’.

“The Directors” means the Directors of the Company.

“The Board of Directors” or “The Board” means the Board of Directors of the Company.

“The Managing Director” means the Managing Director of the Company.

“The Office” means the Registered Office of the Company.

“Register” means the Register of Members of the Company required to be kept under Section 150 of the Act.

“The Registrar” means the Registrar of Companies, as defined by Section 2 (40) of the Act.

“The Secretary” means the Secretary of the Company.

“Dividend” includes bonus but excludes bonus shares.

“Month” means calendar Month.

“Year” means a Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2 (17) of the Act.

“Seal” means the Common Seal of the Company.

“Proxy” includes Attorney duly constituted under a Power-of Attorney.
2. *Table “A” not to apply* Save as reproduced herein the regulations contained in Table “A” in Schedule I, to the Act shall not apply to the Company.

* Article of Association altered pursuant to Clause 3.9 of the Composite Scheme of Amalgamation and Arrangement amongst Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Advaita Allied Health Services Limited and their respective shareholders and creditors as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai vide order dated January 17, 2020.

- Buy back of shares* 3. Notwithstanding anything to the contrary contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors of the Company may and if thought fit, buy back such of Company's own shares or securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by the law.
4. The Authorised Share Capital of the Company shall be as specified from time to time, in the Memorandum of Association of the Company. The Share Capital of the Company shall comprise of Equity Shares and/or Preference Shares of such amount as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or reorganize the shares, subject to Section 106 of the Act, to vary such rights as may be determined in accordance with the regulations of the Company.
- Issue of new shares.* 5. Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons, on such, terms and conditions and at such times, either at par or at premium and for such consideration as the Board thinks fit, Provided that where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81 (1A) of the Act the Board shall issue such shares in the manner set out in Section 81 (1) of the Act. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
- Return of allotment.* 6. As regard all allotments made, from time to time, the Directors shall duly comply with Section 75 of the Act.
- Redeemable Preference Shares.* 7. Subject to the provisions of these Articles the Company shall have power to issue preference shares carrying a right of redemption out of the profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act exercise such powers in such manner as may be provided in these Articles.
- Commission and brokerage.* 8. The Company may exercise the powers of paying commission conferred by Section 76 of the Act and in such case it shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
- Shares at a discount.* 9. With the previous authority of resolution passed by the Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 of the Act, the Directors may issue at a discount shares of a class already issued.
- Installments on shares to be duly paid.* 10. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- Liability of joint holders of shares.* 11. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
- Trust not recognised.* 12. Subject to provisions of Section 187 C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

- Who may be registered.* 13. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders. No share shall be allotted to or registered in the name of person of unsound mind or a partnership.
- Dematerialisation of Securities* 13A. (1) For the purpose of this Article :
- ‘Beneficial Owner’** means a person or persons whose name is recorded as such with a Depository.
- ‘Depository’** means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.
- ‘SEBI’** means the Securities & Exchange Board of India established under Securities & Exchange Board of India Act, 1992.
- Dematerialisation/ rematerialisation of Securities* (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities and/or to offer securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996.
- Option for Investors* (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- Securities in Depositories in fungible form* (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- Rights of Depositories and Beneficial Owners* (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- Service of Documents* (6) Notwithstanding anything contained in the Act or these Articles to the contrary, where Act securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivering of floppies or discs.

- Transfer of Securities* (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- Allotment of Securities dealt with in a Depository* (8) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- Distinctive numbers of Securities held on Depository* (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- Register of Beneficial Owners* (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Securityholders for the purposes of these Articles.

SHARE CERTIFICATES

- Issue of Share Certificates.* 14. (a) The issue of share certificate and duplicate and the issue of new share certificates on consolidation or sub-division or in replacement of share certificates which are surrendered for cancellation due to their being defaced torn, old, decrepit or worn out or the cages for recording transfer having been utilised or of share certificates which are lost or destroyed shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof. If any share certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate, provided no fee shall be charged for splitting or consolidation of share certificates in lots of market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.
- Members right to Certificate.* (b) Every member shall be entitled, free of charge to one certificate under the Common Seal of the Company, for all the shares of each class registered in his name, or if the Board so approves, to several certificates each for one or more of such class of shares. The Company, unless prohibited by any provision of law or any Order of any Court, Tribunal or other Authority shall within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of Bonus Shares) of any of its shares or debentures stock and within two months after receipt of the application for the registration of the transfer of any such shares and debentures, as the case may be deliver in accordance with the procedure laid down in Section 53 and any other applicable provisions of the Act, the certificate (s) of all shares or debentures allotted/transferred.
- Calls* 15. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
- Restrictions on powers to make* 16. No call be made payable within one month after the last preceding call was payable.

- Notice of call.* 17. Not less than 30 days notice of any call shall be given specifying the time and place of payment and to whom such calls shall be paid.
- When interest on call or installments payable.* 18. (a) If the sum payable in respect of any call or installment be not paid on or before the day of appointment for payment thereof, the holders for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest upon the same at the rate of 18 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
- Amount payable at fixed times or payable by installments as call.* 19. If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions contained in respect of call shall relate to such amount or installment accordingly.
- Evidence in actions by company against shareholders.* 20. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose on the Register as a holder, on one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment of calls in advance.* 21. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sum actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding unless the Company in general meeting shall otherwise direct, 12 (Twelve) percent per annum as the member paying such sum in advance and the Board agree upon. But the money so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Board may at any time repay the amounts so advanced upon giving to such member not less than three months notice in writing.
- Revocation of call.* 22. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE & LIEN

- If call or installment not paid notice may be given.* 23. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Form of Notice.* 24. The notice shall name a day (not being less than thirty days from the date of service of the notice) and a place or places on and at which such call or installment and such Interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

- If notice not complied with shares may be forfeited.* 25. If the requirement of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before, payment of all calls or installments interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect.
- Notice after forfeiture.* 26. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- Forfeited share to become property of the Company.* 27. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, or otherwise dispose of the same in such manner as it thinks fit.
- Power to annul forfeiture.* 28. The Board may, at any time, before and so forfeited share shall have been sold, or otherwise disposed of annul the forfeiture thereof upon such conditions as it thinks fit.
- Liability on forfeiture* 29. A person whose share has been forfeited shall cease to be a member in respect of such share, but shall, notwithstanding such forfeiture, remain liable to pay, and shall, forthwith pay to the Company all calls, or installments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture, until payment, at 12 (Twelve) percent per annum or at such lower rate as the Board may determine and the Board may enforce, the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
- Evidence of Forfeiture.* 30. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, given for the shares on the sale or disposition thereof shall constitute a good title to such share. The person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture sale or disposition.
- Forfeiture provision to apply to non-payment.* 31. The provisions of Articles 23 to 27 hereof shall apply in the case of non payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
32. The Company shall have a first and paramount lien upon every share (not being a fully paid up share) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for money called or payable at a fixed time in respect of such shares, whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect.
- Fully paid shares shall be free from all lien, and that in the case of partly paid shares, the company's lien shall be restricted to money called or payable at a fixed time in respect of such shares
- Unless otherwise agreed, the registration of transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.
- As to enforcing lien by sale* 33. For the purpose of enforcing such lien the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid

shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative, as the case may be, and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for 30 days after the date of such notice.

- Application of proceeds of sale* 34. The net proceeds of the sale shall be received by the Company and shall after payment of costs of such sale be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable (as existed upon the share before the sale) and the residue shall be paid to the persons entitled to the share at the date of the sale.
- Validity of sales in exercise of lien and after forfeiture.* 35. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Board may Issue new certificate.* 36. Where any share under the powers in that behalf herein-contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

- Execution of transfer etc.* 37. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation, if any, of the transferee and the transferor shall be deemed to remain the member in respect of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.
- Application for registration of transfer.* 38. Application for the registration of the transfer of a share may be made either by the transferor, or the transferee, provided that where such application is made by the transferor, no registration shall in the case of a partly paid share be effected unless the Company gives the notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee on the conditions as if the application for registration of the transfer was made by the transferee.
- Form of Transfer.* 39. The instrument of transfer shall be in writing in such form as may be prescribed by the Act, and all the provisions of Sections 108 of the Act, and of Statutory modification thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.
- Restriction on Transfer.* 40. Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal may, refuse to register any transfer of, or the transmission by operation of law of the right to a share other than fully paid up. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or Jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on shares.

- Transfer to minor etc.* 41. No transfer shall be made to partnership firm or a person of unsound mind. However, fully paid up shares may be transferred in the name of a minor through his guardian.
- Transfer be left at office and when to be retained.* 42. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share, and the transferor shall (Subject to the Board's right to decline to register hereinbefore mentioned) be registered as a member in respect of such share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
- Notice of refusal to register transfer* 43. If the Board refuses, whether in pursuance of article 40 or otherwise to register the transfer of, or the transmission by operation of law of the right to any, share, the Company shall give notice of the refusal in accordance with the provision of Section 111 (2) of the Act.
- Fee on registration of transfer.* 44. No fee shall be charged by the Company of registration of transfer.
- Suspension of registration of transfer.* 45. Subject to the provisions of section 154 of the Act, the registration of transfer may be suspended at such time and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
46. Deleted.
- Transmission of registered shares.* 47. The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint- holders of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person Before recognising any executor or administrator the Board may require him to obtain a grant of Probate or letters of Administration or other legal representation, as the case may be from a court in India competent to grant it. Provided, nevertheless, that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the board to dispense with the production of probate or letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may think fit.
- As to transfer of shares in insane, minor, deceased, bankrupt members,* 48. Any Committee or curator points of a lunatic or guardian of a minor member or any person becoming entitled to a share in consequence of insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may subject to the regulation as to transfer, herein contained transfer such shares.
- Transmission Article.* 49. (a) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to Company a notice in writing signed by him stating that he so elects.

*Election under the
Transmission Article*

- (b) If the person aforesaid shall elect to transfer to share, he shall testify his election by executing an instrument of transfer of the share.
- (c) All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of instrument of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were signed by that member.

*Rights of persons
entitled to shares under
the transmission Article.*

50. A person so becoming entitled under the Transmission Article to shares by reason of the death, lunacy, bankruptcy or insolvency of the holder shall subject to the provisions of Article 85 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the Registered holder of the shares. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares. and if the notice is not complied with within ninety days the Board may thereafter with-hold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

*Power to increase
capital.*

51. The company may, from time to time, by ordinary resolution alter conditions of its Memorandum of Association to increase its capital by the creation of new share of such amount and class as may be specified in the resolution.

*On what condition new
shares may be issued.*

52. Subject to any special rights for the time being attached to any share in the capital of the Company then issued and to the provisions of Section 81 of the Act the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.

*Keeping in abeyance
rights shares pending
transfer*

- 52A. Notwithstanding anything contained in Article 52 or the Act, the offer of Rights Shares under Section 81 (1) (a) of the Act on Shares in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.

*Provision relating to the
issue.*

53. Before the issue of any new shares, the Company in general meeting may, subject to the provisions of the Act, make provisions as to the allotment and issue of shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium or at a discount.

*Ranking of new shares
with existing shares.*

54. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

*Inequality in number of
new shares.*

55. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting be determined by the Board.

Reduction of capital etc.

56. The Company may, from time to time, by special resolution reduce its Capital, and Capital Redemption Reserve Account or Share Premium Account in any manner and with and

subject to any incident authorised and consent required by law. Notwithstanding anything contained in these Articles so long as any money remains due by the Company under or by virtue of any deed of mortgage executed by the Company in favour of the Corporation, no change will be made in the capital or by issue of further shares or otherwise whatsoever save with the previous consent in writing of the Corporation.

57. The Company may, from time to time, by ordinary resolution:
- (a) Consolidate and divide all or any of its shares into shares of larger amount than its existing shares;
 - (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled.

Surrender of shares. 58. Subject to the provisions of Sections 100 to 105 of the Act, the Board may accept from any member the surrender on such terms and conditions, as shall be agreed of all or any of his shares.

Conversion of shares into Stock, 59. The Company may, from time to time, by ordinary resolution,

- (a) convert any fully paid up shares into stock, and
- (b) reconvert any stock into fully paid up shares of any denomination.

Transfer of Stock. 60. The holders of stock may transfer the same or any part thereof in the same manner and also subject to the same regulations under which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may, from time to time, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which stock arose.

Rights of Stock-holders. 61. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at the meetings of the company, and other matters as they hold the shares from which the stock arose, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

“Stock” and “Stock holder”. 62. Such of the Articles of the Company (other than relating to share warrants) as are applicable to paid up shares shall apply to stock and the words “Share” and “Share-holder” therein shall include “Stock and ” and “Stock-holder” respectively.

SHARE WARRANTS

Power to issue Warrants. 63. Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in general meeting, the directors may issue share warrants in such manner and on such terms and conditions as the Board thinks fit. In case of such issue, regulations 40 to 43 of Table “A” in Schedule 1 to the Act shall apply.

MODIFICATION OF RIGHTS

- Power to modify rights.* 64. The rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at separate meeting of the holders of the shares of that class. In every such separate meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least, holding or representing by proxy one- third of the issued shares of that class.

BORROWING POWERS

- Power to borrow.* 65. The Board may, from time to time, at its discretion, subject to the provisions of Sections 58 A, 292, 293 and 370 of the Act, raise or borrow either from the Directors or Central Government or State Governments, Bank, Corporation or any other party or parties and secure the payment of any sum or sums of money for the purposes of the Company. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the issue of bonds perpetual or redeemable debentures or debenture stock or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company both present and future) including its uncalled capital for time being, and Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall subject to the Provisions of section 310 of the Act, be entitled to receive such payment as consideration for giving guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. Notwithstanding anything contained in these Articles and so long as any money remains due by the Company to the Corporation under or by virtue of any Deed of Mortgage executed by the Company in favour of the Corporation the following provisions shall have effect;
- (i) No Director shall be entitled to receive any payments as consideration for giving any guarantee in respect of loan by the Corporation to the Company.
 - (ii) The Company, the Directors or the Managing Director shall not create, purport or attempt to create, without the previous consent in writing of the Corporation, any charge or mortgage or other encumbrance, in respect of the properties or assets mortgaged and charged in favour of the Corporation or any part thereof in respect of any of the machinery stores and machinery spares belonging to the Company.
- Issue at discounts etc. or with special privileges.* 66. Any debentures or debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special rights, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person, to whom the same may be issued. Provided that debentures with the right to allotment of or conversion into share shall not be issued except in conformity with the provisions of Section 81 (3) of the Act.
- Instrument of transfer of debentures.* 67. Save as provided in section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company together with the certificate or certificates of the debentures.

- Refusal to register transfer.* 68. Subject to the provisions of Section 111 of the Act, the Board may without assigning any reason refuse to register the transfer of any debenture.

GENERAL MEETING

- When Annual General Meeting to be held* 69. In addition to any other meetings, Annual General Meetings of the Company shall be held within such intervals as are specified in Section 166 (1) read with Section 210 of the Act and subject to the provisions of Section 166 (2) of the Act at such times and places as may be determined by the Board. All other meetings of the Company, shall except in the case of the statutory meeting, be called Extra-ordinary General Meetings and shall be convened under the provisions of the next following Article.

- When Extraordinary meeting to be called,* 70. The Directors may, whenever they think fit, call an Extraordinary general Meeting, and an extraordinary General Meeting shall also be held on such requisition or in default may be called by such requisitioners, as provided by Section 169 of the Act. If at any time there are not within India sufficient Directors capable of acting to form a quorum by Directors any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible as that in which meeting may be called by the Directors.

- Circulation of member's resolution.* 71. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

- Notice of Meeting.* 72. Subject to the provisions of Sections 171 and 176 (2) of the Act, notice of every meeting of the Company shall be given to such persons and in such manner as provided by Section 172 of the Act. where any business consists of "Special business" as hereinafter defined in Article 74, there shall be annexed to the notice a statement complying Section 173(2) and (3) of the Act.

- Accidental Omission to give notice.* 73. The accidental omission to give any such notice to or the non-receipt thereof by any member or other persons to whom it should be given, shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETING

- Business of Meetings.* 74. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at the Annual General Meeting and all business at any other general meeting shall be deemed Special business.

- Quorum be present when business commenced.* 75. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be quorum.

- When quorum not present meeting to be dissolved and when to be adjourned.* 76. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned in accordance with the provisions of sub-sections (3), (4) and (5) of Section 174 of the Act.

- Resolution to be passed by the Company in general meeting.* 77. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 189(2) of the Act.

- Chairman of General Meeting.* 78. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number being a member entitled to vote, to be the Chairman of the meeting.
- How questions to be decided at meetings casting vote.* 79. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as member.
- What is to be evidence of the passing of a resolution where poll not demanded.* 80. At any General Meeting a resolution put to vote shall be decided on show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion or unless a poll is demanded by a member or members present in person or by proxy and holding shares in the Company :
- (i) Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or
 - (ii) on which an aggregate sum of not less than Rs. 50,000 has been paid up.
- The demand for poll may be withdrawn at any time by the person or persons who made the demand. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- Poll.* 81. (1) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting and in any other case in such manner and at such time not being later than forty eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs and subject to as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (2) The demand for a poll may be withdrawn at any time by the person or person who made the demand.
 - (3) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed to scrutinise the votes given on the poll and to report to him thereon.
 - (4) On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all of his votes or cast in the same way all the votes he use.

- (5) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- Power to adjourn general meeting.* 82. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjournment meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting, if it is adjourned for less than 30 days.
- Votes on show of hand and on poll.* 83. Subject to the provisions of the Act and particularly of Sections 87, 88, 92(2) and 108D thereof and of these Articles:
- (1) upon a show of hands of every member holding equity shares and entitled to vote and present in person (including an attorney or a representative of a body corporate) shall have one vote:
- (2) upon poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company;
- (3) upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.
- Procedure where a company is member of the Company.* 84. Where a company or a body corporate (hereinafter called "member company") is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at meeting of the Company shall not, by reason of such appointment, be deemed to be a proxy, and lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.
- Votes in respect of deceased, insane and insolvent member.* 85. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last- mentioned persons may give their votes by proxy.
- Member registered jointly.* 86. Where there are members registered jointly in respect of any one share any one of such person may vote at any meeting either personally or by proxy in respect of such share as if

he were solely entitled thereto and if more than one of such members be present at any meeting either personally or by proxy then one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article, be deemed to be members registered jointly in respect thereof.

- Vote on poll.* 87. On a poll, votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorised as aforesaid.
- Instrument appointing proxy to be in writing.* 88. The instrument appointing a proxy be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its office or attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a Special Proxy, any other proxy shall be called General proxy.
- Proxies may be general or special.* 89. A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that the proxy need not be a member of the Company
- Instrument appointing a proxy to be deposited at the office.* 90. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in default the instrument on proxy shall not be treated as valid.
- When vote by proxy valid although authority revoked,* 91. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairman of the meeting shall be entitled to require such evidence as he may in his discretion think fit, of the due execution of instrument of proxy and that the same has not been revoked.
- Form of instrument appointing proxy* 92. An instrument appointing proxy, whether for a specific meeting or otherwise, shall be in either of the forms in Schedule IX to the Act, or a form as near thereto as circumstances admit.
- Restriction on voting.* 93. No member shall be entitled to exercise any voting right either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- Admission or rejection of votes* 94. (1) An objection as to the admission or rejection of any vote either, on a show of hands, or on a poll, made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.

- (2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote disallowed at such meeting shall be valid for all purposes,

DIRECTORS

- Number of Directors* 95. The number of Directors of the Company shall not be less than three (3) or more than twenty one (21), excluding any Debentureholder Director or Alternate Director, provided that any increase in the number of Directors in Office beyond 12 (twelve), would require the approval of the Central Government under Section 259 of the Act”.
- Company in General Meeting to increase or decrease number of Directors.* 96. The Company in general meeting may, from time to time, increase or reduce the number of Directors within the limits fixed by Article 95.
- First Directors.* 97. *****DELETED BEING NOT APPLICABLE*****
98. Notwithstanding anything to the contrary contained in these Articles so long as any moneys shall be owing by the Company to Industrial Development Bank of India (IDBI), or Industrial Finance Corporation of India (IFCI), or the Industrial Credit and Investment Corporation of India Limited. (ICICI), or Life Insurance Corporation of India (LIC), or Unit Trust of India (UTI) or any other Financing Corporation or Company or Body (hereinafter referred to as The Corporation), or so long as the Corporation holds any shares/debentures in the Company as a result of subscription or underwriting, or conversion of loan/debenture into equity capital of the Company or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding the Corporation shall, pursuant to an agreement between it and the Company, have a right to appoint one or more persons as Director(s) on the Board of Directors of the Company (each such director is hereinafter referred to as “the Nominee Director”). The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation. The Corporation may at any time and from time to time remove the Nominee Director appointed by it and may, in the event of such removal and also in the case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Corporation and shall be delivered to the Company at its Registered Office. The Board of Directors of the Company shall have no power to remove the Nominee Director from Office. Each such Nominee Director shall be entitled to attend all general meetings and meetings of the committee of which he is member, and he and the Corporation appointing him shall also be entitled to receive notice of all such meetings. The Nominee Director shall be paid normal fees and expenses to which other Directors are entitled, provided that if the Nominee Director nominated by IDBI is an Officer of the Reserve Bank of India (RBI) or (IDBI), unless IDBI otherwise directs, no sitting fees shall be payable to him but the Company shall reimburse RBI or IDBI as the case may be, the amount paid or payable under its rules to such Nominee Director on account of travelling and halting allowances and any other expenses for attending any meeting of the Board or Committee.

- Share qualification of Director.* 99. Unless otherwise determined by a Special resolution in a general meeting of the Company amending this Article a Director of the Company shall not be required to hold any share as his qualification.
- Director's remuneration.* 100. The Director shall receive and the Company shall pay remuneration not exceeding such sum as may be prescribed by the Act or the Central Government in that behalf towards fee for attending meetings of the Board or its Committees as may be determined by the Board from time to time.
- Remuneration for extra services.* 101. If a Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the company or in giving special attention to the business of the Company or as a member of a Committee to the Board then, subject to the provisions of Section 198, 309, 310 and 314 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
101. (a) The directors subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and amendments hereafter may be paid Commission by way of additional remuneration not exceeding 1% of net annual profits of the company computed in the manner laid down in section 349, 350 and 351 of the Companies Act, 1956 such commission may be divided equally amongst the directors on the board on the last day of the financial year of the company to which the commission relates, unless they decide otherwise. Provided that the Directors appointed on the Board on recommendation by the Central Government shall not be entitled to receive the above remuneration.
- Vacation of office of Directors.* 102. The office of the Director shall ipso-facto become vacant if at any time he commits any of the acts or sustains any of the incapacities set out in section 283 of the Act.
- Resignation of Director.* 103. A Director may at any time resign from his office by notice in writing served on the Company and such resignation shall be effective when the said notice is received by the Company.
- Office of Profit.* 104. No Director or other person referred to in Section 314 of the Act shall hold an Office or place of profit save as permitted by that section.
- Appointment of Director as Director of Company in which the company is interested.* 105. A Director of this Company may be or become a Director of any other company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company.
- Conditions under which Directors may contract with company.* 106. Subject to the provisions of Section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding Office or of the fiduciary relation thereby established.

- Disclosure of a Director's interest.* 107. Every Director shall comply with the provisions of Section 299 of the Act, regarding disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the Company.
- Discussion and voting by Director interested.* 108. Save as permitted by Section 300 of the Act or any other applicable provision of the Act, no Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly, concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote.

APPOINTMENT RETIREMENT AND REMOVAL OF DIRECTORS

- Additional Directors.* 109. The Board shall have power, at any time and from time to time to appoint any person as an additional Director on the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these articles. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall then be eligible for re-appointment by such general meeting.
- Alternate Directors.* 110. The Directors may appoint any person to act as a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote there at accordingly ; but he shall ipso facto vacate office if and when the absentee Director returns to the State in which meetings of the Directors are ordinarily held or the absentee Director vacates office as a Director.
- Board may fill up casual Vacancies.* 111. If any Director appointed by the Company in General Meeting vacates Office as a Director before his term of office expires in the normal course the resulting casual vacancy may be filled up by the Board at a Meeting of the Board, but any person so appointed shall remain in his office so long as the vacating Director would have retained the same if no vacancy had occurred, Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the Office of Director in accordance with the provisions of Section 284 of the Act.
- Appointment of Non-Rotational Directors* 111A. The Board of Directors of the Company is empowered to appoint upto one-third of its strength as Non-Rotational Directors, subject to a maximum of three, excluding nominees of Financial Institutions in accordance with Article 117 above.
- Rotation and retirement.* 112. At each Annual General Meeting of the Company one-half of such of the Directors for the time being as are liable to retire by rotation, or if their number is not in multiple of two, then number rounded off to next integer, shall retire from office.
- Which Directors retires.* 113. Subject to the provisions of these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who became Director on the same day those to retire shall, in default of and subject to any agreement among themselves; be determined by lot.
- Retirement age of Directors* 113A. The Directors, who are not in the employment of the Company, shall compulsorily retire on completion of the age of 80 years and those directors in employment of the Company as managing or whole time directors shall compulsorily retire on completion of the age of 65 years.
- Vacancies to be filled in at the general meeting.* 114. No person not being a retiring Director shall be eligible for appointment to the Office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the Meeting, left at the Office a notice in writing under his

hand signifying his candidature for the Office of Director or the intention of such member to propose him as a candidate for that Office as the case may be, along with a deposit of Rs. 500/- which shall be refunded to such person as the case may be, to such member if the person succeeds in getting elected as a Director and unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar of Companies a consent in writing to act as such Director.

Appointment of Managing or whole time Director.

115. (1) Subject to the provisions of sections 269, 309, 310, 314, 316 and 317 of the Act, the Board of Directors may, from time to time, appoint one or more of the Directors as managing or whole time directors on such remuneration and on such other terms and conditions as the Board may remove or dismiss him and appoint another in his place.
- (2) Where the Company enters into any contract for the appointment of a managing or whole-time director or varies any such contract or where the Board passes any resolution appointing such a Director or varies any previous contract or resolution of the Company relating to such appointment the Company shall send an abstract of the terms of the contract or variation thereof and a memorandum to every member of the Company as required by Section 302 of the Act and shall otherwise comply with the provision of the said section.

Vacation of office by Managing Directors.

116. (a) Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold that office be subject to retirement by rotation, but he shall be reckoned as a Director for the purpose of determining the retirement of Directors by rotation or in fixing number of Directors but he shall be subject to the same provisions as to resignation, and removal as the other Directors and he shall, ipso facto and immediately, cease to be Managing Director if he ceases to hold the office of Director from any cause.

Seniorities of Managing Directors.

- (b) If at any time the Company has more than one Managing Director, the incumbent who has held such office for the longest duration shall not be liable to retire by rotation.

Remuneration of Managing or whole time Director.

117. Subject to the provisions of Sections 198, 309, 310, 311 and 637-AA of the Act, a managing or whole-time Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other as may from, time to time, be determined by a resolution passed by the Company in general meeting.

Powers of Managing or Whole time Director.

118. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director or wholetime Director for the time being, such of the powers exercisable under these presents by the Board as it may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may, from time to time, revoke, withdraw, alter or vary any such powers.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

119. (1) The Board shall meet together atleast once in every three calendar months for disposal of business, adjourn and otherwise regulate its proceedings as it may think fit.
- (2) Notice of every meeting of the Board shall be given to the Directors in accordance with the provisions of Section 286 of the Act.

