

SCHEME OF AMALGAMATION

BETWEEN

EXIDE LIFE INSURANCE COMPANY LIMITED

AND

HDFC LIFE INSURANCE COMPANY LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013 AND SECTIONS 35 TO 37 OF THE INSURANCE ACT, 1938**

INTRODUCTION

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 of the Act (*as defined hereunder*) and Sections 35 to 37 of the Insurance Act, 1938, for the amalgamation of Exide Life Insurance Company Limited with HDFC Life Insurance Company Limited and reduction of Securities Premium Account of HDFC Life Insurance Company Limited.

1. DESCRIPTION OF COMPANIES

- 1.1. Exide Life Insurance Company Limited is a public limited company incorporated under provisions of the Companies Act, 1956, having corporate identification number U66010KA2000PLC028273 and having its registered office at 3rd Floor, JP Techno Park, No. 3/1, Millers Road, Bangalore 560001, India (hereinafter referred to as “**Transferor Company**”). The Transferor Company is in the process of shifting its registered office to State of Maharashtra to First Floor, Unit No. 5 to 8, Inizio Building, Opposite P&G Plaza, Cardinal Gracious Road, Chakala, Andheri East, Mumbai 400099. The requisite approval from board of directors and shareholders of the Transferor Company has been obtained. The Transferor Company has filed the requisite forms with the ROC. The Transferor Company is engaged in the business of underwriting life insurance, and is registered with the IRDAI with registration no. 114. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- 1.2. HDFC Life Insurance Company Limited is a public limited company incorporated under the Companies Act, 1956, having corporate identification number L65110MH2000PLC128245 and having its registered office at Lodha Excelus, 13th Floor, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai 400011 (hereinafter referred to as “**Transferee Company**”). The Transferee Company is engaged in the business of underwriting life insurance, and is registered with the IRDAI with registration no. 101. The Transferee Company is a public listed company, with its equity shares listed on the Stock Exchanges (*as defined hereinafter*) and is the holding company of the Transferor Company.

2. BACKGROUND AND RATIONALE FOR THE SCHEME

- 2.1. The Transferor Company is a life insurance company registered with the IRDAI, whose primary business activity is to provide life insurance and other insurance products such as health plans, protection plans (term insurance, child insurance plans), savings and investment plans (including unit linked insurance policies), retirement and pension plans. The Transferee Company is a life insurance company registered with the IRDAI, which offers a range of individual and group life insurance solutions including participating, non-participating and unit linked insurance policies. Pursuant to the agreements dated September 3, 2021, and receipt of approvals from Government Authorities, the entire share capital of the Transferor Company was acquired by the Transferee Company on January 1, 2022.
- 2.2. The acquisition of the entire share capital of the Transferor Company by the Transferee Company was undertaken with the intent to subsequently merge the Companies (*as defined hereinafter*). The rationale for the proposed amalgamation is as follows:-
 - (A) A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and create a consolidated base for future growth of the amalgamated entity.

- (B) The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses, and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- (C) The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
- (D) The Transferor Company is a wholly owned subsidiary of the Transferee Company and all the shares of the Transferor Company are held by the Transferee Company jointly with certain nominee holders. The Scheme envisages transfer of the Undertaking of the Transferor Company to the Transferee Company. Accordingly, the Scheme is not prejudicial to the interest of the shareholders of the Transferor Company.
- (E) As far as the creditors of the Transferor Company are concerned, the assets of the Transferee Company after amalgamation will be higher than the liabilities. Accordingly, the creditors of the Transferor Company will also not be affected by the Scheme.
- (F) The Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferee Company. The shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are being issued by the Transferee Company pursuant to this Scheme. Further, the creditors of the Transferee Company will not be affected by the Scheme.

3. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- 3.1. Part A deals with the definitions, share capital of the Transferor Company and the Transferee Company and date of taking effect of the Scheme;
- 3.2. Part B deals with the amalgamation of the Transferor Company with the Transferee Company;
- 3.3. Part C deals with the reduction of securities premium account of the Transferee Company; and
- 3.4. Part D deals with the general terms and conditions applicable to this Scheme.

PART A

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT OF THE SCHEME

4. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 4.1. **“Act”** or **“the Act”** means the Companies Act, 2013, and any rules, regulations, notifications, circulars or guidelines issued thereunder including any modifications, re-enactments or amendments thereof as in force from time to time;
- 4.2. **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, tax laws, listing agreements, notifications, guidelines or policies of any applicable country and/ or jurisdiction including such rules and regulations issued by IRDAI, RBI, CCI, SEBI and any other Governmental Authority; (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 4.3. **“Appointed Date”** means April 1, 2022 or such other date directed by or stipulated by the NCLT as may be applicable;
- 4.4. **“Board of Directors”** or **“Board”** means the board of directors of the Transferor Company and/ or the Transferee Company, as the case may be, and shall include a duly constituted committee for the implementation of this Scheme;
- 4.5. **“CCI”** means the Competition Commission of India;
- 4.6. **“Companies”** means collectively the Transferor Company and the Transferee Company;
- 4.7. **“Effective Date”** has the meaning assigned to such term in Clause 23 of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein;
- 4.8. **“Employee Benefit Funds”** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;
- 4.9. **“Encumbrance”** or **“Encumber”** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
- 4.10. **“Governmental Authority”** means any applicable Central or State Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction, or any stock exchange in India or any other country including the ROC, Regional Director, IRDAI, CCI, SEBI, Stock Exchanges, NCLT, and such other sectoral regulators or authorities as may be applicable;
- 4.11. **“IRDAI Amalgamation Regulations”** means the Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013, as amended from time to time;