Board may act not-withstanding vacancy.

120. The continuing Directors may act not-withstanding any vacancy in the Board, but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the

number of Directors to that fixed for the quorum or of summoning a general meeting of the Company, but for no other purpose.

121. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of section 287 of the Act. If the quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board the meeting shall be adjourned until such date and time as the Chairman of the Board shall by notice appoint.
- Director may summon meeting.* 122. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- Chairman.* 123. The Board may appoint a Chairman of the Board meetings and determine the period for which he is to hold office. All meetings of the Directors shall be presided over by the Chairman present but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Vice Chairman, if present, shall be the Chairman of such meeting and if the Vice Chairman be also not present, then in that case, the Directors shall choose one of the Directors present to preside at the meeting.
- Power of Quorum.* 124. A meeting of the Board, at which a quorum be present, shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.
- How questions to be decided casting vote.* 125. Subject to the provisions of Section 316, 372A (5) and 386 of the Act and to the provisions of Article 196, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
- Power to appoint committees and to delegate.* 126. The Board may, subject to the provisions of the Act and to the provisions of Article 202, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board.
- Proceedings of Committee.* 127. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Articles.
- When acts of Director or committee valid notwithstanding defective appointment etc.* 128. All acts done by any meeting of the Directors, or by a committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified or had vacated office by virtue of any provision contained in the Act or in these Articles be as valid as if every such Director or person had been duly appointed and was qualified to be a Director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such director has been shown to be invalid or to have been terminated.
- Resolution of Board Meeting.* 129. Save in those cases where a resolution is required by Sections 262, 292, 297, 316 and 372(5) and 386 of the Act or any other provisions of the Act to be passed at a meeting of the Board, a resolution shall be valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if it is passed by circulation in the manner as provided in Section 289 of the Act.

MINUTES

- Minutes to be made.* 130. (a) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.
- (b) Any such minutes of proceedings of any meeting of the Board or of any committee of the Board or of the Company in General Meeting if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such minutes.

POWERS OF THE BOARD

- General Powers of Company vested in the Board.* 131. (a) Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulation not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that resolution had not been made.
- Power to Delegate.* (b) Without prejudice to general powers conferred by the preceding Sub- Article, the Directors may from time to time and at any time subject to the restrictions contained in the act, delegate to secretaries, Officers, Assistants, and other employees or other persons any of the powers, authorities and discretions for the time being vested in the Board and the Board may, at any time, remove any person so appointed and may annul or vary such delegation.
- Local Management Powers of attorney seal for use abroad and foreign and foreign registers.* 132. The Board may, subject to the provisions of the Act, make such arrangements as it may think fit for the management of the Company's affairs abroad and for such purposes appoint local bodies, attorneys and agents and fix their remuneration and delegate to them such power as the Board may deem requisite or expedient. The Company may exercise all the powers of Section 50 of the Act and the Official Seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the seal appoint. The company may also exercise the power of section 157 and 158 of the Act with reference to the keeping of foreign registers.
- Directors etc. may hold office or place of profit.* 133. Any Director or the person referred to in section 314 of the Act, may be appointed to or hold any office or place of profit under the company or under subsidiary of the company in accordance with and subject to the provisions of the said section.
- Secrecy.* 134. Subject to the provisions of Section 2(45) and 383 A of the Act, the Board of Directors shall, from time to time, appoint a whole time Secretary to perform such functions or duties, for such terms on such remuneration and other terms and conditions as the Board may think fit. Any Secretary so appointed may be removed by the Board. A Director may be appointed as secretary subject to the provisions of Section 269, 309, 310 and 314 of the Act.

- Act of Director / Secretary.* 135. Any provisions of the Act or these Articles requiring or authorising a thing to be done by a Director or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the Secretary.
- Power to authenticate documents.* 136. Save as otherwise provided in the Act, any Director or the Secretary or any person appointed by the Board to the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents account relating to the business of the Company and to certify copies thereof or extracts there from as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the office, the local manager or either officer of the company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
- Certified copies of resolution of Directors* 137. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding article shall be conclusive evidence in favour of all persons dealing with the company upon the faith thereof that such resolution has been duly passed or, as the case may be that such extract is a true and accurate record of a duly constituted meeting of the Board.

THE SEAL

- Affixing of the Seal* 138. (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of two directors or at least one Director and Secretary or some other person appointed by the Board for the purpose : and those two Directors or a Director and Secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

RESERVES

- Reserve.* 139. Subject to the provisions of Section 205(2A) of the Act, the Board of Directors may, from time to time, before recommending any dividend, set apart any such portion of the profits of the company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the interest of the company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the company) as it may think fit and from time to time deal with and vary such investment and dispose off all or any part thereof for the benefit of the company and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.
- Capitalisation of Reserves.* 140. Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments, or other assets forming part of the undivided profits of the company and standing to the credit of the reserves, or any capital Redemption Reserve Account in the hands of the company and available for dividend or re-presenting premium received on the issue of shares and standing to the credit of the share premium Account be capitalised, and be set free for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of footing that they become entitled thereto as capital and that all or any part of such capitalised fund applied on behalf of such

shareholders in paying up in full any unissued shares which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by the shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a share premium account or a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to member of the Company as fully paid bonus shares.

Distribution of Capital profits

141. The Company in General Meeting may, at any time and from time, to time resolve that any surplus money in the hands of the Company representing capital profits arising from the receipt of money received or recovered in respect of or arising from the realisation of any capital assets of the Company, or any investment representing the same instead of being applied in the purchase of other capital and in the same as capital and in the same proportions in which they would have been entitled to receive the same if it had been entitled to receive the same if it had been distributed by way of dividend provided always that no such profits as aforesaid shall be so distributed unless there shall remain in the hand of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid up share capital of the Company for the time being.
142. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as if thinks expedient and in particular may issue fractions certificates and may fix the value for distribution of any specific assets and may determine the cash Payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or capitalised fund as may seem expedient to the Board. Where required, a proper contract shall be filed in accordance with section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend for capitalised fund and such appointment shall be effective.

DIVIDENDS

How profits Shall be divisible.

143. The divisible profits of the Company shall be determined by setting aside for Reserves appropriate amounts as provided hereinbefore. The residual amount shall be utilised for payment of dividend to shareholders having preferential rights and the equity shareholders in that order. The Board shall be at liberty to recommend payment of dividend to equity shareholders either on pro-rata basis or at a flat rate. Amounts paid-up in advance of calls on equity shares, whilst carrying interest, shall not be entitled to dividend or a right to participate in profits.

Subject to the rights of the members entitled to share (if any) with preferential rights attached thereto, the profits of the Company be determined to dividend in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company. The Board shall be at liberty to recommend payment of dividend either on pro-rata basis or at a flat rate on the shares allotted. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest rank for dividends or confer a right to participate in profits.”

Declaration of dividends.

144. The company in Annual General meeting may declare a dividend to be paid to the members according to their rights and interest in the profit of the company.

Restrictions of amount of dividends.

145. No larger dividend shall be declared than is recommended by the Board; but the company in Annual General Meeting may declare a smaller dividend.

Interim dividend.

146. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company.

- Distribution of dividend within forty-two days.* 147. All dividends shall be paid, or the warrants in respect thereof shall be posted, within forty-two days from the date of the declaration by the shareholders entitled to the payment of the dividend.
- Debits may be deducted.* 148. The Board may deduct from any dividend payable to any member all sums of moneys, if any, presently payable by him to the company on account of calls or otherwise relating to the shares of the company.
- Dividend and call together.* 149. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, not exceeding the amount remaining unpaid on the share, but so that the call on such member also does not exceed the dividend payable to him and so that call be made payable at the same time as the dividend and in such case the dividend may, if so arranged between the company and the members be set of against the call.
- Dividend in cash* 150. No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserve of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the company.
- Effect of transfer.* 151. Dividend on shares, in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company, shall be transferred to a Special Account referred to in Section 205 A of the Act, pending transfer unless the Company is authorised by the registered holder of such shares, in writing, to pay such dividend to the transferee specified in such instrument of transfer.
- Payment of interest on capital.* 152. The company may pay interest on capital raised for the construction of works or buildings when and so far as shall be authorised to do by Section 208 of the Act.
- To whom dividends payable* 153. No dividend shall be paid in respect of any share except to the registered holder of such shares or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the company for payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 157.
- Dividend to joint holders.* 154. Anyone of several persons who are registered as joint-holders of any shares may give effectual receipt for all dividends, bonuses and other payments in respect of such shares.
- Notice of dividends.* 155. Notice of any dividend; whether interim or otherwise shall be given to the persons entitled to share therein in the manner hereinafter provided.
- Payment by post.* 156. Unless otherwise directed in accordance with Section 206 of the Act, any, dividend, interest or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the members or in case of members who are registered jointly to the registered address of that one of such members who is first named in the Register in respect of the joint-holding or to such person and such address as the member or members who are registered jointly as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement on any cheque or warrant or fraudulent recovery thereof by any other means.
- Unpaid or unclaimed dividends.* 157. No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The company shall comply with the provisions of Section 205 A of the Act in respect of unpaid or unclaimed dividend.

BOOKS AND DOCUMENTS

- Where to be kept.* 158. The Books of Account shall be kept at the Registered Office or at such other place in India as the Board may, from time to time, decide.
- When accounts to be deemed finally settled.* 159. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive.
- Registers, Books and documents to be maintained by the Company.* 160. (i) The company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely :-
- (a) Register of Investments under Section 49 of the Act.
 - (b) Register of Debentures and Charges under Section 143 of the Act,
 - (c) Register of Members and index of Members under Section 150 and 151 of the Act.
 - (d) Register and index of Debenture-holders under Section 152 of the Act.
 - (e) Register of contracts with and of companies and firms in which Directors of the Company are interested under Section 301 of the Act, and shall enter therein the relevant particulars contained in Sections 297 and 299 of the Act:
 - (f) Register of Directors, Managing Directors and Secretary under Section 303 of the Act.
 - (g) Register of Share-holdings and Debenture holdings of Directors under Section 307 of the Act.
 - (h) Register of Investments in shares or debentures of other bodies corporate under Section 372 of the Act.
 - (i) Books of Account under the provisions of Section 209 of the Act.
 - (j) Copies of instruments creating any charges requiring registration under section 136 of the Act.
 - (k) Copies of Annual Returns under Section 159 of the Act together with the copies of the Certificates, under Section 161:-
 - (1) Register of Renewed and Duplicate Certificates according to Rule (2) of the Companies (Issue of Share Certificates) Rules, 1960.
 - (2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to those persons entitled thereto in accordance with the provisions, of the Act or these Articles.
 - (3) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act, Subject to the provisions of Section 157 and 158, the Directors may from time to time make such provisions as may think fit in respect of the keeping of Branch Registers of Members and/or Debenture-holders.

INTEREST OUT OF CAPITAL

161. Where any shares are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost construction of the works or building or the provision of plant.

ANNUAL RETURNS

- Annual Return* 162. The Company shall make the requisite Annual Returns in Accordance with the provisions of Section 159 and 161 of the Act, and shall file with the Registrar three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act.

AUDIT

- Audit.* 163. (a) One at least in every year, the accounts of the Company shall be examined and the correctness of the Profit and Loss account and Balance Sheet, ascertained by the Auditor or Auditors of the Company.
- First auditors.* (b) The first Auditor or Auditors of the Company shall be appointed by the Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until conclusion of the first Annual General Meeting of the Company.
- Appointment and remuneration of auditors.* (c) The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting.
- Audit of Accounts of Branch.* (d) Where the Company has a Branch Office the provision of Section 228 of the Act shall apply.
- Appointment of auditors by special resolution.* (e) Where not less than twenty-five percent of the subscribed share capital of the Company is held whether singly or in any combination, by a Public Financial Institution or a Government or any State Government or any other person as referred to in section 224A of the Act, the appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a special resolution.
- Right of Auditor to attend the General meeting.* (f) All notices and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall also be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concern him as Auditor.
- Auditors Report to be read in* (g) The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.
- Application of sections 224 to 233 of the Act.* (h) The appointment, remuneration, rights and duties of Auditors of the company shall be regulated by the provisions of section 224 to 233 of the Act.

SERVICES OF NOTICES AND DOCUMENTS

- How notice to be Served on members.* 164. (1) A notice or other document shall be given or sent by the Company to any member either personally or by sending it by post to him to his registered address in India or if he has no registered address in India to the address if any, within India supplied by him to the Company for the giving of notice to him.

Service by post.

(2) Where notice or other document is sent by post:

- (a) Service there of shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be effected unless it is sent in the manner intimated by the member; and
- (b) Such service shall be deemed to have been effected:
 - (i) In the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and
 - (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.

Notice to members who have not supplied Address.

165. A notice or other document advertised in a newspaper circulating in the neighborhood of the office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every members of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of the notices to him.

Notice to joint-holders,

166. A notice or other documents may be served by the Company on the joint- holder named first in the Register in respect of the share.

Notice to persons entitled by transmission.

167. A notice or other documents may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by the name, or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

How to advertise.

168. Any notice required to be or which may be given by advertisements once in one or more newspapers circulating in the neighborhood of the office.

Transferee etc. bound by prior notice.

169. Every person who by operation of law or transfer or other mean whatsoever shall become entitled to any share be bound by every notice in respect of such shares which previous to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

Notice valid though member deceased.

170. Subject to the provisions of Articles 165 to 169, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the company has notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders there of and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any jointly interested with him in any such shares.

How notice to be signed.

171. The signature to any notice to be given by the company may be written or printed.

Service of process in winding up.

172. Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding up of the company every member of the company who is not for the time being in the town where

the registered office of the company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind-up the company, to serve notice in writing on the company appointing some house-holder residing in the neighborhood of the office upon whom all summons, notices, process, orders and judgment in relation to or under the winding up of the company, may be served and in default of such nomination, the Liquidator of the company shall be at liberty, on behalf of such member, to appoint some such persons, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes and where the Liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspapers circulating in the neighborhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter should be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the company to serve any notice or other document in any other manner prescribed by these Articles.

Inspection.

173. (a) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
- (b) The Board shall, from time to time, determine whether and to what extent and at what times and place and under what conditions or regulations, the books of account and other books and documents of the Company, other than those referred to in Article 132 (b), shall be open to the inspection of the member (not being a Director) and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
174. The Books of account and other books and papers of the company be open to inspection during business hours by the Registrar of Companies or by such officer of Government as may be authorised by the Central Government in this behalf without any previous notice to the company or any officer thereof.

CAPITALISATION

Capitalisation

175. (1) The Company in General Meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including the profits or surplus moneys arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve any Reserve Funds or any other Funds of the Company or in the hands of the Company and available for dividend, be capitalised, by the issue and distribution as fully paid up shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the Share premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payments of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

*Keeping in abeyance
bonus shares pending
transfer*

- 175 (1) (a) Notwithstanding anything contained in Article 175 (1) or the Act, fully paid up Bonus Shares, pursuant to provisions of Section 205 (3) of the Act and Article 175 (1), in respect of Shares for which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.

- (2) Such issues and distribution under (1) (a) above and such payment to the credit of unpaid share capital under (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, General or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied Pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- (6) When deemed requisite, a proper contract shall be prepared in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

- Books of Accounts to be kept* 176. (1) The Company shall keep at its Registered Office proper books of Account with respect to :
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company;
- Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of

Directors so decide, the Company shall, within seven days of the decision, file with the Registrar of Companies a Notice in writing giving the full address, of that other place.

- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made up-to-date at intervals of not more than three months, shall be sent by the Branch office of the Company to its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- (3) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions,
- (4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of Accounts to be preserved 177. The Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with vouchers relevant to any entry in such books of account shall be preserved in good order.

Inspection by Members of books of the Company. 178. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions and regulations the books of the Company shall be open to the inspection of members and no member shall have any right of inspecting any books of the Company except as conferred by law.

Statements of Accounts to be furnished to General Meeting. 179. The Board of Directors shall lay before each Annual General Meeting, a profit and loss account which shall relate:-

- (a) in case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than nine months; and
- (b) in case of any subsequent Annual General Meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of Section 166 by more than six months and the extension so granted. The period to which the account aforesaid relates is referred to in this Article as a "financial year" and it may be less or more than a calendar year, but it shall not exceed fifteen months provided nevertheless it may be extended to eighteen months where special permission has been granted in that behalf by the Registrar.

Balance Sheet and Profit and Loss Account 180. (1) (a) Subject to the provisions of Section 211 of the Act, every Balance Sheet shall give a true and fair view of state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of the said Section, be in the form set in part I of Schedule VI of the Act, or as near thereto as circumstances permit or in such other form as may be approved by the Central Government either generally or in any particular case; and in preparing the Balance Sheet due regard shall be had, as far as may be to the general instructions for the preparation of the Balance Sheet under the heading "Notes" at the end of that part.

(b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall subject as aforesaid, comply with the requirements of Part II of Schedule VI of the Act so far as they are applicable thereto.

- (2) There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of Section 372 (ii) of the Act in the shares of which investments have been made by it including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.
- (3) So long as the Company is a holding Company having a subsidiary, Company shall conform to Section 212 and other applicable provisions of the Act.
- (4) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit and Loss Account.

181. (1) Every Balance Sheet and every profit and loss account of the Company shall be signed on behalf of the Board of Directors, by the Secretary and by not less than two Directors of the Company one of whom shall be the Managing Director where there is one.
- (2) Provided that when only one Director is for the time being in India, the balance sheet and profit and Loss account shall be signed by Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions and of Sub-Clause (1) above.
- (3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet

182. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors Report (including the Auditors Separate/Special or Supplementary reports, if any) shall be attached thereto.

Board's Report to be attached to Balance Sheet

183. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend and material change and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and to the date of the report.
- (2) The Report shall, so far as it is material for the appreciation of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanation in its reports or in cases falling under the provision to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors Report.

- (4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of these Articles.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.

184. The Company shall comply with the requirements of Section 219 of the Act.

Reconstruction.

185. On any sale of the undertaking of the Company, the Board or the liquidator on winding up may if authorised by a special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company incorporated in India, or to the extent permitted by law of a company incorporated outside India either then existing or to be formed for the purchase in whole or in part of the property of the company and the Board (if the profits of the company permit) or the liquidator (in a winding-up) may distribute such shares or securities or any other property of the company amongst the member without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the legal rights of the members or contributories of the company, and for valuation of any such securities or property at such securities or property at such price and in such manner as the meeting may approve and all holder of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation there to, save only in case the Company is proposed to be in the course of being wound up statutory rights if any under Section 494 of the Act as are in-capable of being varied or excluded by these Articles.

SECURITY

Secrecy.

186. Every Director, Secretary, Trustees for the company, members of a Committee, servant, officer, agent, accountant, or other person employed in or about the business of the company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal and of the matters, relating thereto which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General or by a Court of Law and except so far as may be necessary in order to comply with any of the provision in these Articles contained.

No shareholder to enter the premises of the company without permission.

187. No shareholder or other person (not being a Director) shall be entitled to enter upon the Properties of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board of subject to Article 171 to require discovery of or any information respecting any detail of the trading of the company or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the company to communicate.

WINDING UP

Distribution of assets.

188. (a) In the event of the Company being wound up, the holders of Preference shares, if any shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment of the amount paid up on the preference shares held by them respectively and payment of arrears of dividend up to the commencement of the winding up, whether declared or not, but shall not be entitled to any further participation in such surplus assets. If the surplus available as

aforesaid shall be insufficient to repay the whole amount paid up on the Preference shares and any arrears of dividend, such assets shall be distributed amongst the holders of preference shares so that the losses shall be borne by the holders of preference shares in proportion to the capital paid up or which ought to have been paid up thereon and the arrears of dividend as aforesaid.

- (b) If the Company shall be wound up and the assets available for distribution among the members as such after payment to the preference share holders as aforesaid shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that the losses shall be borne by the members in proportion to the paid-up capital or which ought to have been paid up at the commencement of the winding up on the shares held by them, respectively.
- (c) If in the winding up, the assets available for distribution among the members after payment to the Preference Shareholders as aforesaid shall be more than sufficient to repay the whole of the paid-up capital, such assets shall be distributed amongst the members in proportion to the paid-up capital on the shares held by them respectively, at the commencement of the winding up.

189. If the company shall be wound up, whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind; any part of the assets of the company and may, with the like sanction, vest any part of assets of the contributories, or any of them as the liquidators, with the like sanction shall think fit.

INDEMNITY

190. Subject to the provision of Section, 201 of the Act, every Director, Secretary or officer of the Company or any person (whether an Officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the company against all liability incurred by him as such Director, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under section 633 of the Act, in which relief is granted to him by the Court.

PART-II**OVERRIDING EFFECT AND INTERPRETATION**

191. Subject to the requirements of applicable law, in the event of any conflict between the provisions of Part I and this Part II, the provisions of this Part II shall apply.

Unless the context otherwise requires, words or expressions contained in this Part II shall have the meanings as provided below. Provided that any terms and expressions used but not defined specifically in this Part II shall have the same meaning as ascribed to them in Part I or in the Act or any statutory modification thereof. Other terms may be defined elsewhere in the text of these Articles and, unless otherwise indicated, shall have such meaning throughout these Articles.

"Affiliate" means with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with, such Person. In case any Person is a natural person (including partners of a partnership firm), then the term **"Affiliate"** in relation to such natural person shall also mean a Relative of such natural person.

"Annual General Meeting" or **"AGM"** means the annual general meeting of the Company convened and held in accordance with the Act.

"Board of Directors" or the **"Board"** means the board of directors of the Company in office at applicable times and as nominated and appointed in accordance with the terms of these Articles.

"Business" means the business carried on by the Company on its own and through its subsidiaries and joint ventures.

"Control" (including with correlative meaning, the terms **"Controlled by"** and **"under common Control"** with) means the power and ability to direct the management or policies of any Person, whether through the ownership of over 50% (fifty percent) of the voting power of such Person, through the power to appoint more than half of the board of directors or similar governing body of such entity, through contractual arrangements or otherwise.

"Directors" means the directors of the Company as the case may be, appointed in accordance with Article 195.

"ESOP" means the employee stock option plan of the Company, which shall be in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

"Extra Ordinary General Meeting" or **"EGM"** means the extra ordinary meeting of the Company convened and held in accordance with the Act.

"Financial Year" means the period commencing April 1 each year and ending on March 31 the next year, or such other period as may be determined by the Board to be the financial year for the Company.

"General Meetings" means either an EGM or an AGM of the Shareholders of the Company.

"Person" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable law.

"Promoter Group" means, collectively, the Promoters and their Affiliates.

"Promoter Group Directors" shall have the meaning set forth in Article 195.

"Promoters" means Mr. Analjit Singh and his Relatives.

"Relatives" shall have the meaning given to the term in the Act, and shall also include any sibling of such Relative and such sibling's children.

"Share Capital" means the total issued and paid up equity share capital of the Company, with voting rights.

"Shares" means equity shares, with one vote per equity share, of the Company having a par value of Rs. 2 (Rupees Two) and includes warrants of the Company and Shares arising out of conversion of such warrants.

"Subsidiaries" means the current and future direct and indirect subsidiaries of the Company and shall, for the avoidance of doubt, include any company which is Controlled by the Company.

QUORUM FOR GENERAL MEETING

192. Notwithstanding anything to the contrary in these Articles, the quorum for General Meetings shall require the presence of at least one authorised representative representing the Promoter Group being present at such meeting. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

AFFIRMATIVE RIGHTS

193. Notwithstanding anything to the contrary contained in these Articles, the following decisions, shall not be taken and/or implemented by the Company or any of its Subsidiaries whether at meetings of their respective shareholders and/or their respective Board of Directors and/or committees of the Board of Directors, in each case without the affirmative votes or prior written consent of, the Promoter Group:
- (i) Mergers, demergers, spin-offs, re-organizations, amalgamations, consolidations, divestments, winding up or liquidation, or debt restructuring, or creation or dissolution of joint ventures/partnerships, subsidiaries, or investments in such entities, acquisition or sale of shares or securities or ownership interest in or of any other company or entity;
 - (ii) Sale of fixed assets (including but not limited to creating a lien, a lease or exchange), outside of the business plan (as approved by the Promoter Group), in excess of Rs. 200,000,000 (Rupees Two Hundred Million) on a cumulative basis in any Financial Year;
 - (iii) Voluntary commencement of a winding-up proceeding for insolvency or bankruptcy of the Company and/or any of the Subsidiaries or general assignment for the benefit of their creditors or any consent to the entry of a decree or order for relief from creditors under any applicable laws or any admission by the Company and/or any of the Subsidiaries of (A) its inability to pay its debts, or (B) any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy;
 - (iv) Acquisition of other businesses (by way of share sale, business transfer, slump sale, asset sale or any other mode of acquiring a business or asset), creation of joint ventures/ partnerships, creation or investment in Subsidiaries or any other investments (other than short term liquid investments in bank deposits and debt mutual funds with no equity exposure and in certain banks and mutual funds as approved by the investment committee of the Board);
 - (v) Capital expenditures or acquisitions of assets, in excess of Rs. 200,000,000 (Rupees Two Hundred Million), on a cumulative basis, in any Financial Year;

- (vi) Increase, decrease, buy back or other alteration or modification in authorized or issued share capital or creation or issue of other securities (including equity shares, preference shares, non-voting shares, warrants, options and such other instruments) and terms thereof by the Company or any Subsidiary or delisting of securities of the Company or any Subsidiary. Matters in connection with any initial public offering of any Subsidiary including timing, pricing, and place/stock exchange(s) etc;
- (vii) Any event that reduces the Company's equity shareholding in any of the Subsidiaries, save and except any reduction by virtue of conversion of any options granted pursuant to ESOP approved by the Board;
- (viii) Any event that reduces any Subsidiary's equity shareholding (directly or indirectly) in any of its subsidiaries;
- (ix) Related party transactions (other than transactions between the Company and/or its Subsidiaries with the Promoter Group so long as such transactions are entered into in the ordinary course of business);
- (x) Amendments to Memorandum or Articles of Association (including, without limitation, change in the number of members of the Board of Directors of the Company and/or the Subsidiaries);
- (xi) Appointment and change of chief executive officer, managing director, chief financial officer, the statutory auditor and the internal auditor;
- (xii) Any appointment of Director/Chairman of the Board of its Subsidiaries;
- (xiii) Approval of, or amendment to, the annual business plan (including budgets);
- (xiv) Commencement of any new line of business, which is unrelated to the business of the Company or its Subsidiaries;
- (xv) Availing of debt, credit facilities, issuance of any bonds/debentures, refinancing of existing debt, securitisation of any receivable or incurring any indebtedness by the Company or any Subsidiary, in excess of an aggregate of Rs.1,000,000,000 (Rupees One Thousand Million);
- (xvi) Settlement of any litigation where the amount involved is in excess of Rs. 50,000,000 (Rupees Fifty Million) on a cumulative basis in any Financial Year;
- (xvii) Any change in the material accounting or tax policies or practices;
- (xviii) Declaration or payment of any dividend;
- (xix) Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company or any of the Subsidiaries, to pay an amount in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million) in a single transaction or on a cumulative basis, i.e. in more than one transaction in any Financial Year, or impose, or is likely to impose, on the Company or any of the Subsidiaries, any liability in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million);
- (xx) Acquire or sell shares or other securities (other than fixed income securities);
- (xxi) Recommend giving or renewing of security in or the indemnifying or the guaranteeing of debts or obligations of any entity other than the Subsidiaries;
- (xxii) Any change in the Financial Year for preparation of audited accounts;
- (xxiii) Any Transfer of brand names and trademarks or any other intellectual property used by the Company or its Subsidiaries, unless such Transfer is between the Company and its Subsidiaries or amongst the aforesaid Subsidiaries inter se; and

(xxiv) Any commitment or agreement or arrangement (oral or written) to do any of the foregoing.

It is clarified that all financial limits in this Article are indicated on an aggregate basis and would apply cumulatively to the Company and all the Subsidiaries taken together.

ALTERNATE DIRECTORS

194. (i) Each of the directors appointed by the Promoter Group shall be entitled to appoint an alternate Director in place of himself/herself from time to time.
- (ii) Upon the appointment of the alternate director, the Company, shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar. The alternate director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his or her absence.

BOARD COMPOSITION OF THE COMPANY

195. (i) The Directors on the Board of the Company other than the independent Directors (the "Other Directors") shall be appointed by the Promoter Group proportionate to their shareholding, such that the Promoter Group shall appoint a minimum of 2 (two) directors from amongst the Other Directors so long as the Promoter Group holds atleast 15% of the Share Capital of the Company ("Promoter Group Directors"). The Chairman of the Board is Mr. Analjit Singh. In the event Mr. Analjit Singh is unable to act as the Chairman of the Board, then the Chairman shall be a director nominated by the Promoter Group.
- (ii) Subject to the provisions of applicable Law, the Promoter Group shall have the right to nominate at least 1 (one) nominee to the Board of Directors of the Company from among the Promoter Group Directors, as a non-rotational Director.

REMOVAL/RESIGNATION OF DIRECTORS

196. The Promoter Group may require the removal of any Director nominated by them to the Company and nominate another individual as a Director in his/her place. In the event of the resignation, retirement or vacation of office of any Director nominated by the Promoter Group, the Promoter Group shall be entitled to appoint another Director in such place.

MEETINGS OF DIRECTORS

197. (i) Unless agreed to by at least one nominee director of the Promoter Group, the meetings of the Board shall be held in New Delhi, India.
- (ii) Subject to the provisions of Section 286 of the Act, each notice of a meeting of the Board shall contain, inter alia, an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information.
- (iii) It is hereby clarified, subject to the provisions of these Articles including Article 193 and any matter in respect of which affirmative rights may have been conferred on the Promoter Group, that a decision shall be said to have been made and/ or a resolution shall be said to have been passed at a meeting of the Board of Directors of the Company only if at a validly constituted meeting, such decisions are approved of by and/ or the resolution is approved of by a majority of the Directors, which unless otherwise mandated by law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting of the Company.
- (iv) Subject to applicable law, Directors or members of any committee of the Board may participate in meetings of the Board or committee of the Board through video-conference or telephonic conference.

QUORUM FOR BOARD MEETING

198. Notwithstanding anything to the contrary in Article 121, the quorum for a meeting of the Board shall include at least 1 (one) Director nominated by the Promoter Group being present at such meeting.

Provided that if such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time 7 (seven) days later, at which meeting the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum even though the nominee director of the Promoter Group, is not present, provided that notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) days prior to the date of such adjourned meeting. However, any matter in respect of which the Promoter Group may have affirmative rights shall not be taken up at such adjourned meeting, without at least one Director each nominated by the Promoter Group being present.

Provided further that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

COMMITTEES

199. As long as the Promoter Group holds at least 10% of the Share Capital of the Company, the Promoter Group has the right to appoint any 1 (one) of its nominee Directors as a member of all the committees established by the Board of Directors of the Company. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

RESOLUTION OF BOARD MEETING

200. Notwithstanding anything to the contrary in Article 129, a resolution of a Board or committee of the Board, passed by circulation, shall be valid only if it has been circulated in draft form, together with the relevant papers, if any to all the Directors and if the resolution proposed to be passed by circulation pertains to any matter in respect of which the Promoter Group may have affirmative rights, such circular resolution shall be valid and effective only if it has received the consent of at least 1 (one) Director nominated by the Promoter Group.

STATUTORY AUDITOR

201. Notwithstanding anything to the contrary in Article 163, the Auditor or Auditors appointed by the Company shall be from among recognized and reputable accounting firms, acceptable to the Promoter Group.

TERMINATION OF CERTAIN ARTICLES

202. In the event that the Promoter Group ceases to hold at least 10% of the Share Capital of the Company, then without prejudice to either rights or obligations which may have accrued to or in respect of the Promoter Group under these Articles, the provisions of this Part II shall automatically cease to have effect with respect to the Promoter Group.

SUBSCRIBER DETAILS					
S. No.	Name, Address, Description and Occupation	DIN/PAN/ Passport Number	Place	DSC	Dated
1	M/s. Max India Limited having its registered office at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144533 through its authorized representative Mr. Rajinder Kumar S/o. Late Shri Ved Parkash R/o. WZ - 279A, Tihar Village, New Delhi 110018 Occupation - Service	BKGPK4121D	New Delhi	RAJINDER KUMAR	21/01/2019
2	Venkatraman Krishnan S/o Late Shri Krishna Rao Venkatraman R/o. A-38, Lajpat Nagar, Sahibabad, District Ghaziabad, Uttar Pradesh-201005 Occupation - Service	00402601	New Delhi	V KRISHNAN	21/01/2019
3	Mr. Jatin Khanna S/o. Shri Harish Kumar Khanna R/o. C-199, Vivek Vihar, Phase-I, Delhi - 110 095 Occupation - Service	07089135	New Delhi	JATIN KHANNA	21/01/2019
4	Dilbagh Singh Narang S/o. Ajit Singh Narang, R/o. B-601, AG BROS CGHS Ltd. Spring Valley Apts, Plot 3C, Sector 11, Dwarka, Delhi - 110075 Occupation - Service	ABQPN6299M	New Delhi	DILBAGH SINGH NARANG	21/01/2019
5	Patnam Dwarakanath S/o. Shri Venkata Patnam Ramanarao R/o. M1018-A, Magnolias, DLF Golf Links, DLF City Phases, Gurgaon - 122009, Haryana Occupation - Service	AAYPD9326N	New Delhi	PATNAM DWARAKANATH	21/01/2019
6	Sandeep Pathak S/o Harish Chandra Pathak R/o. C-1/132, Yamuna Vihar, New Delhi - 110 053 Occupation - Service	AKYPP9914E	New Delhi	SANDEEP PATHAK	21/01/2019
7	Pankaj Chawla S/o. Shri Ashok Chawla R/o. 21/12, Ashok Nagar, New Delhi - 110 018 Occupation - Service	AFTPC2661M	New Delhi	PANKAJ CHAWLA	21/01/2019

SIGNED BEFORE ME					
Name	Address, Description and Occupation	DIN/PAN/ Passport Number/ Membership Number	Place	DSC	Dated
FCS	Kiran Sharma E-145 Basement, Kalkaji, New Delhi-110019, Company Secretary	4942	New Delhi	Kiran Sharma	21/01/2019

CP (CAA) 4051/MB/2019

IN

CA (CAA) 3091/MB/2019

IN THE NATIONAL COMPANY LAW TRIBUNAL,

COURT NO. 5, MUMBAI BENCH

CP (CAA) 4051/MB/2019

IN

CA (CAA) 3091/MB/2019

In the matter of the Companies Act, 2013;

And

In the matter of Petition under Sections 230 - 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Max India Limited [CIN: L85100MH2015PLC330122], a company incorporated under the Companies Act, 2013 and having its registered office at 167, Floor 1, Plot-167, Ready Money Terrace, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra;

And

In the matter of Max Healthcare Institute Limited [CIN: U72200MH2001PLC322854], a company incorporated under the Companies Act, 1956 and having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra;

And



CP (CAA) 4051/MB/2019

IN

CA (CAA) 3091/MB/2019

In the matter of Radiant Life Care Private Limited (formerly known as Halcyon Finance & Capital Advisors Private Limited) [CIN: U74110MH2010PTC199781], a company incorporated under the Companies Act, 1956 and having its registered office at 401, 4th floor, Man Excellenza, S.V. Road, Vile Parle (West), Mumbai, Maharashtra 400056;

And

Advaita Allied Health Services Limited [CIN: U74999MH2019PLC320039], a company incorporated under the Companies Act, 2013 and having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018;

And

In the matter of Composite Scheme of Amalgamation and Arrangement among Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Advaita Allied Health Services Limited and their respective shareholders and creditors.

Max India Limited [CIN: L85100MH2015PLC330122], having its registered office at 167, Floor 1, Plot-167, Ready Money Terrace, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra

...Petitioner Company 1/
Transferor Company 1/
Amalgamating Company



CP (CAA) 4051/MB/2019

IN

CA (CAA) 3091/MB/2019

Max Healthcare Institute Limited [CIN: U72200MH2001PLC322854], having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra

...Petitioner Company 2/
Transferee Company 2/
Amalgamated Company

Radiant Life Care Private Limited (formerly known as Halcyon Finance & Capital Advisors Private Limited) [CIN: U74110MH2010PTC199781], having its registered office at 401, 4th floor, Man Excellenza, S.V. Road, Vile Parle (West), Mumbai, Maharashtra 400056

...Petitioner Company 3/
Transferor Company 2

Advaita Allied Health Services Limited, [CIN: U74999MH2019PLC320039], having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018

...Petitioner Company 4/
Transferee Company 1

Order delivered on the 17th day of January, 2020

Coram:

Hon'ble Suchitra Kanuparthi, Member (Judicial)

Hon'ble V. Nallasenapathy, Member (Technical)

For the Petitioner Companies: Mr. Nikhil Sakhardande, Advocate along with Ms. Jasmin Karkhanis, Mr. Himanshoo Tembe and Ms. Neeraja Balakrishnan i/b. AZB & Partners, Advocates for the Petitioner Companies



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For the Regional Director: Ms. Rupa Sutar, Deputy Director

Per: Suchitra Kanuparthi, Member (Judicial)

ORDER

1. Heard the Learned Counsel appearing for the Petitioner Companies and the Officer of the Regional Director, Western Region, Mumbai ("Regional Director"). No shareholder or creditor of the Petitioner Companies has appeared before this Tribunal to oppose the present Company Scheme Petition.
2. The Learned Counsel for the Petitioner Companies submits that the Company Scheme Petition has been filed to seek sanction to the Composite Scheme of Amalgamation and Arrangement among Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Advaita Allied Health Services Limited and their respective shareholders and creditors ("Scheme") pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013.
3. The shares of the Petitioner Company 1 are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). BSE by its letter dated August 26, 2019 and NSE by its letter dated August 27, 2019 have respectively given their no objection to file the Scheme with this Tribunal. The shares of the Petitioner Companies 2, 3 and 4 are not listed on any of the stock exchanges.
4. The Learned counsel for the Petitioner Companies submits that the Scheme provides for the:
 - (a) Demerger of the Demerged Undertaking 1 (as defined in the Scheme) from the Petitioner Company 1 into the Petitioner Company 4, in accordance with Sections 230 to 232 of the Companies Act, 2013 and in compliance with Section 2(19AA) of the Income-tax Act, 1961;



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- (b) Demerger of the Demerged Undertaking 2 (as defined in the Scheme) from the Petitioner Company 3 into the Petitioner Company 2, in accordance with Sections 230 to 232 of the Companies Act, 2013 and in compliance with Section 2(19AA) of the Income-tax Act, 1961; and
- (c) Amalgamation of the Petitioner Company 1 (after demerger of the Demerged Undertaking 1) into and with the Petitioner Company 2 in accordance with Sections 230 to 232 of the Companies Act, 2013 and in compliance with Section 2 (1B) of the Income-tax Act, 1961.
- (d) After the effectiveness of the Scheme:
- (i) Entire share capital of the Petitioner Company 4 comprising of equity shares to be issued by the Petitioner Company 4 as consideration to the shareholders of the Petitioner Company 1 will be listed;
- (ii) Entire share capital of the Petitioner Company 2 including (i) the equity shares to be issued by the Petitioner Company 2 as consideration to the shareholders of the Petitioner Company 3, and (ii) the equity shares to be issued by the Petitioner Company 2 as consideration to the shareholders of the Petitioner Company 1 will be listed.
5. The background, circumstances, rationale and benefits of the Scheme are that:
- (a) The Petitioner Company 1 is a multi-business corporate that is focused on people and service oriented businesses in the area of health and life care. The Petitioner Company 1 is engaged in the activity of making, holding and nurturing its investments in various businesses/ activities and also provides management consultancy services to group companies. A brief summary of some of the investments which the Petitioner Company 1 holds is set out below:



- (i) The Petitioner Company 1 has invested in the Petitioner Company 2 which was an equal joint venture between the Petitioner Company 1 and Life Healthcare International Proprietary Limited, South Africa ("Life Healthcare"). Pursuant to a share purchase agreement entered into amongst the Petitioner Company 3, Life Healthcare and the Petitioner Company 2, Life Healthcare sold its entire 49.70% equity stake held in the Petitioner Company 2 to the Petitioner Company 3 on June 21, 2019. The Petitioner Company 2 is engaged in the business of owning, constructing, establishing, managing, operating and/or developing hospitals, clinics, nursing homes, etc. The Petitioner Company 2 across its network of hospitals generated gross revenues of Rs. 2,787 crores and incurred a loss of Rs. 50 crores in the financial year 2017-18. The Petitioner Company 1 and the Petitioner Company 3, each currently holds 49.7% of the paid up share capital of Petitioner Company 2;
- (ii) The Petitioner Company 1 held 51% of the total issued and paid up equity share capital of Max Bupa Health Insurance Company Limited ("Max Bupa") (a company engaged in the business of health insurance) until December 16, 2019. The Petitioner Company 1 has divested its entire shareholding in terms of a share purchase agreement executed by the Petitioner Company 1 for the sale of shares of Max Bupa. The sale proceeds and/or associated liabilities, if any, arising from above divestment, shall form part of the Demerged Undertaking 1, in terms of the Scheme;
- (iii) The Petitioner Company 1 holds 100% of the share capital of Antara Senior Living Limited, which (directly and through its subsidiaries) is engaged in the business of developing senior living projects. Antara Senior Living Limited is developing its first community in Dehradun with 212 units, which are being designed



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to cater to lifestyle and life care needs of the seniors in the community;

- (iv) The Petitioner Company 1 holds 100% of the share capital of Max Skill First Limited, which (directly and through its subsidiary) operates as a shared service centre for providing knowledgeable learning and development solutions and training services to companies in the Max Group as well as to external clients;
 - (v) The Petitioner Company 1 held 85.17% of the paid up equity share capital of Pharmax Corporation Limited ("Pharmax") (a company engaged in the business of leasing of its properties to group companies) until November 25, 2019. The Petitioner Company 1 has divested its entire equity shareholding in terms of share purchase agreement executed by the Petitioner Company 1 for sale of equity shares of Pharmax. The sale proceeds and/or associated liabilities, if any, arising from above divestment, shall form part of the Demerged Undertaking 1, in terms of the Scheme;
 - (vi) The Petitioner Company 1 holds 100% of the share capital in Max UK Limited which is engaged in the business of providing business and administrative support services to officials of various group companies of the Petitioner Company 1 at United Kingdom;
 - (vii) The Petitioner Company 1 holds 100% of the share capital in Max Ateev Limited which is not pursuing any business/ commercial operations at the moment; and
 - (viii) The Petitioner Company 1 holds 100% of the share capital in the Petitioner Company 4.
- (b) The Petitioner Company 3 is a portfolio company of Kohlberg Kravis Roberts & Co. L.P. held through Kayak Investments Holding Pte. Ltd.;



- (c) The Petitioner Company 3 is engaged *inter alia* in the Healthcare Business (as defined in the Scheme) and in the business of providing consulting and advisory services and providing financial and strategic support to its group companies which includes its investment including holding investment in the following entities: (i) 100% investment in Infrahealth Pte Ltd., Singapore, (ii) 100% investment in Radiant Life Care Lucknow Private Limited, (iii) 100% investment in Radiant Life Care Foundation, (iv) investment in Neo Legno Capital Advisors LLP, and (v) investment in Radiant Life Care Mumbai Private Limited. The Petitioner Company 3 has also executed an operation and management contract with Four Seasons Foundation Society for developing and operating a medical college in Greater Noida and for expanding and operating the Max Multi Speciality Hospital, Greater Noida at Greater Noida (to which the Petitioner Company 2 is rendering certain medical services) ("O&M Arrangement"). Post demerger of the Healthcare Business, it is envisaged that the Petitioner Company 3 shall concentrate on the O&M Arrangement, its consulting business and nurture and grow the aforementioned investments over a period of time. The Petitioner Company 3 currently operates the following hospitals in New Delhi and Mumbai through operation and management agreements (O&M agreements), (a) Dr. B. L. Kapur Memorial Hospital, Delhi; and (b) Dr. Balabhai Nanavati Hospital, Mumbai (through Radiant Life Care Mumbai Private Limited), respectively;
- (d) The Petitioner Company 3 and the Petitioner Company 2 believe that the demerger of the Healthcare Business of the Petitioner Company 3 into the Petitioner Company 2 is a strategic fit for serving the existing market and catering to additional volume in the healthcare sector. The Petitioner Company 3 and the Petitioner Company 2 believe that the concentration of their respective healthcare businesses in one entity will enhance competitive strength and achieve cost reduction, efficiencies and productivity gains by pooling the resources of the



Petitioner Company 3 and the Petitioner Company 2, thereby significantly contributing to the future growth and maximising shareholder value. However, the residual business in the Petitioner Company 3 is not of synergistic value to the combined entity and is therefore proposed to be retained in the Petitioner Company 3 and continued as such;

- (e) Hence, with a view to achieving consolidation of the healthcare business activities carried on by the Petitioner Company 3 and the Petitioner Company 2, the Scheme has been proposed to create a standalone listed entity, which will exclusively be engaged in healthcare activities. Further, the Scheme will allow the demerged Petitioner Company 3 to focus on its consultancy business;
- (f) Also, in order to unlock maximum value for the shareholders of the Petitioner Company 1 and ensure standalone focus on the allied health and associated activities of the Petitioner Company 1, it is proposed that the activity of making, holding and nurturing investments in allied health and associated activities represented by companies (as more specifically listed in Schedule 1 of the Scheme) coupled with the Petitioner Company 1's management consultancy services, including related employees, contracts, assets and liabilities, (collectively referred to as "Allied Health and Associated Activities"), be demerged into a separate company which is the Petitioner Company 4, to be listed on the Stock Exchanges (as defined in the Scheme);
- (g) Accordingly, the Scheme provides for the demerger of the Demerged Undertaking 1 of the Petitioner Company 1 into the Petitioner Company 4, demerger of the Demerged Undertaking 2 of the Petitioner Company 3 into the Petitioner Company 2 and amalgamation of the Petitioner Company 1 (after demerger of the Demerged Undertaking 1) into the Petitioner Company 2, as set out in this Scheme. This results in the following benefits:



- (i) consolidation of the healthcare business of the Petitioner Company 3 with the Petitioner Company 2 and consolidation of residual listed the Petitioner Company 1 (remaining post demerger under Part III of the Scheme) with the Petitioner Company 2 to create a single listed entity, thereby creating synergies between the healthcare activities/ businesses of the Petitioner Company 1, the Petitioner Company 3 (respectively) with Petitioner Company 2;
- (ii) opportunity for shareholders of the Petitioner Company 1 to participate directly into a combined entity engaged in healthcare business;
- (iii) availability of increased resources, expertise and assets in the resultant amalgamated company, which can be utilized for strengthening the customer base of the Petitioner Company 3 and the Petitioner Company 2 and servicing existing as well as prospective patients and customers of the Petitioner Company 3 and the Petitioner Company 2, efficiently;
- (iv) the combination of the healthcare business activities of the Petitioner Company 3 and the Petitioner Company 2 is a strategic fit for serving the existing market and for catering to additional volume of new patients;
- (v) cost reduction, accessibility of clinical services at more locations resulting in stronger brand image, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Petitioner Company 1, the Petitioner Company 3 and the Petitioner Company 2, thereby significantly contributing to future growth and maximizing shareholders value;
- (vi) benefit to all stakeholders of the Petitioner Companies, leading to growth and value creation in the long run and maximising the



value and return to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;

(vii) unlock value for the shareholders of the Petitioner Company 1 and ensure standalone focus on the allied health and associated activities of the Petitioner Company 1; and

(viii) unlock value for the shareholders of the Petitioner Company 3 and ensure standalone focus on the residual business activities.

6. The Board of Directors of the Petitioner Companies have approved the Scheme by passing necessary board resolutions, which are annexed to the Company Scheme Petition.
7. The Learned Counsel for the Petitioner Companies submit that the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal and have filed necessary affidavits of compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the rules made thereunder. The said undertakings are accepted.
8. The Official Liquidator, High Court, Bombay has filed his report dated January 14, 2020 *inter alia*, stating that the affairs of the Petitioner Company 1 have been conducted in a proper manner and that the Petitioner Company 1 may be ordered to be dissolved by this Tribunal.
9. The Regional Director has filed his report dated December 20, 2019 ("Report") with this Tribunal, *inter alia*, stating therein that this Tribunal may consider the observations made at serial no. IV (a) to (h) and pass such other order or orders as deemed fit and proper in the facts and circumstances of the case. The observations made by the Regional Director in paragraph IV (a) to (h) of the Report are, for sake of ready reference, reproduced hereunder:



"IV. The observations of the Regional Director on the proposed scheme to be considered by the Hon'ble NCLT are as under:

- (a) *In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard such as AS-5 (IND AS-8) etc.;*
- (b) *As per Part-I- Overview and object of the Scheme-1-Clause-1.4 (1.4.10 & 1.4.11, 1.4.28 & 1.4.62 to 1.4.64) of the Scheme.*

"Appointed Date 1" in respect of the transfer of the Demerged Undertaking 1 from the Transferor Company 1 to the Transferee Company 1 means February 1, 2019;

"Appointed Date 2" in respect of the transfer of the Demerged Undertaking 2 from the Transferor Company 2 to the Transferee Company 2 and for the amalgamation of the Amalgamating Company to the Amalgamated Company means the Effective Date;

"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;

"Record Date 1" means the date to be fixed in terms of Clause 3.3, for the purpose of issue of Equity Shares by Transferee Company 1 to the shareholders of Transferor Company 1 in terms of Part-III of this Scheme;

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



"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 to the shareholders of the Amalgamated Company in terms of Part-V of this Scheme;

In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 stated that the scheme under this section shall clearly indicate an appointed date from which it shall be effected and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

Further, the petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.

- (c) *As regards Part II Clause-3.9 (3.9.1 to 3.9.2) of the Scheme Amendment to Articles of Association of Transferee Company 1, is submitted that of the fee if any payable by Transferee Company shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013.*
- (d) *As regards Part II Clause-3.10(3.10.1 to 3.10.2) of the Scheme Alteration on Name Clause in Memorandum of Association Change of name of the Transferee Company 1. In this regards it is submitted that the same is subject to compliance with the provision of section 13 of the Companies Act, 2013.*
- (e) *Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any,*



liberty be given to central Government to file further report if any required;

- (f) *The petitioner under provisions of section 230(5) of the Companies Act, 2013 have to serve notice to concerned authorities which are likely to be affected by Amalgamation. Further, the Approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the petitioner Company(s).*
- (g) *As regards Max India Limited the Transferor Company is a Public Company and its shares are listed on BSE Limited; as per the provisions of Section 230(5) of the Companies Act, 2013 r/w rules 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules 2016 in this regard it is submitted that the petitioner to produce the NOC from the above said stock Exchange; or Hon'ble NCLT may issue notice to other sectoral regulators or authorities (The Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India and/or pass appropriate orders/orders as deemed fit.*
- (h) *As regards the complaints indicated at para 21 above, under the head – Status of Complaint as per MCA Portal – Screenshot, it is submitted that the petitioners be directed to mention the current position regarding complaints redressed by the company and to file an undertaking accordingly.”*

10. In response to the observations made by the Regional Director in its Report, the Learned Counsel for the Petitioner Companies submit that the Petitioner Companies have filed an affidavit dated December 24, 2019 (“Affidavit”) with this Tribunal on January 1, 2020 and a copy of the Affidavit has been served on the Regional Director on January 1, 2020.



The response of the Petitioner Companies to the observations made by the Regional Director in its Report in their Affidavit are as under.

11. So far as the observation in sub paragraph (a) of the Report is concerned, the Transferee Company 1 and the Transferee Company 2 submit that in addition to compliance of AS 14 (IND AS - 103) accounting treatment, the Transferee Company 1 and the Transferee Company 2 undertake to pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as AS - 5 (IND AS - 8) etc.
12. So far as the observation in sub paragraph (b) of the Report is concerned, the Petitioner Companies submits that the Scheme is compliant with the provisions of Section 232(6) of the Companies Act, 2013 and the requirements of Circular No. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by Ministry of Corporate Affairs ("MCA"). In any event, without prejudice to the above, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.
13. So far as the observation in sub paragraph (c) of the Report is concerned, I, the Transferee Company 1 undertake that the fees, if any, payable by the Transferee Company 1 shall be paid in accordance with Section 232(3)(i) of the Companies Act, 2013.
14. So far as the observation in sub paragraph (d) of the Report is concerned, the Transferee Company 1 undertakes that the alteration of the name clause in the memorandum of association and change of name of the Transferee Company 1 shall be in compliance with Section 13 of the Companies Act, 2013.
15. So far as the observation in sub paragraph (e) of the Report is concerned, the Petitioner Companies confirm that the Scheme enclosed to the Company Scheme Application and the Scheme enclosed to the Company



Scheme Petition are one and the same and there is no discrepancy or changes made to the Scheme.

16. So far as the observation in sub paragraph (f) of the Report is concerned, the Petitioner Companies submit that notices under Section 230(5) of the Companies Act, 2013 have been served upon the concerned regulatory authorities as directed by the Hon'ble Tribunal vide its order dated September 17, 2019. The decision of the concerned regulatory authorities will be binding on the Petitioner Companies.
17. So far as the observation in sub paragraph (g) of the Report is concerned, the Petitioner Company 1 submits that BSE Limited by its letter dated August 26, 2019 and National Stock Exchange of India Limited by its letter dated August 27, 2019, have respectively given their NOCs to the Petitioner Company 1 and the same have been annexed to the Company Scheme Application and the Company Scheme Petition filed with the Hon'ble Tribunal.
18. So far as the observation in sub paragraph (h) of the Report is concerned, the Petitioner Company 1 submits that the complaints indicated in paragraph 21 of the RD Report pertains to Max Financial Services Limited (erstwhile Max India Limited), CIN: L24223PB1988PLC008031 and having its registered office at Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District Nawanshahr, Punjab and not against the Petitioner Company 1, i.e. Max India Limited (erstwhile Taurus Ventures Limited). The Hon'ble High Court of Punjab and Haryana vide its order dated December 14, 2015 approved a composite scheme of arrangement involving Max Financial Services Limited (erstwhile Max India Limited), Max India Limited (erstwhile Taurus Ventures Limited) and Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited). Pursuant to this composite scheme, the erstwhile Max India Limited was renamed as Max Financial Services Limited and the erstwhile Taurus Ventures Limited was renamed as Max India Limited,



i.e. the Petitioner Company 1. Further, the complaints indicated in paragraph 21 of the RD Report have already been redressed by Max Financial Services Limited (erstwhile Max India Limited) with appropriate relief given by the orders passed by the Hon'ble High Court of Punjab and Haryana of Chandigarh. However, the status of these complaints are not yet updated on MCA's online portal.

19. The Learned Counsel for the Petitioner Companies submit that the Regional Director has now filed a supplementary report dated January 7, 2020 ("Supplementary Report") with this Tribunal, dealing with the Affidavit filed by the Petitioner Companies. In the Supplementary Report, the Regional Director has recorded that the responses given by the Petitioner Companies in their Affidavit to the Report were to the satisfaction except the point No. IV at page 8 and 9 of the Supplementary Report dated January 7, 2020 which is as under:

"The Regional Directorate submits this Directorate has already filed report dated 20-12-2019 to the Hon'ble NCLT Bench. Further, this office has received letter from the Income Tax Department, Office of the Principal Commissioner of Income Tax, PR CIT - 1, Jalandhar vide letter dated 23-12-2019. The said letter addressed to this Hon'ble NCLT and copy to the Regional Directorate. The Income Tax Department stated in their letter that they have raised some specific queries to the assessee Company Max India Limited Pan: AAFCT2098H (Transferor Company- 1/ Amalgamating Company), by their various letters regarding the said composite scheme of the amalgamation and arrangements. The replies/clarification of the assesses on the certain issue is still awaited. A copy of the said letter dated 23-12-2009 is annexed hereto and marked as Annexure- 'A'

In this regard it is to submit that Petitioner Company have to undertake to comply with directions/requiriements of the Income Tax



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Authority vide their aforesaid mentioned letter or Hon'ble NCLT may pass appropriate orders as deem fit."

20. So far as the observation in point no. IV at page no. 8 and 9 of the Supplementary Report dated January 7, 2020 of the Regional Director is concerned, as the notice was served on the Income Tax Department on Spetember 27, 2019 and the stipulated time of 30 days given for the response from the Income Tax Authority has expired, the Transferee Company 1, viz., Advaita Allied Health Service Limited, be advised to undertake to comply with the directions/ requirements of the Income Tax Authority vide their aforementioned letter. Further, the decision of such Authority is binding on Transferee Company 1. The Transferee Company 1 undertakes to comply with all its obligations under law including under the Income-tax Act, 1961. The undertaking in this regard of the Director of the Transferee Company 1 dated January 17, 2020 is taken on record and accepted.
21. From the material on record and after perusing the clarifications and submissions of the Petitioner Companies to the Report and the Supplementary Report filed by the Regional Director, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
22. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition CP (CAA) 4051/MB/2019 filed by the Petitioner Companies is made absolute in terms of prayer clauses (a), (c) and (d) of the Company Scheme Petition.
23. The Petitioner Companies to lodge certified copy of this order along with a copy of the sanctioned Scheme attached thereto, with the concerned Collector of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified copy of this order.



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24. The respective Petitioner Companies are directed to file certified copy of this order along with a copy of the sanctioned Scheme attached thereto, with the concerned Registrar of Companies, electronically, along with e-form INC 28 within 30 days of receipt of certified copy of this order.
25. All concerned authorities to act on certified copy of this order along with the sanctioned Scheme, duly certified by Deputy/ Assistant Registrar of the National Company Law Tribunal, Mumbai Bench.
26. Any person interested is at liberty to apply to this Tribunal in these matters for any directions or modifications that may be necessary.

SD/-

V. Nallasenapathy
Member (Judicial)

SD/-

Suchitra Kanuparthi
Member (Technical)

/n/



Certified True Copy
Copy Issued "free of cost"
On 27/05/2020


Assistant Registrar
National Company Law Tribunal Mumbai Bench

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013)

AMONG

MAX INDIA LIMITED	Transferor Company Amalgamating Company	1 /
MAX HEALTHCARE INSTITUTE LIMITED	Transferee Company Amalgamated Company	2 /
RADIANT LIFE CARE PRIVATE LIMITED	Transferor Company	2
ADVAITA ALLIED HEALTH SERVICES LIMITED	Transferee Company	1

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



PART-I: OVERVIEW, OBJECTS, DEFINITIONS AND INTERPRETATION

1. OVERVIEW AND OBJECTS OF THIS SCHEME

1.1 Brief overview of the companies

1.1.1 Max India Limited ("Max India"):

- (a) Max India is a listed public limited company incorporated under the Laws of India, having its registered office at 167, Floor 1, Plot - 167, Ready Money Terrace, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra. The CIN of Max India is L85100MH2015PLC330122.
- (b) 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.
- (c) The Equity Shares of Max India are listed on the Stock Exchanges.

1.1.2 Max Healthcare Institute Limited ("MHIL"):

- (a) MHIL is an unlisted public limited company incorporated under the Laws of India, having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra. The CIN of MHIL is U72200MH2001PLC322854.
- (b) MHIL (directly and through its subsidiaries) is engaged in the business of owning, constructing, establishing, managing, operating and/or developing hospitals, clinics, nursing homes, health centers, medical centers in primary/secondary/tertiary/quaternary care, and providing healthcare and medical services (such as technology enabled health care delivery services, health information services and home based care), provision of healthcare services to third parties and areas allied to healthcare.
- (c) MHIL (directly and through its subsidiaries) currently operates 14 hospitals in various cities across India. The hospitals operated by MHIL have more than 3,000 doctors and 9,600 employees.

1.1.3 Radiant Life Care Private Limited ("Radiant"):

- (a) Radiant (formerly known as Halcyon Finance & Capital Advisors Private Limited) is a private limited company incorporated under the Laws of India, having its registered office at 401, 4th floor, Man Excellenza, S.V. Road, Ville Parle (West), Mumbai, Maharashtra - 400056. The CIN of Radiant is U74110MH2010PTC199781.
- (b) Radiant is engaged in the business of developing, redeveloping, managing and operating health care facilities, hospitals, nursing institutes and homes, clinics, medical centres, providing education with respect to medical, surgical and pharmaceutical fields, retailing of drugs and pharmaceuticals including providing of health care, child care, beauty care products and services, carry out medical research by engaging in the research and development of all fields of medical sciences. Further, Radiant is also engaged in the business of providing consulting and advisory services and provides financial and strategic support to its group companies which includes its investment in the following entities: (i) 100% investment in Infrahealth Pte Ltd., Singapore, (ii) 100% investment in Radiant Lucknow, (iii) investment in



Radiant Foundation, (iv) investment in Neo Legno Capital Advisors LLP, and (v) investment in Radiant Mumbai.

1.1.4 **Advaita Allied Health Services Limited (“Advaita”):**

- (a) Advaita is an unlisted public limited company incorporated under the Laws of India, having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai 400 018. The CIN of Advaita is U74999MH2019PLC320039. Advaita is a wholly owned subsidiary of Max India.
- (b) Advaita is authorised, by its memorandum of association, to *inter alia* carry on the business of providing management and consultancy services its group companies.

1.2 **Overview of the Scheme**

1.2.1 This Scheme contemplates the following:

- (a) Demerger of Demerged Undertaking 1 from the Transferor Company 1 into the Transferee Company 1, in accordance with Sections 230 to 232 of the 2013 Act and in compliance with Section 2 (19AA) of the IT Act;
- (b) Demerger of Demerged Undertaking 2 from the Transferor Company 2 into the Transferee Company 2, in accordance with Sections 230 to 232 of the 2013 Act and in compliance with Section 2 (19AA) of the IT Act; and
- (c) Amalgamation of Amalgamating Company into and with Amalgamated Company in accordance with Sections 230 to 232 of the 2013 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 Scheme Entities, the Scheme Entities' shareholders and creditors (as applicable), NCLT and Governmental Authorities, the Scheme Entities are proposing this Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 and other relevant provisions of the 2013 Act, as may be applicable.

1.2.3 This Scheme shall be effective only upon the conditions to effectiveness set out in Clause 6.1 of this Scheme having been satisfied.

1.2.4 After the effectiveness of this Scheme, the listing of: (i) the entire Share Capital of the Transferee Company 1; and (ii) the entire Share Capital of the Amalgamated Company including (a) the Equity Shares issued by Transferee Company 2 as consideration to the shareholders of Transferor Company 2; and (b) the Equity Shares issued by Amalgamated Company as consideration to the shareholders of Amalgamating Company; with the Stock Exchanges shall be undertaken.

1.2.5 This document is segregated into 7 (seven) parts:

- (a) 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;
- (b) Part-II sets out the capital structure of the Scheme Entities;
- (c) Part-III deals with the demerger of the Demerged Undertaking 1 from the Transferor Company 1 to the Transferee Company 1 in accordance with Sections 230 to 232 of the 2013 Act and in compliance with Section 2 (19AA) of IT Act, the transfer of the



authorised Share Capital of the Transferor Company 1 to the Transferee Company 1, the issuance of Equity Shares by the Transferee Company 1 and the consequential change in Share Capital of the Transferee Company 1;

- (d) Part-IV deals with the demerger of the Demerged Undertaking 2 from the Transferor Company 2 to the Transferee Company 2 in accordance with Sections 230 to 232 of the 2013 Act and in compliance with Section 2 (19AA) of IT Act, the issuance of Equity Shares by the Transferee Company 2 and the consequential change in Share Capital of the Transferee Company 2;
- (e) Part-V deals with the amalgamation of Amalgamating Company into and with Amalgamated Company in accordance with Sections 230 to 232 of the 2013 Act and in compliance with Section 2 (1B) of IT Act, the issuance of Equity Shares by Amalgamated Company and the consequential change in Share Capital of Amalgamated Company;
- (f) Part-VI deals with the general terms and conditions applicable and sets out certain additional arrangements that form a part of this Scheme;
- (g) Part-VII deals with certain arrangements between MIL Promoters, Radiant Promoter and Kayak; and
- (h) Part VIII deals with certain arrangements between Radiant Promoter and Kayak.

1.3 Rationale for the Scheme

1.3.1 Max India is a multi-business corporate that is focused on people and service oriented businesses in the area of health and life care. Max India is engaged in the activity of making, holding and nurturing its investments in various businesses / activities and also provides management consultancy services to group companies. A brief summary of some of the investments which Max India holds is set out below:

- (a) Max India has invested in MHIL (and its subsidiaries) which was an equal joint venture between Max India and Life Healthcare International Proprietary Limited, South Africa ("Life Healthcare"). Pursuant to a share purchase agreement entered into amongst Radiant, Life Healthcare and MHIL ("Life Healthcare SPA"), Life Healthcare sold its entire 49.70% equity stake held in MHIL to Radiant on June 21, 2019. MHIL is engaged in the business of owning, constructing, establishing, managing, operating and/or developing hospitals, clinics, nursing homes, etc. Max Healthcare across its network of hospitals generated gross revenues of Rs. 2,787 crores and incurred a loss of Rs. 50 crores in the financial year 2017-18. Max India and Radiant, each currently holds 49.7% of the paid up share capital of MHIL.
- (b) Max India currently holds 51% of the paid up share capital of Max Bupa Health Insurance Company Limited, along with its joint venture partner, Bupa Plc, which holds 49% of the paid up share capital of Max Bupa Health Insurance Company Limited. The health insurance joint venture reported a Gross written premium of Rs 755 crore and a marginal profit of Rs. 23 crores in the financial year 2017-18. Further, joint venture partners have contributed total capital investment of Rs. 926 crores in the business as at the end of the financial year 2017-18.
- (c) Max India holds 100% of the share capital of Antara Senior Living Limited, which (directly and through its subsidiaries) is engaged in the business of developing senior living projects. Antara Senior Living Limited is developing its first community in



Dehradun with 212 units, which are being designed to cater to lifestyle and life care needs of the seniors in the community.

- (d) Max India holds 100% of the share capital of Max Skill First Limited, which (directly and through its subsidiary) operates as a shared service centre for providing knowledgeable learning and development solutions and training services to companies in the Max Group as well as to external clients.
 - (e) Max India holds 85.17% of the share capital of Pharmax Corporation Limited which is engaged in the business of leasing of its properties to Max group Companies.
 - (f) Max India holds 100% of the share capital in Max UK Limited which is engaged in the business of providing business and administrative support services to officials of various group companies of Max India at United Kingdom.
 - (g) Max India holds 100% of the share capital in Max Ateev Limited which is not pursuing any business/ commercial operations at the moment.
- 1.3.2 Radiant is a portfolio company of Kohlberg Kravis Roberts & Co. L.P. held through Kayak. Kayak is owned by affiliates of funds and/or vehicles managed and/or advised by Kohlberg Kravis Roberts & Co. L.P. Radiant is engaged *inter alia* in the Healthcare Business (*as defined hereinafter*) and in the business of providing consulting and advisory services and providing financial and strategic support to its group companies which includes its investment including holding investment in the following entities: (i) 100% investment in Infrahealth Pte Ltd., Singapore, (ii) 100% investment in Radiant Lucknow, (iii) investment in Radiant Foundation, (iv) investment in Neo Legno Capital Advisors LLP. Radiant has also executed an operation and management contract with Four Seasons Foundation Society for developing and operating a medical college in Greater Noida and for expanding and operating the Max Multi Speciality Hospital, Greater Noida at Greater Noida (to which MHIL is rendering certain medical services) (“O&M Arrangement”). Post demerger of the Healthcare Business, it is envisaged that Radiant shall concentrate on the O&M Arrangement, its consulting business and nurture and grow the aforementioned investments over a period of time. Radiant currently operates the following hospitals in New Delhi and Mumbai through operation and management agreements (O&M agreements), (a) Dr. B. L. Kapur Memorial Hospital, Delhi; and (b) Dr. Balabhai Nanavati Hospital, Mumbai (through Radiant Mumbai), respectively.
- 1.3.3 Radiant and MHIL believe that the demerger of Healthcare Business of Radiant into MHIL is a strategic fit for serving the existing market and catering to additional volume in the healthcare sector. Radiant and MHIL believe that the concentration of their respective healthcare businesses in one entity will enhance competitive strength and achieve cost reduction, efficiencies and productivity gains by pooling the resources of Radiant and MHIL, thereby significantly contributing to the future growth and maximising shareholder value. However, the residual business in Radiant is not of synergistic value to the combined entity and is therefore proposed to be retained in Radiant and continued as such.
- 1.3.4 Hence, with a view to achieving consolidation of the healthcare business activities carried on by Radiant and MHIL, this Scheme has been proposed to create a standalone listed entity, which will exclusively be engaged in healthcare activities. Further, the Scheme will allow the demerged Radiant to focus on its consultancy business.
- 1.3.5 Also, in order to unlock maximum value for the shareholders of Max India and ensure standalone focus on the allied health and associated activities of Max India, it is proposed that the activity of making, holding and nurturing investments in allied health and associated activities represented by companies (as more specifically listed in **Schedule 1**) coupled with Max India’s management consultancy services, including related employees, contracts, assets



and liabilities, (collectively referred to as "Allied Health and Associated Activities"), be demerged into a separate company, to be listed on the Stock Exchanges.

1.3.6 Accordingly, this Scheme provides for the demerger of the Demerged Undertaking 1 of Max India into the Transferee Company 1, demerger of the Demerged Undertaking 2 of Radiant into MHIL and amalgamation of Amalgamating Company into MHIL, as set out in this Scheme. This results in the following benefits:

- (a) consolidation of the healthcare business of Radiant with MHIL and consolidation of residual listed Max India (remaining post demerger under Part III) with MHIL to create a single listed entity, thereby creating synergies between the healthcare activities/ businesses of Max India, Radiant (respectively) with MHIL;
- (b) opportunity for shareholders of Max India to participate directly into a combined entity engaged in healthcare business;
- (c) availability of increased resources, expertise and assets in the resultant amalgamated company, which can be utilized for strengthening the customer base of Radiant and MHIL and servicing existing as well as prospective patients and customers of Radiant and MHIL, efficiently;
- (d) the combination of the healthcare business activities of Radiant and MHIL is a strategic fit for serving the existing market and for catering to additional volume of new patients;
- (e) cost reduction, accessibility of clinical services at more locations resulting in stronger brand image, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of Max India, Radiant and MHIL, thereby significantly contributing to future growth and maximizing shareholders value;
- (f) benefit to all stakeholders of the Scheme Entities, leading to growth and value creation in the long run and maximising the value and return to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies; and
- (g) unlock value for the shareholders of Max India and ensure standalone focus on the allied health and associated activities of Max India.
- (h) unlock value for the shareholders of Radiant and ensure standalone focus on the residual business activities.

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 "2013 Act" means the Companies Act, 2013;
- 1.4.2 "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;
- 1.4.3 "Advance Amount" has the meaning assigned to it under the BAS SPA;



- 1.4.4 **"Affiliate(s)"** means with respect to any Party, any Person that, alone or together with any other Person, directly or indirectly Controls, is Controlled by, or is under common Control with, such Party and in case of a Party being a natural person, shall, in addition, also include a "relative" (as such term is defined in the Companies Act) of such Person and any Person Controlled by such "relative". It is hereby clarified that **"Affiliate"**, in respect of Kayak, shall be deemed to include, any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other investment vehicle or any subsidiary or affiliate of any of the foregoing, which is managed or Controlled by Kohlberg Kravis Roberts & Co. L.P., or a subsidiary thereof whether on the date of execution of the Post Merger SHA or in the future, but shall be deemed to exclude the Radiant Promoter, the Company, the Subsidiaries and all other portfolio companies of Kayak and/or its affiliates;
- 1.4.5 **"Aggregate Investment Amount"** means the aggregate of the following: (a) the amounts received by the Radiant from Kayak towards subscription of the Shares of Radiant up to the Effective Date, and the amounts received by the Radiant Promoter / his Affiliates from Kayak towards purchase of the Shares of Radiant up to the Effective Date; (b) the amounts received by the Amalgamated Company from Kayak for subscription to securities of the Amalgamated Company to be issued to Kayak after the Effective Date; (c) amounts paid as the Purchase Consideration under the BAS SPA; (d) any costs, expenses and fees incurred by Kayak in relation to (a), (b) and (c); and (e) any costs and expenses incurred by Kayak in Transferring its Shares of the Amalgamated Company;
- 1.4.6 **"ALPS"** means ALPS Hospitals Limited, a company incorporated under Companies Act, 1956, having its registered office at N-110, Panchsheel Park, New Delhi – 110017;
- 1.4.7 **"Amalgamated Company"** means MHIL, the resultant company post the amalgamation of Amalgamating Company into and with MHIL in terms of Part-IV of this Scheme;
- 1.4.8 **"Amalgamating Company"** means Max India, the residual company left after the demerger of the Demerged Undertaking 1 from the Transferor Company 1 to the Transferee Company 1 in terms of Part-III of this Scheme;
- 1.4.9 **"Applicable Laws"** or **"Laws"** means and includes all applicable statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, approvals from the concerned authority (including a Governmental Authority), government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 1.4.10 **"Appointed Date 1"** in respect of the transfer of the Demerged Undertaking 1 from the Transferor Company 1 to the Transferee Company 1 means February 1, 2019;
- 1.4.11 **"Appointed Date 2"** in respect of the transfer of the Demerged Undertaking 2 from the Transferor Company 2 to the Transferee Company 2 and for the amalgamation of the Amalgamating Company to the Amalgamated Company means the Effective Date;
- 1.4.12 **"Balaji"** means shall mean Balaji Medical and Diagnostic and Research Center, a society registered under the Societies Registration Act, 1860 having its registered office at 108-A, Indraprastha Extension, Opp. Sanchar Apartment, Patparganj, Delhi- 110 092 having its hospital namely, Max Super Speciality Hospital, Patparganj located at 108A, Indraprastha Extension, Patparganj, Delhi, 110092;
- 1.4.13 **"BAS SPA"** means the share purchase agreement dated December 24, 2018 executed between



MIL Promoters and Kayak;

- 1.4.14 **"Board of Directors"** or **"Board"**, 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;
- 1.4.15 **"Business Day"** means a day on which scheduled commercial banks are open for business in New Delhi, Mumbai, New York and Singapore;
- 1.4.16 **"Charter Documents"** means the memorandum of association and articles of association of a company;
- 1.4.17 **"CIN"** means Corporate Identity Number;
- 1.4.18 **"Closing Date"** shall have the meaning ascribed to it under the Post Merger SHA.
- 1.4.19 **"Consolidated Historical Accounts"** shall mean the consolidated Financial Statements of the MHC Network for the Financial Year ended on March 31, 2018;
- 1.4.20 **"Control"** with respect to any Person, means directly or indirectly, either acting individually or acting in concert with other Persons, whether by way of shareholding or management rights or contracts: (a) ownership or control of more than 50% (fifty percent) of the Share Capital and/or voting rights of the controlled entity; or (b) control of, or the power to control, the composition of the Board of the controlled entity; or (c) the right to appoint majority of the directors to the Board of the controlled entity; or (d) the ability to control the management or policy decisions of the controlled entity including by virtue of any affirmative/veto rights, and the terms **"Controlling"** and **"Controlled"** shall be correspondingly construed;
- 1.4.21 **"Cost Saving Threshold"** means the difference between: (i) the aggregate Costs and Expenses incurred by the Cost Saving Entities as is derived from the FY 21 Consolidated Management Accounts; and (ii) the aggregate Costs and Expenses incurred by the Cost Saving Entities as is derived from the FY 19 Consolidated Management Accounts, which difference being an amount equal to or more than INR 140,00,00,000 (Indian Rupees One Hundred Forty Crores only), but which shall exclude those cost savings which have been realized from the initiatives implemented by the Cost Saving Entities on or prior to March 31, 2019;
- 1.4.22 **"Cost Saving Entities"** means the MHC Network, Radiant and its subsidiaries (before the Effectiveness of this Scheme), and Radiant Hospitals;
- 1.4.23 **"Costs and Expenses"** means all the costs and expenses in relation to the Cost Saving Entities, other than depreciation, amortization and interest expenses;
- 1.4.24 **"CRL"** means Crosslay Remedies Limited, a company incorporated under Companies Act, 1956, having its registered office at N-110, Panchsheel Park, New Delhi – 110017;
- 1.4.25 **"Demerged Undertaking 1"** shall comprise the whole of the Allied Health and Associated Activities, on a going concern basis, as on the Appointed Date 1. Without prejudice and limitation to the generality of the above, the Demerged Undertaking 1 shall include:
- (a) all the property of the Allied Health and Associated Activities including all assets wherever situated, whether movable or immovable, leasehold or freehold, owned or leased, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, equity shares, any sale proceeds arising out of



the sale of any equity shares, preference shares and other securities of associate / subsidiary/ joint venture companies, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relating to the Allied Health and Associated Activities including those as listed in Schedule 1;

- (b) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax and credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the Allied Health and Associated Activities, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the Allied Health and Associated Activities, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Allied Health and Associated Activities;
- (c) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back up copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Allied Health and Associated Activities;
- (d) all trademarks, trademark applications, registrations, trade names, patents and domain names, patent applications, copyrights, trade secrets, goodwill, and other intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all other interests of whatsoever description that are applied for, registered in the name of, owned and/or used by Transferor Company 1, including those identified in Schedule 2;
- (e) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Allied Health and Associated Activities;
- (f) all employees of the Transferor Company 1 that are determined by the Board of Directors of Transferor Company 1 substantially engaged in or in relation to the Allied Health and Associated Activities, on the date immediately preceding the Effective Date;
- (g) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the Allied Health and Associated Activities, provided however that, amounts of general or multipurpose borrowings, if any, of the Transferor Company 1 will be apportioned basis the proportion of the value of the assets transferred in this demerger of Allied Health and Associated Activities to the total value of the assets of



the Transferor Company 1 immediately before the said demerger;

- (h) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company 1 pending as on the Effective Date and relating to the Allied Health and Associated Activities; and
- (i) It is intended that the definition of Demerged Undertaking 1 under this Clause would enable the transfer of all property, assets, employees and liabilities of "Allied Health and Associated Activities" to Transferee Company 1, pursuant to this Scheme.

Any issue as to whether any asset or liability and/or employee pertains to or is relatable to the Demerged Undertaking 1 or not shall be decided mutually by the Board of Directors of the Scheme Entities, on the basis of evidence that they may deem relevant for the purpose (including the books or records of the Transferor Company 1).

1.4.26 "Demerged Undertaking 2" shall comprise the whole of the Healthcare Business (including (i) the shares of MHIL to be acquired by Radiant, and (ii) the shares of Radiant Mumbai held by Radiant), on a going concern basis, as on the Appointed Date 2. Without prejudice and limitation to the generality of the above, the Demerged Undertaking 2 shall include:

- (a) all the property of the Healthcare Business including all assets wherever situated, whether movable or immovable, leasehold or freehold, owned or leased, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, equity shares, any sale proceeds arising out of the sale of any equity shares, preference shares and other securities of associate / subsidiary/ joint venture companies, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relatable to the Healthcare Business;
- (b) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the Healthcare Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the Healthcare Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Healthcare Business;
- (c) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back up copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Healthcare Business;



- (d) all trademarks, trademark applications, registrations, trade names, patents and domain names, patent applications, copyrights, trade secrets, goodwill, and other intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all other interests of whatsoever description that pertain exclusively to the Healthcare Business;
- (e) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Healthcare Business;
- (f) all employees of the Transferor Company 2 that are determined by the Board of Directors of Transferor Company 2, to be substantially engaged in or in relation to the Healthcare Business, on the date immediately preceding the Effective Date;
- (g) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the Healthcare Business, provided however that, amounts of general or multipurpose borrowings, if any, of the Transferor Company 2 will be apportioned basis the proportion of the value of the assets transferred in this demerger of Healthcare Business to the total value of the assets of the Transferor Company 2 immediately before the said demerger;
- (h) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company 2 pending as on the Effective Date and relating to the Healthcare Business; and
- (i) It is intended that the definition of Demerged Undertaking 2 under this Clause would enable the transfer of all property, assets, employees and liabilities of "Healthcare Business" to Transferee Company 2, pursuant to this Scheme.

Any issue as to whether any asset or liability and/or employee pertains to or is relating to the Demerged Undertaking 2 or not shall be mutually decided by the Board of Directors of the Scheme Entities, on the basis of evidence that they may deem relevant for the purpose (including the books or records of the Transferor Company 2). Notwithstanding anything contrary to the foregoing, the definition of 'Demerged Undertaking 2' shall not include any operation and management arrangement entered into by Transferor Company 2, prior to the Effective Date, in respect of any hospital with approximately 350 beds located in a metropolitan city in India and for which Transferor Company 2 is currently in negotiations, which if acquired shall form part of the undertaking of Transferor Company 2 remaining post demerger of Demerged Undertaking 2.

- 1.4.27 "**Devki Devi**" means Devki Devi Foundation, a society registered under the Societies Registration Act, 1860 having its registered office at 2 Press Enclave Road Saket, New Delhi-110017 having its hospital namely Max Super Speciality Hospital, East Block located at East Block, 2 Press Enclave Road Saket, New Delhi- 110017;
- 1.4.28 "**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;
- 1.4.29 "**Equity Shares**", in regard to a company, means the fully paid-up equity shares of such a company;
- 1.4.30 "**Financial Statements**" shall mean the following standalone and consolidated financial



statements: (a) the balance sheet, (b) the related statement of income, (c) the cash flow statement (as applicable), together with (d) notes and schedules thereto (as applicable), and prepared in accordance with the relevant accounting standards;

- 1.4.31 **“Financial Year”** means the period of 12 (Twelve) months commencing from the 1st of April of a calendar year and ending on the 31st of March of the following calendar year, or any other period adopted by the relevant Person as its accounting year;
- 1.4.32 **“FSF”** means M/s. Four Seasons Foundation;
- 1.4.33 **“Fully Diluted Basis”** means the assumption that the exercise, and as may be applicable, the conversion of any options (including employee stock options), warrants, contracts and instruments convertible into Shares (whether or not compulsorily convertible), outstanding on the date of calculation, have been exercised or exchanged for or converted into Shares and all Shares issuable pursuant to contractual or other obligations have been issued;
- 1.4.34 **“FY 19 Consolidated Management Accounts”** means the combined Financial Statements of the Cost Saving Entities for the Financial Year ending on March 31, 2019 and prepared using the same accounting principles as used for preparing respectively (i) the audited consolidated Financial Statements of Radiant and Radiant Subsidiaries for the Financial Year ending on March 31, 2018; (ii) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (iii) the Consolidated Historical Accounts.

It is clarified that combined Financial Statements for this purpose would mean the aggregation of (i) audited consolidated Financial Statements of Radiant and Radiant Subsidiaries; (ii) audited Financial Statements of Radiant Hospitals and (iii) consolidated Financial Statements of MHC Network and after eliminating any impact of any inter-se transactions between Radiant, Radiant Subsidiaries, Radiant Hospitals and MHC Network;

“FY 21 Consolidated Management Accounts” means:

- A. if the Closing Date is on or before March 31, 2019, then, the combined Financial Statements of the Cost Saving Entities for the Financial Year ending on March 31, 2021 and prepared using the same accounting principles as used for preparing respectively (i) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (ii) the Consolidated Historical Accounts;
- B. if the Closing Date is after March 31, 2019 but before May 31, 2019, then, the combined Financial Statements of the Cost Saving Entities for the FY 21 Period and prepared using the same accounting principles as used for preparing respectively (i) the audited Financial Statements of Radiant Hospitals for the Financial Year ending on March 31, 2018 and (ii) the Consolidated Historical Accounts;

It is clarified that: (a) in case the Closing Date is after May 31, 2019, then, Kayak and the Radiant Promoter shall mutually decide the Financial Statements which shall be used for determination of FY 21 Consolidated Management Accounts; and (b) combined Financial Statements for this purpose would mean the aggregation of (i) audited Financial Statements of Radiant Hospitals and (ii) consolidated Financial Statements of MHC Network and after eliminating any impact of any inter-se transactions between Radiant Hospitals and MHC Network.

“FY 21 Period” the period between the 1st (first) anniversary of the Closing Date and ending on the 2nd (second) anniversary of the Closing Date;

- 1.4.35 **“Government”** or **“Governmental Authority(ies)”** means: (a) any national, state, city,



municipal, county or local government, governmental authority, state or political subdivision thereof; (b) any, national or supranational body, court, agency or, tribunal or any Person exercising executive, legislative, judicial, regulatory (including a stock exchange or other self-regulatory body) or administrative functions on behalf of any of them;

- 1.4.36 **"Gujarmal Modi"** means Gujarmal Modi Hospital and Research Center for Medical Sciences, a society duly registered under the Societies Registration Act, 1860, and having its registered office at Mandir Marg, Saket, New Delhi;
- 1.4.37 **"HBPL"** means Hometrail Buildtech Private Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered address at N-110, Panchsheel Park New Delhi South Delhi 110017, India;
- 1.4.38 **"Healthcare Business"** means the healthcare delivery services undertaken by Transferor Company 2 by way of managing, owning, operating and/or advising in relation to Dr. B. L. Kapur Memorial Hospital, Delhi and Dr. Balabhai Nanavati Hospital, Mumbai (through Radiant Mumbai) and includes the support office business in connection thereto and also includes (i) the shares of MHIL when acquired by Transferor Company 2, and (ii) the shares of Radiant Mumbai held by Transferor Company 2;
- 1.4.39 **"Investor Director"** means any director nominated to the Board of the Amalgamated Company and/ or any subsidiary by Kayak;
- 1.4.40 **"Investor IRR Shares"** means Shares of the Amalgamated Company subscribed to and/or purchased by Kayak, (including the Shares of the Amalgamated Company issued to Kayak pursuant to the Proposed Merger), pursuant to payment of/ infusion of the Aggregate Investment Amount;
- 1.4.41 **"IRR"** means the internal rate of return, computed on the Aggregate Investment Amount, in accordance with the XIRR function of Microsoft Excel;
- 1.4.42 **"IT Act"** means the Income-tax Act, 1961;
- 1.4.43 **"Kayak"** means Kayak Investments Holding Pte. Ltd., a company incorporated under the laws of Singapore, having its registered office at 10 Changi Business Park Central 2, 05-01 Hansapoint@Cbp, 486030 Singapore;
- 1.4.44 **"Max India"** has the meaning assigned to such a term in Clause 1.1.1;
- 1.4.45 **"MHC Network"** shall mean collectively: (a) the Amalgamated Company; (b) each of the Subsidiaries; and (c) each of the Network Hospitals;
- 1.4.46 **"MIL Promoters"** means Mr. Analjit Singh and Max Ventures Investment Holdings Private Limited;
- 1.4.47 **"NCLT"** means the National Company Law Tribunal, Mumbai bench;
- 1.4.48 **"Network Hospitals"** shall mean: (a) Max Super Speciality Hospital, Saket, a unit of Devki Devi; (b) Max Super Speciality Hospital, Patparganj; a unit of Balaji; (c) Max Smart Super Speciality Hospital, Mandir Marg, Saket, a unit of Gujarmal Modi; and (d) Max Multi Speciality Hospital Greater Noida, a unit of FSF;
- 1.4.49 **"Ordinary Course of Business"** or **"Ordinary Course"** means the ordinary course of business: (a) consistent with past practice (only to the extent not prohibited by Law); or (b) to the extent required to be taken in compliance with statutory obligations or contractual



- obligations existing as of the date of the Scheme being approved by the Board of Directors of Max India, MHIL and Radiant; or (c) entered in accordance with the terms of this Scheme, provided that a series of related transactions which taken together are not in the Ordinary Course of Business shall not be deemed to be in the Ordinary Course of Business;
- 1.4.50 **“Performance Committee”** means a committee of 3 (three) members which shall include the following: 1 (one) Radiant Promoter Director, 1 (one) Investor Director and 1 (one) non-executive Director of the Company who is nominated by the Radiant Promoter;
- 1.4.51 **“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;
- 1.4.52 **“Pledged Shares”** has the meaning assigned to it under the BAS SPA;
- 1.4.53 **“Post Merger SHA”** means the shareholders’ agreement dated December 24, 2018 between Kayak and the Radiant Promoter;
- 1.4.54 **“Purchase Consideration”** has the meaning assigned to it under the BAS SPA;
- 1.4.55 **“Radiant Foundation”** means Radiant Life Care Foundation, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai City, Maharashtra 400056;
- 1.4.56 **“Radiant Hospitals”** means together Dr. B. L. Kapur Memorial Hospital, Delhi and Dr. Balabhai Nanavati Hospital, Mumbai;
- 1.4.57 **“Radiant Lucknow”** means Radiant Life Care Lucknow Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai City, Maharashtra 400056;
- 1.4.58 **“Radiant Mumbai”** means Radiant Life Care Mumbai Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office address at 401, 4th Floor, Man Excellenza, S. V. Road, Vile Parle (West), Mumbai City, Maharashtra 400056;
- 1.4.59 **“Radiant Promoter”** means Mr. Abhay Soi;
- 1.4.60 **“Radiant Promoter Director”** means any director nominated to the Board of the Amalgamated Company and/ or any subsidiary by the Radiant Promoter (which may include the Radiant Promoter himself);
- 1.4.61 **“Radiant Subsidiaries”** means Radiant Mumbai, Radiant Lucknow and Radiant Foundation;
- 1.4.62 **“Record Date 1”** means the date to be fixed in terms of Clause 3.3, for the purpose of issue of Equity Shares by Transferee Company 1 to the shareholders of Transferor Company 1 in terms of Part-III of this Scheme;
- 1.4.63 **“Record Date 2”** means the date to be fixed in terms of Clause 4.2, for the purpose of issue of Equity Shares by Transferee Company 2 to the shareholders of Transferor Company 2 in terms of Part-IV of this Scheme;
- 1.4.64 **“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 to the shareholders of Amalgamating Company in terms of Part-V of this Scheme;

- 1.4.65 “**Registrar of Companies**” means the Registrar of Companies, Mumbai;
- 1.4.66 “**Sale Shares**” has the meaning assigned to it under the BAS SPA;
- 1.4.67 “**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;
- 1.4.68 “**Scheme Entities**” means Max India, Advaita, MHIL and Radiant;
- 1.4.69 “**SCHPL**” means Saket City Hospitals Private Limited, a company incorporated under the provisions of Companies Act, 1956, having its registered address at N-110, Panchsheel Park New Delhi South Delhi, 110017, India;
- 1.4.70 “**SEBI**” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.4.71 “**Share Capital**”, in regard to a company, means the total issued, subscribed and paid up share capital of such a company on a Fully Diluted Basis;
- 1.4.72 “**Share Entitlement Ratio 1**” has the meaning assigned to such a term in Clause 3.4.3;
- 1.4.73 “**Share Entitlement Ratio 2**” has the meaning assigned to such a term in Clause 4.3.2;
- 1.4.74 “**Share Exchange Ratio**” has the meaning assigned to such a term in Clause 5.5.2;
- 1.4.75 “**Shares**” means the equity shares of a company;
- 1.4.76 “**Stock Exchanges**” means collectively BSE Limited and the National Stock Exchange of India Limited;
- 1.4.77 “**Subsidiaries**” means Radiant Mumbai, ALPS, HBPL, CRL and SCHPL and any other company (whether incorporated under the 2013 Act or not) which would qualify as a subsidiary of the Amalgamated Company under the 2013 Act, and “**Subsidiary**” means any one of them;
- 1.4.78 “**Tax**”, “**Taxes**” or “**Taxation**” means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person;
- 1.4.79 “**Transfer**” (including with correlative meaning, the terms “**Transferred**”, “**Transferring**”,



“Transferred by” and “Transferability”) means to, directly or indirectly, sell, gift, give, assign, transfer, transfer of any interest in trust, mortgage, alienate, hypothecate, pledge, encumber, grant a security interest in, or suffer to exist (whether by operation of Law otherwise) any encumbrance on, any securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, provided that, with respect to Kayak, “Transfer” shall not include any fund level transfers, provided that, transfer of Shares of Kayak shall be considered as Transfer for the purposes of Post Merger SHA;

1.4.80 “Transferee Company 1” means Advaita;

1.4.81 “Transferee Company 2” means MHIL;

1.4.82 “Transferor Company 1” means Max India immediately prior to the demerger of the Demerged Undertaking 1; and

1.4.83 “Transferor Company 2” means Radiant.

1.5 Interpretation

1.5.1 In this Scheme, unless the context otherwise requires:

- (a) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
- (b) any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- (c) 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;
- (d) 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;
- (e) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (f) the term “Clause” refers to the specified clause of this Scheme;
- (g) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to 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;
- (h) 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;
- (i) references to one gender includes all genders; and
- (j) words in the singular shall include the plural and *vice versa*.



1.6 **Date of taking effect and implementation of the Scheme**

- 1.6.1 The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT or made as per Clauses 6.8 and 6.9 of the Scheme, shall become effective from Appointed Date 1 and Appointed Date 2, as the case may be, but shall be operative from the Effective Date.



PART-II: CAPITAL STRUCTURE

2. **CAPITAL STRUCTURE**

2.1 **Max India**

2.1.1 The capital structure of Max India as on December 24, 2018 was as under:

Share Capital	Amount in Rs.
Authorised Capital	
30,00,00,000 Equity Shares of Rs. 2 each	60,00,00,000
Total	60,00,00,000
Issued, Subscribed and Paid-up Share Capital [#]	
26,84,21,346 Equity Shares of Rs. 2 each	53,68,42,692
Total	53,68,42,692

The issued, subscribed and paid-up share capital of Max India, as on June 25, 2019, was Rs. 53,73,31,096, divided into 26,86,65,548 Equity Shares of Rs. 2 each

[#] *Certain employee stock options granted to the employees of Max India 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 Max India as on December 24, 2018 are set out below:*

Unexercised Employee Stock Options	Amount in Rs.
2,88,462 options with an exercise price of Rs. 2 per Equity Shares of Rs. 2 each [*]	5,76,924
8,86,500 options with an exercise price of Rs. 77.80 per Equity Shares of Rs. 2 each ^{**}	6,89,69,700
Total	6,95,46,624

^{*} *As on June 25, 2019, out of 2,88,462 options, 2,44,202 options have been exercised.*

^{**} *As on June 25, 2019, out of 8,86,500 options, 6,65,500 options have lapsed.*

2.1.2 The shares of Max India are listed on the Stock Exchanges.

2.2 **MHIL**

2.2.1 The capital structure of MHIL as on December 24, 2018 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
96,00,00,000 Equity Shares of Rs. 10 each	960,00,00,000
12,50,00,000 cumulative preference shares Rs. 10 each	125,00,00,000
Total	1085,00,00,000
Issued, Subscribed and Paid-up Share Capital	
53,72,44,328 Equity Shares of Rs. 10 each	537,24,43,280
Total	537,24,43,280

2.2.2 Other than as contemplated under this Scheme, MHIL shall not issue any further Equity Shares till the listing of its Equity Shares pursuant to Paragraph 5.11 of this Scheme.

2.2.3 As on December 24, 2018 MHIL legally and beneficially held:



- (a) 28,81,034 Equity Shares of Rs. 10 each, representing 100% of the equity share capital of ALPS. In addition, MHIL is also holding 15,50,000 preference shares of Rs. 100 each of ALPS representing 100% of its preference share capital.
- (b) 5,09,39,078 Equity Shares of Rs. 10 each, representing 100% of the equity share capital of HBPL. In addition, MHIL is also holding 20,00,000 preference shares of Rs. 100 each of HBPL representing 100% of its preference share capital.
- (c) 1,48,64,817 Equity Shares of Rs. 10 each, representing 51% of the equity share capital of SCHPL. In addition, MHIL is also holding 5,00,000 preference shares of Rs. 10 each of SCHPL representing 100% of its preference share capital.
- (d) 111,625,297 equity shares of Rs. 10 each, representing 77.95% of the equity share capital of CRL.

2.2.4 The shares of MHIL are, at present, not listed on any stock exchange, whether in India or in any other country.

2.3 Radiant

2.3.1 The capital structure of Radiant as on December 24, 2018 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
270,00,000 Equity Shares of Rs. 10 each	27,00,00,000
Total	27,00,00,000
Issued, Subscribed and Paid-up Share Capital^s	
3,97,297 Equity Shares of Rs. 10 each	39,72,970
Total	39,72,970

^s Radiant, pursuant to its board resolution dated December 24, 2018, has agreed to issue 302,551 equity shares to Kayak on a preferential basis. Post allotment of these shares, the paid-up share capital of Radiant would be 6,99,848 Equity Shares of Rs. 10 each aggregating to Rs. 69,98,480/-.

2.3.2 As on December 24, 2018 Radiant legally and beneficially holds shares in the following entity forming part of the Demerged Undertaking 2:

- (a) 8,70,38,374 Equity Shares of Rs. 10 each, representing 99.99% of the Share Capital of Radiant Mumbai.

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

2.4 Advaita

2.4.1 The capital structure of Advaita, as on February 12, 2019, is as follows:

Share Capital	Amount in Rs.
Authorised Capital	
70 Equity Shares of Rs. 10 each	700
Total	700



Issued, Subscribed and Paid-up Share Capital	
70 Equity Shares of Rs. 10 each	700
Total	700

As on June 25, 2019, the authorised, issued, subscribed and paid-up share capital of Advaita is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10.

- 2.4.2 Other than as contemplated under this Scheme, Advaita shall not issue any further Equity Shares till the listing of its Equity Shares pursuant to Paragraph 3.13 of this Scheme.
- 2.4.3 The shares of Advaita are, at present, not listed on any stock exchange, whether in India or in any other country.



**PART-III: DEMERGER OF THE DEMERGED UNDERTAKING 1 FROM THE
TRANSFEROR COMPANY 1 INTO THE TRANSFEREE COMPANY 1**

3. **DEMERGER OF THE DEMERGED UNDERTAKING 1 FROM THE TRANSFEROR COMPANY 1 INTO THE TRANSFEREE COMPANY 1**
- 3.1 **Demerger and vesting of the Demerged Undertaking 1**
- 3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date 1, all the present and future assets and liabilities of the Demerged Undertaking 1, whether known or unknown, and the entire business of the Demerged Undertaking 1, together with all its properties, assets, rights, benefits and interest therein, shall stand transferred to and vested in the Transferee Company 1, as a going concern, without any further act or deed, in accordance with Sections 230 to 232 of the 2013 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 1:
- (a) all assets of the Demerged Undertaking 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 the Transferee Company 1, wherever located, and shall become the property and an integral part of the Transferee 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.
- (b) all assets of the Demerged Undertaking 1 that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, 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, shall, without any further act or deed, become the property of the Transferee 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.
- (c) all assets of the Demerged Undertaking 1 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 1, without any further act or deed, pursuant to the applicable provisions of the 2013 Act and the provisions of this Scheme. The Transferee 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 the Transferee



Company 1.

- (d) all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Demerged Undertaking 1 shall, pursuant to the applicable provisions of the 2013 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 1, and the Transferee Company 1 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. The amounts of general or multipurpose borrowings, if any, of the Transferor Company 1 will be apportioned basis the proportion of the value of the assets transferred in this demerger of Demerged Undertaking 1 to the total value of the assets of the Transferor Company 1 immediately before the said demerger.
- (e) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company 1 in relation to the Demerged Undertaking 1 shall be and remain in full force and effect on, against or in favour of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company 1 had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, 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 Demerged Undertaking 1 or to the benefit of which the Transferor Company 1 may be eligible in connection with the Demerged Undertaking 1 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 1 and upon this Scheme becoming effective, in terms of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company 1. All contracts / agreements of the Demerged Undertaking 1 subsisting or having effect immediately before the Effective Date shall stand vested in favour of the Transferee Company 1 on the same terms and conditions. The Transferee Company 1 and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (f) 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 Demerged Undertaking 1, whether by or against the Transferor Company 1, whether pending on the Appointed Date 1 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 Demerged Undertaking 1 in the Transferee Company 1 or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee 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 Demerged Undertaking 1, as if this Scheme had not



been implemented.

- (g) (i) Upon the Scheme becoming effective, all employees of the Demerged Undertaking 1 shall be deemed to have become employees of the Transferee Company 1, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company 1, on the Effective Date. The services of such employees with the Transferor Company 1 up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (ii) Upon this Scheme becoming effective, the Transferee Company 1 shall stand substituted for the Transferor Company 1 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 Demerged Undertaking 1 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 1 for employees of the Demerged Undertaking 1 shall continue to be provided to the transferred employees of the Demerged Undertaking 1, as set forth below:
- A. in regard to provident fund, it is clarified that Max India employees are covered under the Max Financial Services Ltd. Employees' Provident Fund Trust, which shall form part of the Demerged Undertaking 1 and shall be transferred to the Transferee Company 1 as the employees of the Demerged Undertaking 1 are currently covered under the aforesaid exempted provident fund trust. The Transferee Company 1 shall make all necessary arrangement in respect of transfer of payments of the provident fund pertaining to the employees of MHIL to the relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by MHIL, in accordance with the provisions of Applicable Laws or otherwise.
- B. 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 Demerged Undertaking 1, the Transferee Company 1 and the Transferor Company 1 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 Demerged Undertaking 1 can be transferred by the Transferor Company 1 to the Transferee Company 1'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 Demerged Undertaking 1 shall stand transferred to the employee benefit funds of the Transferee Company 1. Post the effectiveness of the Scheme, the Transferee Company 1 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 Demerged Undertaking 1.

- (iii) The Transferee Company 1 undertakes that for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits to the employees of the Demerged Undertaking 1, the past services of such employees of the Demerged Undertaking 1 shall also be taken into account and the Transferee Company 1 shall make the payment of retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable.
- (iv) 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 Demerged Undertaking 1 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 1, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company 1 with any of the employees of the Demerged Undertaking 1 prior to the Appointed Date 1 and from the Appointed Date 1 till Effective Date.
- (h) in terms of the Max India Employee Stock Plan – 2016 of the Transferor Company 1, pursuant to the approval of the members of Transferor Company 1 granted by virtue of special resolution passed on September 27, 2016 ("**Transferor Company 1 ESOP Scheme**"), the Transferor Company 1, as of September 30, 2018, has the following outstanding employee stock options: (a) 2,88,462 (two lakhs eighty eight thousand four hundred and sixty two) employee stock options, which have an exercise price of Rs. 2 (Indian Rupees two) per Equity Share ("**Tranche 1 Transferor Company 1 Options**"); and (b) 8,86,500 (eight lakhs eighty six thousand and five hundred) employee stock options, which have an exercise price of Rs. 77.80 (Indian Rupees seventy seven and eighty paise only) per Equity Share ("**Tranche 2 Transferor Company 1 Options**"). The Tranche 1 Transferor Company 1 Options and Tranche 2 Transferor Company 1 Options are together referred to as the "**Transferor Company 1 Options**". Simultaneous with the effectiveness of this Scheme:
- (i) The relevant options holders holding Transferor Company 1 Options shall have the option to, at their sole discretion, pay the relevant exercise price, before the Record Date 1 to the Transferor Company 1 and, upon payment of such exercise price, they shall be issued and allotted Equity Shares of the Transferor Company 1 before the Record Date 1.
- (ii) The approval granted to this Scheme by the shareholders of the relevant Scheme Entity, Stock Exchange, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to the Transferor Company 1 for undertaking any modifications / cancellation made or required to be made to the Transferor Company 1 ESOP Scheme and to Transferee Company 1 for formulating the Transferee Company 1 ESOP Scheme (if required) and substituting the employee stock options as contemplated under this Clause 3.1.2(h)(ii), 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.

- (iii) If any of the relevant options holders holding Transferor Company 1 Options do not exercise the option to pay the relevant exercise price, before the Record Date 1, to the Transferor Company 1, then the Transferee Company 1 shall formulate an employee stock option plan / scheme, the terms of which shall be similar to the Transferor Company 1 ESOP Scheme, for enabling continuity of benefits in favour of such option holders in terms of the Transferor Company 1 ESOP Scheme ("**Transferee Company 1 ESOP Scheme**").
- (iv) Any employee stock options already committed but not yet granted as per the Transferor Company 1 ESOP Scheme by the Transferor Company 1 after December 24, 2018 shall be settled in cash by the Transferor Company 1 prior to the demerger and vesting of the Demerged Undertaking 1 into and with the Transferee Company 1 and prior to the Effective Date, and the Transferee Company 1 shall have no liabilities or other obligations in respect of such employee stock options.
- (i) Trademarks forming part of the Demerged Undertaking 1 (including those identified in **Schedule 2**) shall stand vested and transferred to the Transferee Company 1 with effect from the Effective Date.
- (j) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax and credits, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), 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 1 in connection with the Demerged Undertaking 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 the Transferee Company 1 and any tax incentives, advantages, privileges, exemptions, credits (including MAT credit), holidays, remissions, reductions, tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Transferor Company 1 in connection with the Demerged Undertaking 1, shall pursuant to this Scheme becoming effective, will be available to the Transferee Company 1.
- (k) all licenses of the Demerged Undertaking 1 shall be in full force and effect in favour of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee 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 the Transferee Company 1 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company 1 shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (l) benefits of any and all corporate approvals as may have already been taken by the Transferor Company 1 in connection with the Demerged Undertaking 1 shall stand transferred to the Transferee Company 1 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company 1.



- (m) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company 1 in regard to the Demerged Undertaking 1 shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company 1 and shall, upon this Scheme becoming effective, pursuant to the provisions of 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 1 to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company 1.
- (n) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of Amalgamating Company or the Transferor Company 1, insofar as the same pertains to the Demerged Undertaking 1, shall be accepted by the relevant bankers and credited to the accounts of the Transferee Company 1. 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 1, except those pertaining to the Demerged Undertaking 1 which are transferred to the Transferee Company 1 in terms of this Clause 3.1.2, shall be transferred to, or vested in, the Transferee Company 1 in terms of the provisions of this Scheme.
- 3.1.3 Upon this Scheme becoming effective, the secured creditors of the Transferor Company 1 in relation to the Demerged Undertaking 1 and/or other holders of security over the properties of the Transferor Company 1 in relation to the Demerged Undertaking 1 shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company 1 in relation to the Demerged Undertaking 1, as existing immediately prior to the effectiveness of this Scheme. Further, the secured creditors of the Transferor Company 1 in relation to the Demerged Undertaking 1 and/or other holders of security over the properties of the Transferor Company 1 in relation to the Demerged Undertaking 1 shall not be entitled to any security over the properties, assets, rights, benefits and interest of the Transferor Company 1, other than in relation to the Demerged Undertaking 1. For the avoidance of doubt, it is clarified that all the assets of the Demerged Undertaking 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 the Transferee Company 1 in accordance with the provisions of Applicable Laws. For this purpose, no further consent from the existing creditors of the Transferor Company 1, if any, shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors, if any.
- 3.1.4 The Transferee Company 1 shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company 1, in relation to the Demerged Undertaking 1, 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 Demerged Undertaking 1, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company 1 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 1 in relation to the Demerged Undertaking 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company 1 *inter alia* in its capacity as the successor-in-interest of the Transferor Company 1 in relation to the Demerged Undertaking 1.
- 3.1.5 The Transferee Company 1 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 1 in connection with the Demerged Undertaking 1. 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 1 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. The Transferee Company 1 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 1 insofar as the same are in connection with the Demerged Undertaking 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.2 Transfer of Authorised Share Capital of Transferor Company 1 to Transferee Company 1

3.2.1 Upon this Scheme becoming effective, the authorised Share Capital of Transferor Company 1 shall stand transferred/ added to and be merged with the authorised Share Capital of Transferee Company 1, without any liability for payment of any additional fees or stamp duty.

3.2.2 Upon this Scheme becoming effective, and consequent to transfer of the existing authorised Share Capital of Transferor Company 1, the authorised Share Capital of Transferee Company 1 of Rs. 500,00,000 (Indian Rupees Five Lakhs only), divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Indian Rupees Ten) each, shall stand increased by an aggregate amount of Rs. 60,00,00,000 (Indian Rupees Sixty Crore), and the resultant authorised Share Capital of the Transferee Company 1 shall be Rs. 60,05,00,000 (Indian Rupees Sixty Crore Five Lakh only), divided into 6,00,50,000 (six crore fifty thousand) Equity Shares of Rs. 10 (Indian Rupees Ten) each. Accordingly, Clause II of the Memorandum of Association of the Transferee Company 1 shall stand modified and be substituted by the following:

"The Authorised Share Capital of the Company is Rs. 60,05,00,000 (Indian Rupees Sixty Crore Five Lakh only), divided into 6,00,50,000 (six crore fifty thousand) Equity Shares of Rs. 10 (Indian Rupees Ten) 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."

3.2.3 For the avoidance of doubt, it is clarified that, in case, the authorised Share Capital of Transferee Company 1 and, or, the Transferor Company 1, as the case may be, undergoes any change, either as a consequence of any corporate actions or otherwise, then this Clause 3.2 shall automatically stand modified / adjusted automatically accordingly to take into account the effect of such change.

3.2.4 The consent of the shareholders of Transferor Company 1 and Transferee Company 1 to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clause 3.2 of this Scheme to the Memorandum of Association of the Transferee Company 1, and no further resolutions, whether under Section 13 of the 2013 Act, any other applicable provisions of the 2013 Act or under the Articles of Association of Transferee Company 1, shall be required to be separately passed, nor shall the Transferee Company 1 be required to pay any additional registration fees, stamp duty, etc.

3.3 Record Date 1



The Board of Directors of the Transferor Company 1 shall, after procuring the consent of the respective Board of Directors of the other Scheme Entities, determine Record Date 1 for issue and allotment of Equity Shares of the Transferee Company 1 to the shareholders of the Transferor Company 1 in terms of Clause 3.4. On determination of Record Date 1, the Transferor Company 1 shall provide to the Transferee Company 1, the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in the Transferee Company 1 in terms of this Scheme in order to enable the Transferee Company 1 to issue and allot such Equity Shares to such shareholders of the Transferor Company 1.

3.4 Issue of Shares

3.4.1 Prior to the Scheme becoming effective, Transferee Company 1 shall have taken all necessary steps, including by way of passing all enabling corporate resolutions, to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot Equity Shares as per Clause 3.4 of this Scheme.

3.4.2 Upon this Scheme becoming effective, the shareholders of the Transferor Company 1 as of Record Date 1 shall be entitled to receive Equity Shares of the Transferee Company 1 as detailed in this Clause 3.4 of this Scheme.

3.4.3 The Transferor Company 1 has engaged BSR & Associates LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, BSR & Associates LLP, Chartered Accountants, has issued a valuation report dated December 24, 2018. The Transferor Company 1 had engaged Axis Capital Limited, Merchant Bankers, to provide a fairness opinion on share entitlement ratio adopted under this Scheme. In connection with such engagement, Axis Capital Limited, Merchant Banker has issued a fairness opinion dated December 24, 2018. The Board of Directors of the Transferor Company 1 has determined the share entitlement ratio as follows, based on its independent judgment and after taking into consideration the aforesaid valuation report and fairness opinion at its meeting held on December 24, 2018:

1:5, i.e., 1 (One) Equity Share of the Transferee Company 1: 5 (Five) Equity Shares of the Transferor Company 1 ("Share Entitlement Ratio 1").

3.4.4 The Transferee Company 1 shall issue and allot Equity Shares of the Transferee Company 1 as per Share Entitlement Ratio 1 to the shareholders of the Transferor Company 1 on Record Date 1, i.e., 1 Equity Shares having a face value of Rs. 10 (Indian Rupees ten) each, fully paid up, of the Transferee Company 1 for every 5 Equity Shares having a face value of Rs. 2 (Indian Rupees two) each, fully paid up, of the Transferor Company 1.

3.5 Issuance Mechanics and Other Relevant Provisions

3.5.1 Subject to Applicable Laws, the Equity Shares of the Transferee Company 1 that are to be issued in terms of Clause 3.4 shall be issued in dematerialised form. The register of members maintained by Transferee Company 1 and, or, other relevant records, whether in physical or electronic form, maintained by the Transferee 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 Transferee Company 1) be updated to reflect the issue of Equity Shares in terms of Clause 3.4. The shareholders of the Transferor Company 1 shall provide such confirmation, information and details as may be required by the Transferee Company 1 to enable it to issue the aforementioned Equity Shares.

3.5.2 For the purpose of the allotment of Equity Shares of the Transferee Company 1 pursuant to Clause 3.4, in case any member's holding in the Transferor Company 1 (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 1, the Transferee Company 1 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 1 in that behalf provided that if the aggregate of all such fractions is also a fraction, then the Transferee Company 1 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 1 deems possible to their respective fractional entitlements in the Transferee Company 1 in terms of Share Entitlement Ratio 1.

- 3.5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, the Board of Directors of the Transferor Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Transferor 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 the Transferor Company 1 and in relation to the Equity Shares issued by the Transferee Company 1 upon the effectiveness of this Scheme. The Board of Directors of the Transferee 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 the Transferee Company 1 on account of difficulties faced in the transition period.
- 3.5.4 The Equity Shares to be issued and allotted by the Transferee Company 1 in terms of Clause 3.4 shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company 1 and shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company 1.
- 3.6 **Cancellation of Equity Shares held by the Transferor Company 1 in the Transferee Company 1**
- 3.6.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 3.4 of this Scheme, the existing issued and paid up equity share capital of Transferee Company 1, as held by the Transferor Company 1 and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 3.6.2 The cancellation of the equity share capital held by the Transferor Company 1 and its nominees in Transferee Company 1, in accordance with Clause 3.6.1 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the 2013 Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the 2013 Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Transferee Company 1 to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the 2013 Act as well and no further compliances would be separately required.
- 3.6.3 Transferee Company 1 shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 3.6.1 above.
- 3.6.4 The reduction of capital of Transferee Company 1, as above, does not involve any diminution of liability in respect of any unpaid Share Capital or payment to any shareholder of any paid-up Share Capital or payment in any other form.



3.7 Saving of Concluded Transactions

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

3.8 Conduct of business until Effective Date

3.8.1 It is clarified that the Board of Directors of the Transferor Company 1 shall have the absolute right to acquire any asset for, or sell any asset of, the "Demerged Undertaking 1", in their sole discretion, up to the Effective Date.

3.8.2 Except as provided under this Scheme, from the date of the Scheme being approved by the Board of Directors of the Transferor Company 1 up to the Effective Date, the Transferor Company 1 shall undertake its business, other than the Allied Health and Associated Activities, in the Ordinary Course. For the avoidance of doubt, it is clarified that there shall be no obligation on the Transferor Company 1, under this Scheme, to conduct its Allied Health and Associated Activities in the Ordinary Course, from the date of the Scheme being approved by the Board of Directors of the Transferor Company 1 up to the Effective Date.

3.8.3 With effect from the Appointed Date 1 and up to and including the Effective Date:

- (a) the business pertaining to the Demerged Undertaking 1 shall be deemed to have been carried on account of, and the properties and assets of Demerged Undertaking 1 shall be deemed to have been held for and in trust for, the Transferee Company 1; and
- (b) all profits or income arising or accruing to or received in regard to the Demerged Undertaking 1 and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred in regard to the Demerged Undertaking 1 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 1.

3.9 Amendment to Articles of Association of Transferee Company 1

3.9.1 Upon coming into effect of the Scheme, the Articles of Association of the Transferor Company 1 as at the Effective Date shall *mutatis mutandis* become applicable to the Transferee Company 1, without the requirement to do any further act or thing.

3.9.2 The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Articles of Association of Transferee Company 1 shall be effective by virtue of the fact that the shareholders of Transferee Company 1, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the 2013 Act and shall not be required to pass any separate resolution(s).

3.10 Alteration of Name Clause in Memorandum of Association

3.10.1 Upon the Scheme becoming effective, without any further act or deed, the Transferee Company 1 shall be re-named as "Max India Limited" or such other name as may be decided



by the Board of Directors of the Transferee Company 1 or a committee thereof and approved by the NCLT.

3.10.2 The approval and consent of the Scheme by the shareholders of the Transferor Company 1 and the Transferee Company 1 shall be deemed to be the approval of the shareholders by way of special resolution for change of name of the Transferee Company 1 as contemplated herein under Section 13 of the 2013 Act. The sanction of this Scheme by the NCLT shall be deemed to be compliance of Sections 13 of the 2013 Act and other applicable provisions of the 2013 Act.

3.11 Taxes

3.11.1 The provisions of Part-III of this Scheme have been drawn up and intended to be 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-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 of the tax laws shall prevail and this Scheme shall, subject to the approval of the Scheme 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.

3.11.2 With effect from the Appointed Date 1 and upon this Scheme becoming effective, all taxes and duties payable by the Transferor Company 1, accruing and relating to the operations of the Demerged Undertaking 1 from the Appointed Date 1 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 1.

3.11.3 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, goods and services tax (GST), etc. relating to the Demerged Undertaking 1 to which the Transferor Company 1 is entitled to shall be available to and vest in the Transferee Company 1, without any further act or deed.

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

3.11.5 Upon this Scheme becoming effective, the accounts of both the Transferor Company 1 and the Transferee Company 1 as on the Appointed Date 1 shall be reconstructed in accordance with the terms of Part-III of this Scheme. Both the Transferor Company 1 and the Transferee Company 1 shall be entitled to revise their 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, Goods and Services Tax, excise duties, service tax, etc. and the Transferee Company 1 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, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., if any, as may be required consequent to implementation of Part-III and other relevant provisions of this Scheme, as result of demerger and vesting of the Demerged Undertaking 1 in the Transferee Company 1.

3.12 Accounting Treatment



- 3.12.1 Upon this Scheme becoming effective, the Transferor Company 1 and the Transferee Company 1, shall account for the demerger of the Demerged Undertaking 1, in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.
- 3.12.2 The demerger of the Demerged Undertaking 1, shall be effective from the Appointed Date 1 but shall be operative from Effective Date. Therefore, for all regulatory and tax purposes the demerger would be effective from Appointed Date 1 of the Scheme. Notwithstanding the above, the accounting treatment to be adopted, and the date from which to give effect, to the provisions of the Scheme would be in consonance with Indian Accounting Standards 103 ("Ind AS 103"), including for the accounting to be effective. The mere adoption of such accounting treatment will not in any manner affect the vesting of the demerged undertaking from the Appointed Date 1.
- 3.12.3 Accounting treatment in the books of the Transferor Company 1:
- Upon the Scheme becoming effective, the book value of assets (ignoring revaluation, if any) and liabilities pertaining to the Demerged Undertaking 1 as appearing in the books of account of the Transferor Company 1, and being transferred to the Transferee Company 1 shall be reduced from the book value of assets and liabilities of the Transferor Company 1.
 - The difference between the value of assets and liabilities of the Demerged Undertaking 1 transferred pursuant to sub-clause (a) of this clause shall, in case of a debit balance, be adjusted against the reserves and surplus. In case the difference between the value of assets and liabilities of the Demerged Undertaking 1 transferred pursuant to the sub-clause (a) of this clause results in a credit balance, the same shall be recorded in reserves and surplus.
 - Notwithstanding the above, the Board of Directors of the Transferor Company 1 is authorized to account any of the balances in any other manner, as may be deemed fit, in accordance with the Ind AS specified under Section 133 of the 2013 Act, read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.
- 3.12.4 Accounting treatment in the books of the Transferee Company 1:
- Upon the Scheme becoming effective, the Transferee Company 1 shall record the assets and liabilities of the Demerged Undertaking 1 transferred to and vested in it pursuant to this Scheme, at the respective book values (ignoring revaluation, if any) as appearing in the books of the Transferor Company 1.
 - The Transferee Company 1 shall credit to its share capital account, the aggregate face value of the Equity Shares issued to the shareholders of the Transferor Company 1 in terms of Clause 3.4.
 - The difference between the value of the assets and liabilities of the Demerged Undertaking 1 as recorded in the books of account of the Transferee Company 1, in terms of sub-clause (a) of this clause, after adjusting for the face value of the Equity Shares issued by the Transferee Company 1 in terms of Clause 3.4, be recorded as capital reserve in the books of the Transferee Company 1.
 - Having recorded the assets and liabilities at the aforesaid values, the Transferee



Company 1 shall subsequently make necessary adjustments, if required, as per applicable accounting principles.

- (e) Notwithstanding the above, the Board of Directors of the Transferee Company 1 is authorized to account any of the balances in any other manner, as may be deemed fit, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the 2013 Act, read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.

3.13 Listing of Equity Shares issued as Consideration

3.13.1 Post effectiveness of this Scheme, the Equity Shares of the Transferee Company 1 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. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Schemes Circular"), as amended from time to time. The Transferee Company 1 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.

3.13.2 The Equity Shares of the Transferee Company 1 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 1 in terms of Clause 3.4, there shall be no change in the Share Capital or 'control' in the Transferee Company 1 between Record Date 1 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. Further, the Transferee Company 1 will not issue/ reissue any Equity Shares which are not covered under the Scheme.

3.14 Miscellaneous

3.14.1 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, all relevant records shall be updated / amended, so as to give effect to this Scheme and to vest the Demerged Undertaking 1 together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the Demerged Undertaking 1 in the Transferee Company 1, 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 1 in terms of Part-III of this Scheme.

3.14.2 Further, approval of this Scheme by the shareholders of Transferee Company 1 shall also be deemed to be the approval by the shareholders for, (a) enabling investment by foreign institutional investors / registered foreign portfolio investors, under the Portfolio Investment Scheme up to 49%, of the paid up share capital of Transferee Company 1; and (b) enabling investment by non-resident Indians (NRIs) investing under the Portfolio Investment Scheme, up to 24%, of the paid up share capital of Transferee Company 1. Transferee Company 1 shall, upon the coming into effect of the Scheme, intimate the Reserve Bank of India and comply with such other requirements as mandated by the extant foreign exchange regulations relating thereto.



**PART-IV: DEMERGER OF THE DEMERGED UNDERTAKING 2 FROM THE
TRANSFEROR COMPANY 2 INTO THE TRANSFEREE COMPANY 2**

**4. DEMERGER OF THE DEMERGED UNDERTAKING 2 FROM THE TRANSFEROR
COMPANY 2 INTO THE TRANSFEREE COMPANY 2**

4.1 Demerger and vesting of the Demerged Undertaking 2

Upon this Scheme becoming effective and with effect from the Appointed Date 2, all the present and future assets and liabilities of the Demerged Undertaking 2, whether known or unknown, and the entire business of the Demerged Undertaking 2, together with all its properties, assets, rights, benefits and interest therein, shall stand transferred to and vested in the Transferee Company 2, as a going concern, without any further act or deed, in accordance with Sections 230 to 232 of the 2013 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

4.1.1 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 2:

- (a) all assets of the Demerged Undertaking 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 the Transferee Company 2, wherever located, and shall become the property and an integral part of the Transferee 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.
- (b) all assets of the Demerged Undertaking 2 that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, 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, shall, without any further act or deed, become the property of the Transferee 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.
- (c) all assets of the Demerged Undertaking 2 that are leased / licensed / owned 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 2, without any further act or deed, pursuant to the applicable provisions of the 2013 Act and the provisions of this Scheme. The Transferee 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 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 2.



- (d) all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Demerged Undertaking 2 shall, pursuant to the applicable provisions of the 2013 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 2, and the Transferee 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. The amounts of general or multipurpose borrowings, if any, of the Transferor Company 2 will be apportioned basis the proportion of the value of the assets transferred in this demerger of Demerged Undertaking 2 to the total value of the assets of the Transferor Company 2 immediately before the said demerger.
- (e) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company 2 in relation to the Demerged Undertaking 2 shall be and remain in full force and effect on, against or in favour of the Transferee Company 2 and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company 2 had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, 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 Demerged Undertaking 2 or to the benefit of which the Transferor Company 2 may be eligible in connection with the Demerged Undertaking 2 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 2 and upon this Scheme becoming effective, in terms of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company 2. All contracts / agreements of the Demerged Undertaking 2 subsisting or having effect immediately before the Effective Date shall stand vested in favour of the Transferee Company 2 on the same terms and conditions. The Transferee Company 2 and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (f) 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 Demerged Undertaking 2, whether by or against the Transferor Company 2, whether pending on the Appointed Date 2 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 Demerged Undertaking 2 in the Transferee Company 2 or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee 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 Demerged Undertaking 2, as if this Scheme had not been implemented.



- (g) (i) All employees, probationers, permanent employees, temporary employees, trainees and interns of Demerged Undertaking 2 shall become employees, probationers, permanent employees, temporary employees, trainees and interns, as the case may be, of Transferee 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 Demerged Undertaking 2, without any interruption of service as a result of this amalgamation and transfer.
- (ii) 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 Demerged Undertaking 2, upon this Scheme becoming effective, Transferee Company 2 shall stand substituted for Demerged Undertaking 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 Demerged Undertaking 2, in accordance with the provisions of Applicable Laws. Upon the Scheme becoming effective, the Transferee Company 2 shall have the right to wind up / extinguish such trusts / funds of the Demerged Undertaking 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 Demerged Undertaking 2 for such purpose shall be treated as having been continuous. Transferee Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other statutory / leave / terminal benefits to the employees of Demerged Undertaking 2, the past services of such employees with Demerged Undertaking 2 shall also be taken into account and Transferee 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.
- (iii) Upon this Scheme becoming effective, Transferor Company 2 shall in respect of the Demerged Undertaking 2 transfer / handover to Transferee 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. Transferee Company 2 shall continue to abide by any agreement(s) / settlement(s) entered into by Transferor Company 2 with any of its employees prior to the Appointed Date 2 and from the Appointed Date 2 till the Effective Date.
- (h) Trademarks forming part of the Demerged Undertaking 2 shall stand vested and transferred to the Transferee Company 2.



- (i) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), 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 2 in connection with the Demerged Undertaking 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 the Transferee Company 2 and any tax incentives, advantages, privileges, exemptions, credits (including MAT credit), holidays, remissions, reductions, tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Transferor Company 2 in connection with the Demerged Undertaking 2, shall pursuant to this Scheme becoming effective, will be available to the Transferee Company 2.
- (j) all licenses of the Demerged Undertaking 2 shall be in full force and effect in favour of the Transferee Company 2 and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee 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 the Transferee Company 2 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company 2 shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (k) benefits of any and all corporate approvals as may have already been taken by the Transferor Company 2 in connection with the Demerged Undertaking 2 shall stand transferred to the Transferee Company 2 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company 2.
- (l) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company 2 in regard to the Demerged Undertaking 2 shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company 2 and shall, upon this Scheme becoming effective, pursuant to the provisions of 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 2 to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company 2.
- (m) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company 2, insofar as the same pertains to the Demerged Undertaking 2, shall be accepted by the relevant bankers and credited to the accounts of the Transferee Company 2.
- 4.1.2 Upon this Scheme becoming effective, the secured creditors of the Transferor Company 2 in relation to the Demerged Undertaking 2 and/or other holders of security over the properties of the Transferor Company 2 in relation to the Demerged Undertaking 2 shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company 2 in relation to the Demerged Undertaking 2, as existing immediately prior to the effectiveness of this Scheme. Further, the secured creditors of the Transferor Company 2 in relation to the Demerged Undertaking 2 and/or other holders of security over the properties of the Transferor Company 2 in relation to the Demerged Undertaking 1 shall not be entitled to



any security over the properties, assets, rights, benefits and interest of the Transferor Company 2, other than in relation to the Demerged Undertaking 2. For the avoidance of doubt, it is clarified that all the assets of the Demerged Undertaking 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 the Transferee Company 2 in accordance with the provisions of Applicable Laws. For this purpose, no further consent from the existing creditors of the Transferor Company 2, if any, shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors, if any.

- 4.1.3 The Transferee Company 2 shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company 2, in relation to the Demerged Undertaking 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 the Demerged Undertaking 2, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee 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 the Transferor Company 2 in relation to the Demerged Undertaking 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company 2 *inter alia* in its capacity as the successor-in-interest of the Transferor Company 2 in relation to the Demerged Undertaking 2.
- 4.1.4 On and from the Effective Date, and thereafter, the Transferor Company 2 basis the instructions received from the Board of the Transferee Company 2 shall be entitled to continue to carry out all operations of the Demerged Undertaking 2 on behalf of the Transferee Company 2 so far as may be necessary until the Transferee Company 2 is able to obtain all legal and regulatory permissions/ registrations/ licenses required to carry out the business of the Demerged Undertaking 2 and the transfer of rights and obligations of the Demerged Undertaking 2 to the Transferee Company 2 under this Scheme have been formally given effect to. For avoidance of doubt, it is clarified that all such business operations shall be deemed to have been carried out for and on behalf of the Transferee Company 2 and shall be accounted for in the books of the Transferee Company 2.
- 4.1.5 The Transferee 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 the Transferor Company 2 in connection with the Demerged Undertaking 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 the Transferee Company 2 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. The Transferee Company 2 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company 2 insofar as the same are in connection with the Demerged Undertaking 2 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 2 shall, after procuring the consent of the respective Board of Directors of the other Scheme Entities, determine Record Date 2 for issue



and allotment of Equity Shares of the Transferee Company 2 to the shareholders of the Transferor Company 2 in terms of Clause 4.3. On determination of Record Date 2, the Transferor Company 2 shall provide to the Transferee Company 2, the list of its shareholders as on such Record Date 2, who are entitled to receive the Equity Shares in the Transferee Company 2 in terms of this Scheme in order to enable the Transferee Company 2 to issue and allot such Equity Shares to such shareholders of the Transferor Company 2.

4.3 Issue of Shares

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

4.3.2 The Transferor Company 2 has engaged S. R. Batliboi & Co. LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, S. R. Batliboi & Co. LLP, Chartered Accountants, has issued a valuation report dated December 24, 2018 to the Transferor Company 2. The Transferee Company 2 has engaged BSR & Associates LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, BSR & Associates LLP, Chartered Accountants, has issued a valuation report dated December 24, 2018 to the Transferee Company 2. The Board of Directors of the Transferor Company 2 and Transferee Company 2 have determined the share entitlement ratio as follows, based on their independent judgment and after taking into consideration the aforesaid valuation reports and fairness opinion at their respective meetings held on December 24, 2018:

9,074:10, i.e., 9,074 (Nine Thousand Seventy Four) Equity Shares of the Transferee Company 2 : 10 (Ten) Equity Shares of the Transferor Company 2 ("**Share Entitlement Ratio 2**").

4.3.3 The Transferee Company 2 shall issue and allot Equity Shares of the Transferee Company 2 as per Share Entitlement Ratio 2 to the shareholders of the Transferor Company 2 on Record Date 2, i.e., 9,074 Equity Shares having a face value of Rs. 10 (Indian Rupees Ten) each, fully paid up, of the Transferee Company 2 for every 10 Equity Shares having a face value of Rs. 10 (Indian Rupees Ten) each, fully paid up, of the Transferor Company 2.

4.4 Issuance Mechanics and other Relevant Provisions

4.4.1 Subject to Applicable Laws, the Equity Shares of the Transferee Company 2 that are to be issued in terms of Clause 4.3 shall be issued in dematerialised form. The shareholders of the Transferor Company 2 shall provide such confirmation, information and details as may be required by the Transferee Company 2 to enable it to issue the aforementioned Equity Shares.

4.4.2 The register of members maintained by Transferee Company 2 and, or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company 2, 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 2) be updated to reflect the issue of Equity Shares in terms of Clause 4.3. The shareholders of the Transferor Company 2 shall provide such confirmation, information and details as may be required by the Transferee Company 2 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 2 pursuant to Clause 4.3, in case any member's holding in the Transferor Company 2 (including the fractional entitlement arising out of the allotment contemplated in Part-IV of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Transferee Company 2, the Transferee 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 the Transferee Company 2 in that behalf provided that if the aggregate of all such fractions is also a fraction, then the Transferee 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 the expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of Directors of the Transferee Company 2 deems possible to their respective fractional entitlements in the Transferee Company 2 in terms of Share Entitlement Ratio 2.

- 4.4.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 2, the Board of Directors of the Transferor Company 2 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 2 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 2 and in relation to the Equity Shares issued by the Transferee Company 2 upon the effectiveness of this Scheme. The Board of Directors of the Transferee 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 the Transferee Company 2 on account of difficulties faced in the transition period.
- 4.4.5 The Equity Shares to be issued and allotted by the Transferee Company 2 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 2 and shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company 2.
- 4.5 **Cancellation of Equity Shares held by the Transferor Company 2 in the Transferee Company 2**
- 4.5.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 4.3 of this Scheme, the initial issued and paid up equity share capital of Transferee Company 2, comprising of 26,69,97,937 equity shares of Rs. 10 each, aggregating to Rs. 266,99,79,370, as held by the Transferor Company 2 and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 4.5.2 The cancellation of the equity share capital held by the Transferor Company 2 and its nominees in Transferee Company 2, in accordance with Clause 4.5.1 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the 2013 Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the 2013 Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Transferee Company 2 to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the 2013 Act as well and no further compliances would be separately required.
- 4.5.3 Transferee Company 2 shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 4.5.1 above.
- 4.5.4 The reduction of capital of Transferee Company 2, as above, does not involve any diminution of liability in respect of any unpaid Share Capital or payment to any shareholder of any paid-up Share Capital or payment in any other form.
- 4.6 **Reduction of Securities Premium Account of Transferor Company 2**
- 4.6.1 On and from the Effective Date and with effect from the Appointed Date 2, the debit balance



in reserves and surplus (created pursuant to Clause 4.9.1(b) of the Scheme), if any, shall be adjusted against securities premium account of the Transferor Company 2.

4.6.2 The reduction of securities premium account of Transferor Company 2, in accordance with Clause 4.6.1 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 52 read with Section 66 of the 2013 Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 52 read with Section 66 of the 2013 Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Transferee Company 2 to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 52 read with Section 66 of the 2013 Act as well and no further compliances would be separately required.

4.7 Saving of Concluded Transactions

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

4.8 Taxes

4.8.1 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 Scheme 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.

4.8.2 With effect from the Appointed Date 2 and upon this Scheme becoming effective, all taxes and duties payable by the Transferor Company 2, accruing and relating to the operations of the Demerged Undertaking 2 from the Appointed Date 2 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 2.

4.8.3 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, goods and services tax (GST), etc. relating to the Demerged Undertaking 2 to which the Transferor Company 2 is entitled to shall be available to and vest in the Transferee Company 2, without any further act or deed.

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



4.8.5 Upon this Scheme becoming effective, the accounts of both the Transferor Company 2 and the Transferee Company 2 as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Part-IV of this Scheme. Both the Transferor Company 2 and the Transferee Company 2 shall be entitled to revise their 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, Goods and Services Tax, excise duties, service tax, etc. and the Transferee Company 2 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, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes 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 Demerged Undertaking 2 in the Transferee Company 2.

4.9 Accounting Treatment

4.9.1 Accounting treatment in the books of the Transferor Company 2:

- (a) Upon the Scheme becoming effective, the book value of assets and liabilities pertaining to the Demerged Undertaking 2 as appearing in the books of account as on the Appointed Date 2 of the Transferor Company 2, and being transferred to the Transferee Company 2 shall be reduced from the book value of assets and liabilities of the Transferor Company 2 as appearing in the books of account as on the Appointed Date 2.
- (b) The difference between the book value of assets and liabilities of the Demerged Undertaking 2 transferred pursuant to sub-clause (a) of this clause shall, in case of a debit balance, be adjusted against the reserves and surplus. In case the difference between the value of assets and liabilities of the Demerged Undertaking 2 transferred pursuant to the sub-clause (a) of this clause results in a credit balance, the same shall be recorded in reserve and surplus.
- (c) Notwithstanding the above, the Board of Directors of the Transferor Company 2 is authorized to account any of the balances in any other manner, as may be deemed fit, in accordance with the Ind AS specified under Section 133 of the 2013 Act, read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.

4.9.2 Accounting treatment in the books of the Transferee Company 2:

Upon effectiveness of this Scheme, the Transferee Company 2 will account for the demerger of the Demerged Undertaking 2 of the Transferor Company 2 in its books of account with effect from the Appointed Date 2 using the principles laid down in Ind AS 103 Business Combinations and other applicable accounting requirements as under:

- (a) The Transferee Company 2 shall record the assets and liabilities transferred to and vested in it pertaining to the Demerged Undertaking 2 of the Transferor Company 2 pursuant to this Scheme, at the same book values as appearing in the books of the Demerged Undertaking 2 of the Transferor Company 2 (prepared under Ind AS) as on the Appointed Date 2 as per Ind AS.
- (b) The Transferee Company 2 shall recognise its assets and liabilities at fair values as on the Appointed Date 2. The difference between the fair value of the net assets of the Transferee Company 2 and the consideration issued calculated as per Ind AS 103 will be recognised as goodwill/ capital reserve as the case may be.



- (c) Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS.
- (d) Notwithstanding the above, the Board of Directors of the Transferee Company 2 is authorized to account any of the balances in any other manner, as may be deemed fit, in accordance with the Ind AS specified under Section 133 of the 2013 Act, read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.

4.10 Miscellaneous

- 4.10.1 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, all relevant records shall be updated / amended, so as to give effect to this Scheme and to vest the Demerged Undertaking 2 together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the Demerged Undertaking 2 in the Transferee Company 2, 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 2 in terms of Part-IV of this Scheme.



**PART-V: AMALGAMATION OF AMALGAMATING COMPANY
INTO AND WITH AMALGAMATED COMPANY**

5. **AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH AMALGAMATED COMPANY**
- 5.1 **Transfer and vesting of assets, liabilities and entire business of Amalgamating Company into and with Amalgamated Company**
- 5.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date 2, the Amalgamating Company, after the demerger of the Demerged Undertaking 1 as set out in Part-III, together with all its properties, assets, rights, benefits and interest therein, shall stand transferred to and vested in Amalgamated Company, as a going concern, without any further act or deed, in accordance with Sections 230 to 232 of the 2013 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 2:
- (a) all assets of Amalgamating Company 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, wherever located, and shall become the property and an integral part of Amalgamated 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.
- (b) all assets of the Amalgamating Company that are movable properties other than those described under sub-clause (a) above, 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 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 shall, pursuant to 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 on the Appointed Date 2.
- (c) all leased / licensed / owned immovable properties of Amalgamating Company, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Amalgamating Company, together with security deposits and advance pre-paid 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, without any further act or deed, pursuant to the applicable provisions of the 2013 Act and the provisions of this Scheme. The Amalgamated 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 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.

- (d) 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 shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Amalgamated Company, without any further act or deed, and Amalgamated 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. All loans, advances, guarantees and other obligations due from Amalgamating Company to Amalgamated Company or *vice versa* or provided by Amalgamated Company for and behalf of Amalgamating Company or *vice versa* shall stand cancelled and shall have no effect.
- (e) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses to which Amalgamating Company is a party or to the benefits of which Amalgamating Company 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, shall be and remain in full force and effect on, against or in favour of Amalgamated Company and may be enforced as fully and effectually as if, instead of Amalgamating Company, Amalgamated Company 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 or to the benefits of which Amalgamating Company 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 2 and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company. All agreements to which Amalgamating Company is a party or to the benefits of which Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company on the same terms and conditions. Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (f) 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, whether by or against Amalgamating Company, whether pending on the Appointed Date 2 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 or by anything contained in this Scheme, but the proceedings shall continue and any



prosecution shall be enforced by or against Amalgamated Company 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, as if this Scheme had not been implemented.

- (g) (i) All employees, probationers, permanent employees, temporary employees, trainees and interns of Amalgamating Company shall become employees, probationers, permanent employees, temporary employees, trainees and interns, as the case may be, of Amalgamated Company 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, without any interruption of service as a result of this amalgamation and transfer.
- (ii) 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, upon this Scheme becoming effective, Amalgamated Company shall stand substituted for Amalgamating Company 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, in accordance with the provisions of Applicable Laws. Upon the Scheme becoming effective, the Amalgamated Company shall have the right to wind up / extinguish such trusts / funds of the Amalgamating Company 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 for such purpose shall be treated as having been continuous. Amalgamated Company undertakes that for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits to the employees of Amalgamating Company, the past services of such employees with Amalgamating Company shall also be taken into account and Amalgamated Company shall make the payment of retrenchment compensation, severance pay, gratuity and other statutory / leave / terminal benefits accordingly, as and when such amounts are due and payable. In regard to provident fund, it is clarified that the employees of Amalgamating Company are currently covered under the Max Financial Services Ltd Employees' Provident Fund Trust, which is not being transferred to Amalgamated Company. Amalgamated Company shall make all necessary arrangement in respect of payment pertaining to provident fund to the employees of the Amalgamating Company and its own employees.
- (iii) Upon this Scheme becoming effective, Amalgamating Company will transfer / handover to Amalgamated Company, 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 shall continue to abide by any agreement(s) / settlement(s) entered into by Amalgamating Company with any of its employees prior to the Appointed Date 2 and from the Appointed Date 2 till the Effective Date.

- (h) all taxes and duties (including income tax, advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), 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 (to the extent not pertaining to the Demerged Undertaking 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 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 (to the extent not pertaining to the Demerged Undertaking 1), shall pursuant to this Scheme becoming effective, be available to Amalgamated Company.
- (i) all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities and certificates of every kind and description whatsoever in relation to Amalgamating Company, or to the benefit of which Amalgamating Company 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 and may be enforced as fully and effectually as if, instead of Amalgamating Company, Amalgamated 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 Amalgamated Company pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (j) benefits of any and all corporate approvals as may have already been taken by Amalgamating Company shall stand transferred to Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by Amalgamated Company.
- (k) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of Amalgamated Company and shall, upon this Scheme becoming effective, pursuant to the provisions of the 2013 Act, as applicable, and other applicable provisions of 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 to that extent and shall become the estates, assets, right, title, interests and authorities of Amalgamated Company.
- (l) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of Amalgamating Company or the Transferor Company 1, shall be accepted by the relevant bankers and credited to the accounts of



the Amalgamated 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 Demerged Undertaking 1 shall be transferred to, or vested in, Amalgamated Company in terms of the provisions of this Scheme.

- (m) the Board of Directors of Amalgamating Company and Amalgamated 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 5.1.2 of this Scheme.
- 5.1.3 Upon this Scheme becoming effective and the consequent amalgamation of Amalgamating Company into and with Amalgamated Company, the secured creditors of Amalgamated Company, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with Amalgamated Company and the secured creditors of Amalgamating Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Amalgamating Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with Amalgamated Company but after the demerger of the Demerged Undertaking 1 into the Transferee Company 1. For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company and Amalgamated Company 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. 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 The Amalgamated Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of Amalgamating Company, 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 has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Amalgamated Company 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 and to carry out or perform all such formalities or compliances referred to above on the part of Amalgamating Company *inter alia* in its capacity as the successor entity of Amalgamating Company.
- 5.1.5 Amalgamated 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 Amalgamating Company. 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 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company 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 as envisaged in this Part V shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before the Appointed Date 2 and after the Appointed Date 2 till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

5.3 Conduct of business until Effective Date

5.3.1 Except as provided under this Scheme, from the date of the Scheme being approved by the Board of Directors of the Amalgamating Company and the Amalgamated Company up to the Effective Date, the Amalgamating Company shall, undertake its business in the Ordinary Course.

5.3.2 With effect from the Appointed Date 2 and up to and including the Effective Date:

- (a) Amalgamating Company undertakes to carry on and shall be deemed to have carried on the business activities of Amalgamating Company and stand possessed of the properties and assets of Amalgamating Company, for and on account of and in trust for Amalgamated Company;
- (b) Amalgamating Company shall not create any new liabilities in relation to the business of the Amalgamating Company outside the Demerged Undertaking 1;
- (c) Amalgamating Company shall not transfer, encumber or create any pledge or security interest etc., in any manner whatsoever, in respect of the shares held by the Amalgamating Company in Amalgamated Company; and
- (d) all profits or income arising or accruing to or received by Amalgamating Company and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred by Amalgamating Company 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.

5.4 Record Date 3

The Board of Directors of Amalgamating Company shall, after procuring the consent of the Board of Directors of the other Scheme Entities, determine Record Date 3 (which shall be a date post the date on which Equity Shares are issued and allotted by Amalgamated Company in terms of Part-V of this Scheme) for issue and allotment of Equity Shares of Amalgamated Company to the relevant shareholders of Amalgamating Company in terms of Clause 5.5. On determination of Record Date 3, Amalgamating Company shall provide to Amalgamated Company, the list of its shareholders as on such Record Date 3, who are entitled to receive the Equity Shares in Amalgamated Company in terms of this Scheme in order to enable Amalgamated Company to issue and allot such Equity Shares to such shareholders of Amalgamating Company.

5.5 Issue of Shares



- 5.5.1 Upon this Scheme becoming effective, the shareholders of Amalgamating Company as of Record Date 3 shall be entitled to receive Equity Shares of Amalgamated Company as detailed in this Clause 5.5 of this Scheme.
- 5.5.2 The Amalgamating Company has engaged BSR & Associates LLP, Chartered Accountants, to provide a valuation report. In connection with such engagement, BSR & Associates LLP, Chartered Accountants has issued a valuation report dated December 24, 2018. The Amalgamating Company had engaged Axis Capital Limited, Merchant Bankers, to provide a fairness opinion on share exchange ratio adopted under this Scheme. In connection with such engagement, Axis Capital Limited, Merchant Banker has issued a fairness opinion dated December 24, 2018. The Board of Directors of Amalgamating Company and Amalgamated Company have determined the share exchange ratio as follows, based on their independent judgment and after taking into consideration the aforesaid valuation report and fairness opinion at their respective meetings held on December 24, 2018:
- 99: 100, i.e., 99 (Ninety Nine) Equity Shares of the Amalgamated Company: 100 (Hundred) Equity Shares of the Amalgamating Company ("**Share Exchange Ratio**").
- 5.5.3 Amalgamated Company shall issue and allot Equity Shares of Amalgamated Company as per Share Exchange Ratio to the shareholders of Amalgamating Company (including shareholders who have received Equity Shares in terms of Clause 5.5) on Record Date 3, i.e., 99 Equity Shares having a face value of Rs. 10 (Indian Rupees Ten) each of Amalgamated Company shall be issued and allotted for every 100 Equity Shares having a face value of Rs. 2 (Indian Rupees Two) each of Amalgamating Company.
- 5.6 **Issuance mechanics and other relevant provisions**
- 5.6.1 Subject to Applicable Laws, the Equity Shares of Transferee Company 2 that are to be issued in terms of Clause 5.5 shall be issued in dematerialised form. The shareholders of Amalgamating Company shall provide such confirmation, information and details as may be required by Amalgamated Company to enable it to issue the aforementioned Equity Shares.
- 5.6.2 For the purpose of allotment of Equity Shares of Amalgamated Company pursuant to Clause 5.5, in case any member's holding in Amalgamating Company (including the fractional entitlement arising out of the allotment contemplated in Part-V of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of Amalgamated Company, Amalgamated 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 Amalgamated Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated 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 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 deems possible to their respective fractional entitlements in Amalgamated Company in terms of Share Exchange Ratio.
- 5.6.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company, the Board of Directors of Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 3, to effectuate such a transfer in Amalgamating Company 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 and in relation to the Equity Shares issued by Amalgamated Company upon the effectiveness of this Scheme. The



Board of Directors of Amalgamated 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 Amalgamated Company on account of difficulties faced in the transition period.

- 5.6.4 The Equity Shares to be issued and allotted by Amalgamated Company in terms of Clause 5.5 shall be subject to the provisions of the Memorandum of Association and Articles of Association of Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of Amalgamated Company.
- 5.7 **Cancellation of equity shares held by the Amalgamating Company in Amalgamated Company**
- 5.7.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 5.5 of this Scheme, the existing issued and paid up equity share capital of Amalgamated Company, as held by the Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 5.7.2 The cancellation of the equity share capital held by the Amalgamating Company in Amalgamated Company, in accordance with Clause 5.7.1 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the 2013 Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the 2013 Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Amalgamated Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the 2013 Act as well and no further compliances would be separately required.
- 5.7.3 Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 5.7.1 above.
- 5.7.4 The reduction of capital of Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid Share Capital or payment to any shareholder of any paid-up Share Capital or payment in any other form.
- 5.8 **Dissolution of Amalgamating Company**
- Upon this Scheme becoming effective, Amalgamating Company 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 6.8, 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, goods and services tax (GST), etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company (to the extent not pertaining to the Demerged Undertaking 1) after the Appointed



Date 2, shall be deemed to be paid by Amalgamated Company 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, goods and services tax (GST), customs duty drawback, etc.) to which Amalgamating Company is entitled to in terms of Applicable Laws (to the extent not pertaining to the Demerged Undertaking 1), shall be available to and vest in Amalgamated Company, upon this Scheme coming into effect.
- 5.9.4 All tax assessment proceedings / appeals of whatsoever nature pertaining to Amalgamating Company (to the extent not pertaining to the Demerged Undertaking 1) shall be continued and, or, enforced as and from the Effective Date, by or against Amalgamated Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 5.9.5 Upon this Scheme becoming effective, the accounts of Amalgamated Company as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Part-V of this Scheme. Amalgamated 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 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, (to the extent not pertaining to the Demerged Undertaking 1) 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 into and with Amalgamated Company.
- 5.9.6 Any tax deducted at source by the Amalgamating Company/ Amalgamated Company (to the extent not pertaining to the Demerged Undertaking 1) on payables to Amalgamated Company/ the Amalgamating Company respectively which has been deemed not to be accrued, shall be deemed to be payment of tax accruing or arising to the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

5.10 **Accounting Treatment**

- 5.10.1 Notwithstanding anything to the contrary herein, upon the Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of accounts in accordance with the applicable Ind AS, and or any other relevant or related requirement under the 2013 Act, as applicable on the Effective Date.

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

- 5.11.1 Post effectiveness of this Scheme, the Equity Shares of the Amalgamated 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 Schemes Circular. The Amalgamated 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.
- 5.11.2 The Equity Shares of the Amalgamated Company issued and allotted in terms of Clause 4.3 this Scheme and Clause 5.5 of 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 Amalgamated Company in terms of Clause 4.3 and Clause 5.5, there shall be no change in the Share Capital or 'control' in the Amalgamated 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. Further, the Amalgamated Company will not issue/ reissue any Equity Shares which are not covered under the Scheme.

- 5.11.3 Post listing of the shares of the Amalgamated Company on the Stock Exchanges, it shall comply with the requirement of maintaining public shareholding of at least 25% (twenty-five percent) in the Amalgamated Company or such other percentage of the minimum public shareholding within such timelines as may be prescribed by the Applicable Law from time to time.



PART-VI: GENERAL TERMS AND CONDITIONS

6. GENERAL PROVISIONS

6.1 Conditions Precedent

6.1.1 The Scheme is and shall be conditional upon and subject to the following:

- (a) The requisite consents, no-objections and approvals of the Stock Exchanges to the Scheme in terms of the SEBI Schemes Circular, on terms acceptable to the Scheme Entities;
- (b) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Scheme Entities as may be directed by the NCLT. Notwithstanding the generality of the foregoing, it is clarified that the Scheme is conditional upon the Scheme being approved by the public shareholders of Transferor Company 1 through e-voting in terms of Para 9(a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if the votes cast by the public shareholders of Transferor Company 1, in favour of the Scheme, are more than the number of votes cast by the public shareholders against it;
- (c) The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act, on terms acceptable to the Scheme Entities;
- (d) Radiant, having completed the purchase of the entire shareholding of Life Healthcare in MHIL subject to and in accordance with the terms and conditions of the Life Healthcare SPA;
- (e) The Advance Amount having been received by Max Ventures Investment Holdings Private Limited, in accordance with the terms and conditions of the BAS SPA;
- (f) Competition Commission of India approving this Scheme and such other transactions referred to in this Scheme (including under Clause 1.3.1(a) of the Scheme); and
- (g) Satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between the Scheme Entities in writing.

As on June 25, 2019, the conditions precedent as set out in Clause 6.1.1 (d), (e) and (f) have been fulfilled.

6.2 Effective Date

6.2.1 Subject to fulfilment of the conditions precedent set forth in Clause 6.1, this Scheme shall become effective on the last of the dates ("Effective Date") on which the Scheme Entities file the drawn-up order of the NCLT approving this Scheme with the relevant Registrar of Companies. For the avoidance of doubt, it is being clarified that in case the Scheme 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.

6.3 Sequencing of Events

6.3.1 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:

- (a) demerger of the Demerged Undertaking 1 from the Transferor Company 1 into and with the Transferee Company 1 in accordance with Part-III of this Scheme;
- (b) transfer of the authorised Share Capital of Transferor Company 1 to the Transferee Company 1 as provided in Part-III of this Scheme, and consequential increase in the authorised Share Capital of the Transferee Company 1 as provided in Part-III of this Scheme;
- (c) issue and allotment of Equity Shares of the Transferee Company 1 to the shareholders of the Transferor Company 1 as of Record Date 1 in accordance with Part-III of this Scheme along with simultaneous cancellation of the shareholding of the Transferor Company 1 in the Transferee Company 1 (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;
- (d) demerger of the Demerged Undertaking 2 from the Transferor Company 2 into and with the Transferee Company 2 in accordance with Part-IV of this Scheme;
- (e) issue and allotment of Equity Shares of the Transferee Company 2 to the shareholders of the Transferor Company 2 as of Record Date 2 in accordance with Part-IV of this Scheme along with simultaneous cancellation of the shareholding of the Transferor Company 2 in the Transferee Company 2 in its entirety, without any further act or deed;
- (f) amalgamation of Amalgamating Company into and with Amalgamated Company in accordance with Part-V of this Scheme;
- (g) cancellation of the shareholding of Amalgamating Company in Amalgamated Company in its entirety, without any further act or deed;
- (h) dissolution of Amalgamating Company without winding-up; and
- (i) issue and allotment of Equity Shares of Amalgamated Company to the shareholders of Amalgamating Company as of Record Date 3 in accordance with Part-V of this Scheme.

6.4 Applications to NCLT

- 6.4.1 The Scheme Entities, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, where the registered offices of the Scheme Entities are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 and other applicable provisions of the 2013 Act.

6.5 Withdrawal of this Scheme

- 6.5.1 The Scheme Entities may withdraw this Scheme from the relevant NCLT in such manner as may be agreed between them. In such a case, the Scheme Entities shall respectively bear their own cost or allocate costs as may otherwise be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, the Scheme Entities shall not be entitled to withdraw the Scheme unilaterally without the prior written consent of the other companies.

6.6 Costs and Expenses



- 6.6.1 The stamp duty payable on the drawn-up order issued by the NCLT sanctioning this Scheme shall be as mutually decided by the Scheme Entities.
- 6.7 **Binding Effect**
- 6.7.1 Upon this Scheme becoming effective it shall be binding on the Scheme Entities and their respective shareholders, creditors and all other stakeholders.
- 6.8 **Amendment**
- 6.8.1 The Scheme Entities may through mutual consent and acting through their respective Board of Directors, including committees or sub-committees thereof, amend the provisions of this Scheme. Upon sanction of this Scheme by the NCLT, this Scheme shall not be amended without the approval of the relevant NCLT.
- 6.9 **Removal of Difficulties**
- 6.9.1 The Scheme Entities may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary including but not limited to making any modification to the Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT 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, the Transferor Company 2, the Transferee Company 1 and, or, Amalgamated Company through their respective Board of Directors shall be authorised, in consultation with the other surviving Scheme 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.
- 6.10 **Miscellaneous**
- 6.10.1 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.



PART-VII: CERTAIN ARRANGEMENTS BETWEEN MIL PROMOTERS, RADIANT PROMOTER AND KAYAK

7. CERTAIN ARRANGEMENTS BETWEEN MIL PROMOTERS, RADIANT PROMOTER AND KAYAK

- 7.1 Upon this Scheme becoming effective and subject to Applicable Law, Kayak or a Person nominated by Kayak ("**Kayak Nominee**") shall have the right to acquire the Sale Shares held by the MIL Promoters in the Amalgamated Company and the MIL Promoters shall sell the Sale Shares to Kayak for Purchase Consideration.
- 7.2 Pending such sale and purchase of the Sale Shares, the MIL Promoters had requested Kayak or the Kayak Nominee to advance the Advance Amount to the MIL Promoters and Kayak has advanced such Advance Amount to the MIL Promoters against a first charge on the Pledged Shares, after receipt of necessary regulatory approvals.
- 7.3 Upon effectiveness of the Scheme, the MIL Promoters, other members of the promoter group of Max India as existing immediately prior to the Effective Date, Kayak and the Radiant Promoter shall be classified as 'promoters' of the Amalgamated Company ("**Promoter Group**"), as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Until such time as the MIL Promoters and the other members of the promoter group of Max India as existing immediately prior to the Effective Date (collectively, the "**Existing MIL Promoters**") are de-promoterised, the Promoter Group shall continue to be classified as 'promoters'. It is hereby clarified that after the reclassifications of the Existing MIL Promoters as public shareholders, Kayak and the Radiant Promoter shall continue to be the 'promoters' of the Amalgamated Company. If pursuant to the Scheme becoming effective, the shareholding of the public shareholders in the Amalgamated Company is reduced to below 25% of the share capital of the Amalgamated Company or such other threshold for minimum public shareholding as may be prescribed under Applicable Law ("**Minimum Public Shareholding**"), then each of Kayak, the Radiant Promoter and MIL Promoters respectively shall (unless otherwise agreed) sell in accordance with Applicable Law (or cause their respective affiliates to sell) such number of shares of the Amalgamated Company to the public shareholders of the Amalgamated Company, that are in proportion to their respective shareholding in the Amalgamated Company as on the Effective Date such that the shareholding is restored to the Minimum Public Shareholding.
- 7.4 The MIL Promoters and the Amalgamated Company shall undertake all such steps necessary and file all such information as may be necessary and/or required by SEBI and/or the Stock Exchanges, for reclassification of the promoter status of the Existing MIL Promoters to public shareholders including but not limited to filing the necessary applications with the Stock Exchanges, amending and/or terminating any special rights that the Existing MIL Promoters have under any of the documents mutually agreed between the Scheme Entities, Kayak, MIL Promoters and Radiant Promoter in writing, to the extent such amendment and/or termination is required for the reclassification. The Radiant Promoter and Kayak shall vote at board and shareholders meetings of the Amalgamated Company in favour of such reclassification. The MIL Promoters shall render all necessary cooperation to the Amalgamated Company, and undertake all actions required, to give effect to this Clause and shall also cause all of the other Existing MIL Promoters to undertake all such actions necessary to be reclassified as public shareholders.
- 7.5 It is hereby clarified that for the purposes of this Clause 7, the consent of the shareholders of the Scheme Entities to the Scheme shall be deemed to be sufficient for the sale of the Sale Shares of the Amalgamated Company by the MIL Promoters to Kayak and no further



resolutions, approvals or authorization of the shareholders of the Amalgamated Company would be separately required under any of the Applicable Laws.



PART-VIII: CERTAIN ARRANGEMENTS BETWEEN THE RADIANT PROMOTER AND KAYAK

8. CERTAIN ARRANGEMENTS BETWEEN THE RADIANT PROMOTER AND KAYAK

8.1 It is hereby clarified that for the purposes of this Clause 8, the consent of the shareholders of the Scheme Entities to the Scheme shall be deemed to be sufficient for the approval to the inter-se rights between Radiant Promoter and Kayak in the Amalgamated Company and no further resolutions, approvals or authorization of the shareholders of the Scheme Entities would be separately required under any of the Applicable Laws.

8.2 Upon this Scheme becoming effective and subject to Applicable Law, the inter-se rights, duties and obligations between Kayak, the Radiant Promoter and the Amalgamated Company shall be governed by the Post Merger SHA which inter alia sets out the following rights between the parties:

8.2.1 Composition of Board:

- (a) On and from the Effective Date, the Board of the Amalgamated Company shall comprise of 9 (nine) directors, of which: (i) Kayak and its affiliates shall have the right to nominate 3 (three) directors to the Board of the Amalgamated Company; (ii) the Radiant Promoter shall have the right to nominate 2 (two) directors (including the right to nominate himself as a director); and (iii) the Board shall nominate 4 (four) independent directors.
- (b) Kayak may, in the event that there is no Investor Director appointed to the Board of the Amalgamated Company, nominate an observer to the Board of the Amalgamated Company who may attend all meetings of the Board of the Amalgamated Company. Such observer of the Kayak will not have the right to vote at any meeting of the Board of the Amalgamated Company. The Radiant Promoter may, in the event that there is no Radiant Promoter Director appointed to the Board of the Amalgamated Company, nominate an observer to the Board of the Amalgamated Company who may attend all meetings of the Board of the Amalgamated Company. Such observer of the Radiant Promoter will not have the right to vote at any meeting of the Board of the Amalgamated Company.

8.2.2 Committees:

- (a) The Board of the Amalgamated Company may constitute one or more committees (each a "**Board Committee(s)**") with such powers as the Board of the Amalgamated Company may delegate to such Board Committees.
- (b) Unless otherwise required by Applicable Law, the proportion of representation of the independent directors and nominee directors of Kayak and Radiant Promoter on the Board Committees shall be in the same proportion as their right to nominate directors to the Board of the Amalgamated Company, provided however, the Radiant Promoter shall have the right to appoint at least 1 member (including himself) to each such committee. Unless otherwise prohibited by Applicable Law and except for the audit committee, nomination and remuneration committee and risk management committee formed by the Amalgamated Company, the Radiant Promoter Director shall be the chairman of all the Board Committees.



- (c) Kayak may, if there is no Investor Director on the Board of the Amalgamated Company, immediately nominate an observer to attend meetings of all the Board Committee(s). Such observer of Kayak will not have the right to vote at any meeting of the Board Committee(s). The Radiant Promoter may, if there is no Radiant Promoter Director on the Board of the Amalgamated Company, immediately nominate an observer to attend meetings of all the Board Committee(s). Such observer of the Radiant Promoter will not have the right to vote at any meeting of the Board Committee(s). All information and documents (including all meetings of the Board and/ or a Board Committee of the Amalgamated Company and the Subsidiaries, and the agenda thereto) that may be provided to any director of the Amalgamated Company and/ or of any Subsidiary, shall be provided to the observer, if any appointed by Kayak and/or the Radiant Promoter.

8.2.3 Rights applicable to Subsidiaries:

The composition, decision making and other procedures with respect to the Board(s) of the Subsidiaries, as well as other voting, management and corporate governance matters shall be the same as set forth in respect of the Amalgamated Company in the Post Merger SHA. The Radiant Promoter and Kayak shall procure that the Charter Documents of the Subsidiaries are prepared or amended to give full effect to the Clauses of the Post Merger SHA.

- 8.2.4 Promoters: As on the Effective Date, the Existing MIL Promoters, the Radiant Promoter and Kayak shall be categorized as 'promoters' of the Amalgamated Company (as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018).

8.3 **Reserved Matters**

- 8.3.1 No action (whether by the Board, or any Board Committee or any delegate of the Board, or shareholders or otherwise) in relation to matters identified in Schedule 1 of the Post Merger SHA (each a "**Reserved Matter**"), shall be taken by or in connection with the Amalgamated Company or any of its Subsidiaries (whether pursuant to a general meeting, or a meeting of the Board or any Board Committee or by any circular resolution or by any management personnel on behalf of the Amalgamated Company or any of its Subsidiaries) without the prior written approval of Kayak and the Radiant Promoter. Kayak's and the Radiant Promoter's prior written approval for any Reserved Matter shall be deemed to have been given if (a) an Investor Director and/or a Radiant Promoter Director at any meeting of the Board or any Board Committee, (b) Kayak and/or the Radiant Promoter (as applicable), as shareholders, or a Investor Director and/or a Radiant Promoter Director (as applicable), in writing in respect of the circular resolution, and/or (c) Kayak and/or the Radiant Promoter (as applicable) or their authorized representative or proxy at any general meeting, votes in favour of or signs such circular resolution to approve such Reserved Matter. No Reserved Matter shall be placed before the shareholders of the Amalgamated Company and/ or the Subsidiaries unless their respective Boards have first approved such Reserved Matter. The Board or any Board Committee shall not take any action in relation to any Reserved Matter nor approve any Reserved Matter if Kayak and/or the Radiant Promoter or an Investor Director and/or Radiant Promoter Director has disapproved the Reserved Matter or have not voted in favour of such matter.

8.4 **Incentive Plan**

8.4.1 Cost Saving:

- (a) Within 2 (two) Business Days of adoption of the FY 21 Consolidated Management Accounts, the Company shall provide the FY 21 Consolidated Management Accounts



and the FY 19 Consolidated Management Accounts to the Performance Committee for determination of the Cost Saving Threshold. Within 30 (thirty) Business Days of the FY21 Consolidated Management Accounts and the FY 19 Consolidated Management Accounts being provided to it, the Performance Committee shall intimate to Kayak and the Radiant Promoter the quantum of Cost Saving Threshold ("Cost Savings Determination"). The Cost Savings Determination of the Performance Committee shall be final and binding on the Parties. Within 15 (fifteen) Business Days from the date of the Cost Savings Determination, Kayak shall transfer such number of Shares as are equal to 1.50% (one point five zero per cent) of the number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of the proposed transfer to the Radiant Promoter ("Cost Saving Incentive") at such price as may be intimated by the Radiant Promoter, provided that such price shall be in compliance with the pricing guidelines prescribed under applicable foreign exchange and securities Laws of India.

- (b) It is clarified that in case the Share Capital (or the number of Shares) of the Amalgamated Company is expanded / contracted between the Effective Date and the date of Transfer of Cost Saving Incentive, the number of Shares to be transferred to the Radiant Promoter (as the Cost Saving Incentive) shall be decreased / increased (as applicable) pro-rata to, take into account the change in Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis which the number of Shares to be transferred as Cost Saving Initiative shall be increased / decreased have been set out illustratively in Part A of Schedule 4.

Illustratively, Cost Saving Incentive shall be computed as follows:

$$X \text{ (Cost Saving Incentive in number of Shares)} = B * ((1 - (C/B)) * D)$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date; i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and ii) as increased by the number of Shares of the Company subscribed to by Kayak/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the date of transfer of the Cost Saving Incentive

$$C = B - A$$

$$D = 1.50\%$$

8.4.2. Upside Share:

- (a) In addition to the Cost Saving Incentive as set out in Clause 8.4.1 above, if Kayak transfers all or any of the Investor IRR Shares (directly or indirectly through transfer of the Shares of Kayak), and in consideration of such transfer(s), Kayak receives a consideration (net of all Taxes) that amounts to an IRR on the Aggregate Investment Amount, post sharing of the Cost Saving Incentive and the Early Exit Upside Share and the Upside Share (if any), that is equal to or more than the respective IRR threshold(s) set out in Schedule 3, then Kayak shall, within 45 (forty five) Business Days of achieving the respective IRR threshold(s) mentioned in Schedule 3, pay to



the Radiant Promoter the amount(s) ("**Upside Share**") that are equal to: (x) the number of Shares that are equal to the percentage (set out against the relevant IRR threshold in Schedule 3) of the total number of issued and outstanding Shares of the Amalgamated Company (on a Fully Diluted Basis) at the time of such calculation; *multiplied by* (y) the average price per Share of the Company at which Kayak has transferred any and all the Investor IRR Shares up to the date of fulfilment of such relevant IRR threshold ("**Weighted Average Price**"). It is clarified that: (i) the amount to be transferred to the Radiant Promoter as part of the Upside Share shall be corresponding to the IRR threshold determined on the basis of the second decimal place of the amount of IRR earned by Kayak on the Aggregate Investment Amount pursuant to the aforesaid terms (and the numbers appearing from the second decimal place onwards shall be ignored for determining the relevant IRR threshold in Schedule 3); and (ii) in the event Kayak has already paid to the Radiant Promoter the amount of Upside Share that corresponds to a particular IRR threshold set out in Schedule 3 (upon Kayak having transferred a portion of the Investor IRR Shares), and thereafter Kayak earns any higher IRR amount(s) on the Aggregate Investment Amount upon subsequently transferring additional Investor IRR Shares, then Kayak shall be obliged to pay to the Radiant Promoter only an amount equal to: (x) the amount of Upside Share calculated on the basis of the higher IRR amount(s) earned by Kayak on the Aggregate Investment Amount pursuant to the subsequent transfer(s) of the Investor IRR Shares; *minus* (y) the amount of Upside Share previously paid by Kayak to the Radiant Promoter (i.e. the amount of Upside Share already paid by Kayak need not be paid to the Radiant Promoter again, upon Kayak earning a higher IRR pursuant to such subsequent transfer(s)).

- (b) It is clarified that in case the Share Capital or the number of Shares of the Company is expanded / contracted between the Effective Date and the date of payment of the Upside Share, the relevant percentage of the number of Shares of the Company (on the basis of which the amount of Upside Share payable shall be computed), shall be proportionately reduced / increased (as applicable), to take into account the change in the Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis of which the aforesaid increase / decrease shall be undertaken have been set out illustratively in Part B of Schedule 4.

Illustratively, Upside Share shall be computed as under:

$$X = ((B*(1-(C/B))*D)*E)$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date: (i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and (ii) as increased by the number of Shares of the Company subscribed to by Kayak/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares (on a Fully Diluted Basis) as on the date of transfer of the Upside Share

$$C = B - A$$

D (in %) = relevant IRR threshold



E = Weighted Average Price.

8.4.3. Early Exit Upside Share:

- (a) In the event that Kayak Transfers (directly, or indirectly through Transfer of the Shares of Kayak) all the Investor IRR Shares within 3 (three) years from the Effective Date and is entitled to receive in consideration an amount equal to or more than 3.0 (three) times the Aggregate Investment Amount paid by Kayak (net of all Taxes, and post sharing of the Cost Saving Incentive and the Early Exit Upside Share and the Upside Share, if any), Kayak shall pay to the Radiant Promoter, within 45 (forty five) Business Days of receiving the above-mentioned consideration, an amount ("**Early Exit Upside Share**") equivalent to: (x) the number of Shares that are equal to 4.50% (four decimal five zero percent) of the total number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) at the time of such calculation; multiplied by (y) average price per Share of the Company at which Kayak has transferred all the Investor IRR Shares ("**Weighted Average Price 1**").
- (b) It is clarified that in case the Share Capital (or the number of Shares) of the Company is expanded / contracted between the Effective Date and the date of payment of the Early Exit Upside Share, the number of Shares of the Company (on the basis of which the amount of Early Exit Upside Share payable shall be computed), shall be proportionately reduced / increased (as applicable), to take into account the change in Share Capital (or the number of Shares) of the Company. Additionally, the principles on the basis of which the aforesaid increase / decrease shall be undertaken have been set out illustratively in Part C of Schedule 4.

Illustratively, Early Exit Upside Share shall be computed as under:

$$X = ((B*(1-(C/B))*D)*E)$$

A = Number of issued and outstanding Shares of the Company (on a Fully Diluted Basis) as on the Effective Date: (i) as increased by the number of Shares of the Company issued pursuant to any bonus issue / stock split and as reduced by the number of Shares extinguished/ consolidated pursuant to any capital reduction / buy back / consolidation purely in the nature of balance sheet restructuring i.e. not involving any cash payments; and (ii) as increased by the number of Shares of the Company subscribed to by Kayak/ its Affiliates on any subsequent primary issuance of Securities by the Company.

B = Number of issued and outstanding Shares (on a Fully Diluted Basis) as on the date of transfer of the Early Exit Upside Share

$$C = B - A$$

$$D = 4.50\%$$

E = Weighted Average Price 1

- (c) It is clarified that the entitlement of the Radiant Promoter to the Early Exit Upside Share as set out in this Clause 8.4.2 hereto is not in addition to his entitlement to receive the Cost Saving Incentive in Clause 8.4.1 and/ or the Upside Share in Clause 8.4.2.



Illustratively: If the Radiant Promoter has been paid an aggregate amount equal to INR 100 as part of the Upside Share and Cost Saving Initiative; and the amount computed as Early Exit Upside Share pursuant to Clause 8.4.3 is equal to INR 120, Kayak shall be liable to pay only INR 20 to the Radiant Promoter, which payment shall satisfy the obligation of Kayak to pay the Early Exit Upside Share amount to the Radiant Promoter under Clause 8.4.3.

8.4.4. Taxes:

Kayak and the Radiant Promoter shall be responsible for bearing their respective Taxes incurred in relation to all steps taken under Clause 8.4.1, 8.4.2 and 8.4.3 above. Notwithstanding the above, the payment of any amounts and/or transfer of any Shares of the Amalgamated Company by Kayak to the Radiant Promoter pursuant to this Clause 8 shall be subject to receipt of necessary approvals required under Applicable Laws and Kayak and the Radiant Promoter will cooperate to obtain all such approvals.



SCHEDULE 1

- (a) Security deposits given by the Transferor Company 1 for the Demerged Undertaking 1
- (b) Inter company deposits given by the Transferor Company 1 for the Demerged Undertaking 1
- (c) Prepaid expenses incurred by the Transferor Company 1 for the Demerged Undertaking 1
- (d) Loans to employees by the Transferor Company 1 for the Demerged Undertaking 1
- (e) Current investments for the Demerged Undertaking 1
- (f) Cash & Bank given for the Demerged Undertaking 1
- (g) Leasehold improvement for the Demerged Undertaking 1
- (h) Plant & Equipment belonging to the Demerged Undertaking 1
- (i) Furniture & Fixtures belonging to the Demerged Undertaking 1
- (j) Vehicles belonging to the Demerged Undertaking 1
- (k) Computers belonging to the Demerged Undertaking 1
- (l) Investments held by Max India in the following companies (as at June 25, 2019):
 - (i) Max Bupa Health Insurance Company Limited.
 - (ii) Antara Senior Living Limited ("ASL").
 - (iii) Antara Purukul Senior Living Limited held through ASL.
 - (iv) Antara Gurgaon Senior Living Limited held through ASL.
 - (v) Pharmax Corporation Limited.
 - (vi) Max Skill First Limited ("MSFL").
 - (vii) Max One Distribution and Services Limited held through MFSL.
 - (viii) Max Ateev Limited.
 - (ix) Max UK Limited.
- (m) Provisions for employee benefits pertaining to the Demerged Undertaking 1
- (n) Trade payable pertaining to the Demerged Undertaking 1
- (o) Deferred income pertaining to the Demerged Undertaking 1
- (p) Security deposits taken by the Transferor Company 1 for the Demerged Undertaking 1
- (q) Statutory dues of the Transferor Company 1 pertaining to the Demerged Undertaking 1
- (r) Tax refund of Rs. 13,70,45,914 as on March 31, 2018, including any additional tax refunds that may accrue till the Appointed Date 1
- (s) MAT credit of Rs. 2,62,61,896 as on March 31, 2018, including any additional MAT credit that may arise till the Appointed Date 1
- (t) Tax assessments, whether ongoing or not till the FY 2018-19
- (u) Contingent Liabilities of the Transferor Company 1 pertaining to the Demerged Undertaking 1
- (v) Identified tax losses (including capital losses, as may be permitted) of Transferor Company 1, as per prevailing laws

For avoidance of any doubt, it is clarified that any sale proceeds/liabilities arising out of any sale of aforesaid investments shall form part of Demerged Undertaking 1. Without prejudice to the generality of the foregoing, it may be relevant to note that the board of directors of Transferor Company 1 has entered into a share purchase agreement for the sale of the shares held by it in Max Bupa Health Insurance Company Limited which is subject to various conditions precedent, including receipt of regulatory approvals. For avoidance of any doubt, it is clarified that any sale proceeds/ liabilities arising out of such sale shall form part of













Demerged Undertaking 1.















SCHEDULE 2

Trademarks forming part of Demerged Undertaking 1





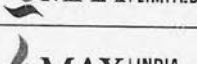
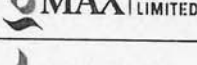





Trademarks forming part of Demerged Undertaking 1

Sl. No.	Trademark	Application No.	Class	Application Date
1.		2554898	41	26-06-2013
2.		2554900	16	26-06-2013
3.		2554902	36	26-06-2013
4.		2554903	41	26-06-2013
5.	MAX LIFE INVEST TRACK	2554905	16	26-06-2013
6.	MAX LIFE INVEST TRACK	2554907	36	26-06-2013
7.	MAX LIFE INSURANCE	2598908	35	19-09-2013
8.	MAX LIFE INSURANCE	2598910	41	19-09-2013
9.		2598912	9	19-09-2013
10.		2598913	16	19-09-2013
11.		2598914	35	19-09-2013
12.		2598915	36	19-09-2013
13.		2598917	42	19-09-2013
14.		2598916	41	19-09-2013
15.	MAX ONE	2598920	35	19-09-2013












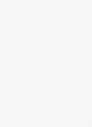


16.	MAX ONE	2598923	42	19-09-2013
17.	 MAX ONE	2598925	16	19-09-2013
18.	 MAX ONE	2598929	42	19-09-2013
19.	 MAX	2613300	9	17-10-2013
20.	 MAX	2613301	16	17-10-2013
21.	 MAX	2613302	35	17-10-2013
22.	 MAX	2613303	41	17-10-2013
23.	 MAX	3311567	44	15-07-2016
24.	 MAX SkillFirst	3362667	9	14-09-2016
25.	 MAX SkillFirst	3362668	16	14-09-2016
26.	 MAX SkillFirst	3362669	35	14-09-2016
27.	 MAX SkillFirst	3362670	41	14-09-2016
28.	 MAX SkillFirst	3362671	42	14-09-2016
29.	MAX SKILL FIRST	3362672	9	14-09-2016
30.	MAX SKILL FIRST	3362673	16	14-09-2016
31.	MAX SKILL FIRST	3362674	35	14-09-2016









32.	Max SkillFirst	3397036	41	24-10-2016
33.	SkillFirst	3397038	9	24-10-2016
34.	SkillFirst	3397041	41	24-10-2016
35.	Skill First	3397043	9	24-10-2016
36.	Skill First	3397046	41	24-10-2016
37.	Skill First	3397047	42	24-10-2016
38.		3402603	16	11/03/2016
39.		3402604	17	11/03/2016
40.		3402605	35	11/03/2016
41.		3402606	36	11/03/2016
42.		3402607	41	11/03/2016
43.		3402608	42	11/03/2016
44.		3402609	44	11/03/2016
45.		3402611	16	11/03/2016
46.		3402616	42	11/03/2016
47.		3402617	44	11/03/2016
48.	 ವಿಜಯಾ ವಿಮಾ ದಾಡ್ಲಿನ ಪೆಟ್ಟಿಗೆ	1741023	36	10/07/2008
49.	MAX	3476550	45	07/02/2017










50		3311550	9	15-07-2016
51		3311551	16	15-07-2016
52		3311552	17	15-07-2016
53		3311553	35	15-07-2016
54		3311554	36	15-07-2016
55		3311555	41	15-07-2016
56		3311556	42	15-07-2016
57		3311557	44	15-07-2016
58		3311558	9	15-07-2016
59		3311559	16	15-07-2016
60		3311560	17	15-07-2016
61		3311561	35	15-07-2016















62		3311562	36	15-07-2016
63		3311563	41	15-07-2016
64		3311564	42	15-07-2016
65		3311565	44	15-07-2016
66		3476551	45	07-02-2017
67		3476552	45	07-02-2017
68	MAX LIFE INVEST TRACK	2554894	9	26-06-2013
69	MAX LIFE INVEST TRACK	2554895	16	26-06-2013
70	MAX LIFE INVEST TRACK	2554896	35	26-06-2013
71	MAX LIFE INVEST TRACK	2554897	36	26-06-2013
72	MAX LIFE INVEST TRACK	2554899	9	26-06-2013
73	MAX LIFE INVEST TRACK	2554901	35	26-06-2013
74	MAX LIFE INVEST TRACK	2554904	9	26-06-2013
75	MAX LIFE INVEST TRACK	2554906	35	26-06-2013
76	MAX LIFE INSURANCE	2598906	9	19-09-2013
77	MAX LIFE INSURANCE	2598907	16	19-09-2013
78	MAX LIFE INSURANCE	2598908	35	19-09-2013
79	MAX LIFE INSURANCE	2598911	42	19-09-2013
80	MAX LIFE INSURANCE	2598909	36	19-09-2013
81	MAX ONE	2598918	9	19-09-2013
82	MAX ONE	2598919	16	19-09-2013







83	MAX ONE	2598921	36	19-09-2013
84	MAX ONE	2598922	41	19-09-2013
85		2598924	9	19-09-2013
86		2598926	35	19-09-2013
87		2598927	36	19-09-2013
88		2598928	41	19-09-2013
89		2614036	17	18-10-2013
90	Max Vijay Bima Gullak-Vallavur (In Tamil)	1741025	36	10-07-2008
91		1248861	36	11-11-2003
92	MAX	715343	5	15-05-1996
93	MAX	1082682	17	22-02-2002
94	MAX	1082680	9	22-02-2002
95		3311566	42	15-07-2016
96	MAX SKILL FIRST	3362675	41	14-09-2016
97	MAX SKILL FIRST	3362676	42	14-09-2016
98	Max SkillFirst	3397033	9	24-10-2016
99	Max SkillFirst	3397034	16	24-10-2016
100	Max SkillFirst	3397035	35	24-10-2016
101	Max SkillFirst	3397037	42	24-10-2016
102	SkillFirst	3397039	16	24-10-2016
103	SkillFirst	3397040	35	24-10-2016
104	SkillFirst	3397042	42	24-10-2016
105	Skill First	3397044	16	24-10-2016



106	Skill First	3397045	35	24-10-2016
107		3402602	9	11-03-2016
108		3402610	9	11-03-2016
109		3402612	17	11-03-2016
110		3402613	35	11-03-2016
111		3402614	36	11-03-2016
112		3402615	41	11-03-2016
113		1685723	36	05-09-2008
114		1685724	36	05-09-2008
115		1741021	36	10-07-2008
116		1741024	36	10-07-2008
117		1741022	36	10-07-2008
118	MAX LIFE MONTHLY INCOME ADVANTAGE PLAN	3261462	36	16/05/2016
119	MAX LIFE MONTHLY INCOME ADVANTAGE PLAN	3261464	35	16/05/2016
120	MAX LIFE MONTHLY INCOME ADVANTAGE PLAN	3261463	16	16/05/2016
121		1741020	36	10-07-2008



122	 MAX	3476549	36	07-02-2017
123	 MAX	3476553	45	07-02-2017
124	 MAX INDIA LIMITED	3476554	45	07-02-2017
125	MAX INDIA FOUNDATION	3476555	45	07-02-2017
126	 MAX INDIA FOUNDATION	3476556	45	07-02-2017
127	Max Life India Protection Quotient	4016677	36	04-12-2018
128	Max Life India Suraksha Quotient	4016678	36	04-12-2018



SCHEDULE 3

IRR THRESHOLD TABLE

IRR earned by Kayak (in %)	% of the number of issued and outstanding Shares (on a Fully Diluted Basis)*
25.00	1.00
25.10	1.04
25.20	1.08
25.30	1.12
25.40	1.16
25.50	1.20
25.60	1.24
25.70	1.28
25.80	1.32
25.90	1.36
26.00	1.40
26.10	1.44
26.20	1.48
26.30	1.52
26.40	1.56
26.50	1.60
26.60	1.64
26.70	1.68
26.80	1.72
26.90	1.76
27.00	1.80
27.10	1.84
27.20	1.88
27.30	1.92
27.40	1.96
27.50	2.00
27.60	2.04
27.70	2.08
27.80	2.12
27.90	2.16
28.00	2.20
28.10	2.24
28.20	2.28
28.30	2.32
28.40	2.36
28.50	2.40
28.60	2.44
28.70	2.48
28.80	2.52
28.90	2.56



29.00	2.60
29.10	2.64
29.20	2.68
29.30	2.72
29.40	2.76
29.50	2.80
29.60	2.84
29.70	2.88
29.80	2.92
29.90	2.96
30.00 or more	3.00

* - If the IRR achieved by Kayak does not correspond to the exact thresholds mentioned above but falls in between any of the two thresholds mentioned, then, the Upside Share to be provided to the Radiant Promoter shall be proportionately increased.



SCHEDULE 4

PART A: COST SAVING INCENTIVE

Base assumptions	Scenario 1 - Base Case	Scenario 2 - Primary investment by a person other than Kayak and/ or its Affiliates	Scenario 3 - Bonus issue of 1:1	Scenario 4 - Capital reduction pursuant to balance sheet restructuring	Scenario 5 - Primary by Kayak	Scenario 6 - Stock split by the Company
Number of Shares held by Kayak as on Effective Date (1)	3000	3000	3000	3000	3000	3000
Number of Shares held by a person other than Kayak and/ or its Affiliates as on Effective Date (2)	2000	2000	2000	2000	2000	2000
Number of Shares issued as Bonus before transfer of CSI/ Number of additional Shares issued pursuant to a stock split by the Company (3)	0	0	5000	0	0	7000
Reduction in Number of shares on account of Balance Sheet restructuring before transfer of CSI (4)	0	0	0	2500	0	0
Number of Shares issued to Kayak/ its Affiliates for subsequent primary	0	0	0	0	1000	0



infusion before transfer of CSI (5)	0	1000	0	0	0	0	0	0
Number of Shares issued to a person other than Kayak and/ or its Affiliates for primary infusion before transfer of CSI (6)								
Base case	Only primary investment by a person other than Kayak and/ or its Affiliates	Only Bonus	Only capital reduction pursuant to balance sheet restructuring	Only primary investment by Kayak	Stock split by the Company			
A (1+2+3-4+5)	5,000	10,000	2,500	6,000	12,000			
B (1+2+3-4+5+6)	5,000	10,000	2,500	6,000	12,000			
C	-	-	-	-	-			
D	1.50%	1.50%	1.50%	1.50%	1.50%			
X = B*((1-(C/B))*D)	75	150	37.5	90	180			
Value per share ¹	10	5 ²	20 ³	10	4.16 ⁴			

¹ For illustration purpose only.

² Value gets reduced on account of 1:1 bonus

³ Value gets increased on account of reduction in number of shares

⁴ Value gets reduced on account of stock split



Total value of company given to Radiant Promoter	750	750	750	750	750	900	750
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PART B: UPSIDE SHARE

Base assumptions	Scenario 1 - Base Case	Scenario 2 - Primary investment by a person other than Kayak and/ or its Affiliates	Scenario 3 - Bonus issue of 1:1	Scenario 4 - Capital reduction pursuant to balance sheet restructuring	Scenario 5 - Primary by Kayak	Scenario 6 - Stock split by the Company
Number of Shares held by Kayak as on Effective Date (1)	3000	3000	3000	3000	3000	3000
Number of Shares held by a person other than Kayak and/ or its Affiliates as on Effective Date (2)	2000	2000	2000	2000	2000	2000
Number of Shares issued as Bonus before transfer of Upside Share/ Number of additional Shares issued pursuant to a stock split by the Company (3)	0	0	5000	0	0	7000
Reduction in Number of shares on account of Balance Sheet restructuring before transfer of Upside Share (4)	0	0	0	2500	0	0
Number of Shares issued to Kayak Affiliates for subsequent primary infusion before transfer of Upside Share (5)	0	0	0	0	1000	0
Number of Shares issued to a person other than Kayak and/ or its Affiliates for primary infusion before transfer of Upside Share (6)	0	1000	0	0	0	0



	Base case	Only primary investment by a person other than Kayak and/ or its Affiliates	Only Bonus	Only capital reduction pursuant to balance sheet restructuring	Only primary investment by Kayak	Stock split by the Company
A (1+2+3-4+5)	5,000	5,000	10,000	2,500	6,000	12,000
B (1+2+3-4+5+6)	5,000	6,000	10,000	2,500	6,000	12,000
C	-	1,000	-	-	-	-
D - IRR threshold	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
E	10	10	5	20	10	4.16
X = ((B*(1-(C/B)))*D)*E	1500	1500	1500	1500	1800	1500



PART C: EARLY EXIT UPSIDE SHARE

Base assumptions	Scenario 1 - Base Case	Scenario 2 - Primary investment by a person other than Kayak and/ or its Affiliates	Scenario 3 - Bonus issue of 1:1	Scenario 4 - Capital reduction pursuant to balance sheet restructuring	Scenario 5 - Primary by Kayak	Scenario 6 - Stock split by the Company
Number of Shares held by Kayak as on Effective Date (1)	3000	3000	3000	3000	3000	3000
Number of Shares held by a person other than Kayak and/ or its Affiliates as on Effective Date (2)	2000	2000	2000	2000	2000	2000
Number of Shares issued as Bonus before transfer of Early Exit Upside Share/ Number of additional Shares issued pursuant to a stock split by the Company (3)	0	0	5000	0	0	7000
Reduction in Number of shares on account of Balance Sheet restructuring before transfer of Early Exit Upside Share (4)	0	0	0	2500	0	0



Number of Shares issued to Kayak / its Affiliates for subsequent primary infusion before transfer of Early Exit Upside Share (5)	0	0	0	0	0	1000	0
Number of Shares issued to a person other than Kayak and/ or its Affiliates for primary infusion before transfer of Early Exit Upside Share (6)	0	1000	0	0	0	0	0
Base case	5,000	5,000	10,000	2,500	2,500	6,000	12,000
	5,000	6,000	10,000	2,500	2,500	6,000	12,000
	-	1,000	-	-	-	-	-
	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
	10	10	5	20	20	10	4.16
$X = ((B*(1-(C/B))^D)*E)$	2250	2250	2250	2250	2250	2700	2250

TRUE COPY
 AZB & PARTNERS
 Advocates & Solicitors
 Mumbai

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BEFORE THE NATIONAL COMPANY
LAW TRIBUNAL, BENCH, AT MUMBAI
CP (CAA) 4051/MB/2019
IN
CA (CAA) 3091/MB/201

In the matter of Application under Sections 230 -
232 of the Companies Act, 2013 read with
Companies (Compromises, Arrangements and
Amalgamations) Rules, 2016

Max India Limited & Ors.

...Petitioner Companies



ORDER ALONG WITH SCHEME

Dated this ____ January, 2020

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Advocates for the Petitioner Companies