- 4.12. **“NCLT”** the National Company Law Tribunal having jurisdiction over the Transferor Company and the Transferee Company, as the case may be, as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;
- 4.13. **“ROC”** means the Registrar of Companies having jurisdiction over the Transferee Company and Transferor Company, as the case may be;
- 4.14. **“SEBI”** means Securities and Exchange Board of India;
- 4.15. **“Income Tax Act”** means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 4.16. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation among the Transferor Company and the Transferee Company and their respective shareholders under Sections 230 to 232 of the Act and Sections 35 to 37 of the Insurance Act, 1938, in its present form or with any modification(s) made under Clause 22 of this Scheme or any modifications approved or directed by the NCLT or any other Governmental Authority;
- 4.17. **“Securities Premium Account”** means the line item classified as securities premium as presented in the balance sheet of the Transferee Company, forming part of the reserves and surplus of the Transferee Company;
- 4.18. **“Stock Exchange”** means BSE Limited and/or the National Stock Exchange of India Limited, and **“Stock Exchanges”** shall mean both collectively;
- 4.19. **“Transferor Company Employees”** shall mean all the employees of the Transferor Company as on the Effective Date;
- 4.20. **“Undertaking”** shall mean the entire business and the whole of the undertaking of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations, and employees, as on the Appointed Date, including, but not in any way limited to, the following:
- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, appliances, vehicles, accessories, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature

whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- (b) Investments of all kinds (including shares and securities whether in dematerialised or physical form, scrips, stocks, bonds, debenture stock, mutual fund units, pass through certificates or security receipts) government securities, reverse repo, exchange traded funds, fixed deposits, corporate bonds, additional tier 1 (AT1) bonds issued by banks, units of Infrastructure Investment Trusts and Real Estate Investment Trusts, including all investments made out of policyholders' funds or shareholders' funds, policyholders' unclaimed funds, amounts receivable from reinsurers, outstanding premium, amounts receivable from counterparties to the derivative contracts and receivables from any parties under any agreements in force, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, buildings, structures and offices held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to and the depository participant accounts pertaining to its business;
- (c) All entitlements, licenses, permits, permissions, incentives, clearances, credits, consents, certificates, awards, tenders, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, registrations of website with IRDAI as an insurance self-networking platform, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations;
- (d) Entitlements, including tenancy rights, held by the Transferor Company or which may accrue or become due to it as on the Appointed Date or may become so due or entitled to thereafter;
- (e) All contracts, indentures, agreements, legally binding arrangements, insurance contracts obtained, insurance policies obtained, purchase orders / service orders, distribution agreements, agreement with insurance brokers, contracts with reinsurance providers, corporate agency agreements, web aggregator agreements, agreements with third parties memoranda of understanding, memoranda of

undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers obtained and claims made thereon, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the business of the Transferor Company;

- (f) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company's business activities and operations;
- (g) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- (h) Right to any claim, whether preferred or made by the Transferor Company or not, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, availability of Minimum Alternate Tax credit, goods and services tax credits, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, deferment of sales tax, etc. under the Income Tax Act, and the Cenvat / Modvat credit balances under the Central Excise Act, 1944, or any other or like benefits under the said acts or under and in accordance with any law or act;
- (i) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;
- (j) All other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Company with regard to the Employee Benefit Funds;
- (k) All legal or other proceedings, claims, notices, demands and obligations of whatsoever nature, and whether known or unknown, contingent or otherwise, present or future, relating to the business of the Transferor Company;
- (l) All Transferor Company Employees.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act, Income Tax Act, and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5. **DATE OF TAKING EFFECT**

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

6. CAPITAL STRUCTURE

6.1. The share capital of the Transferor Company as on January 1, 2022 is as under:

Particulars	Amount in Rupees
Authorised Capital	
1,900,000,000 equity shares of INR 10 each	19,000,000,000
Total	19,000,000,000
Issued, Subscribed and Paid-Up Capital	
1,850,000,000 equity shares of INR 10 each	18,500,000,000
Total	18,500,000,000

6.2. Subsequent to the above date and up to the date of approval of this Scheme by the Board of Directors of Transferor Company, there has been no change in the share capital of the Transferor Company.

6.3. The share capital of the Transferee Company as on January 1, 2022 is as set out below.

Particulars	Amount in Rupees
Authorised Capital	
3,000,000,000 equity shares of INR 10 each	30,000,000,000
Total	30,000,000,000
Issued, Subscribed and Paid-Up Capital	
2,111,813,255 equity shares of INR 10 each	21,118,132,550
Total	21,118,132,550

6.4. Subsequent to the above date, and up to the date of approval of this Scheme by the Board of Directors of Transferee Company, there has been no change in the share capital of the Transferee Company.

PART B

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

7. AMALGAMATION OF COMPANIES

7.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the Transferor Company shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the sanction of the Scheme by the NCLT, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and subject to receipt of the final approval from the IRDAI, be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company or the Transferee Company, and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

7.2. All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date which shall be mutually agreed upon between the Transferor Company and the Transferee Company on or prior to the Effective Date.

7.3. In respect of any assets of the Transferor Company other than those mentioned in Clause 7.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

7.4. Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to land, buildings, offices, sites and any other immovable property, including accretions and appurtenances) of the Transferor Company, whether freehold or leasehold, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the

name of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.

- 7.5. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the NCLT or such other Governmental Authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 7.6. For the removal of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligation, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 7.7. Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby 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 (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Transferee Company). It is further clarified that the Transferee Company shall honour all liabilities and obligations arising on account of all written commitment / open purchase orders issued by the Transferor Company.
- 7.8. The Transferee Company may at any time after the coming into effect of the Scheme and with effect from the Appointed Date, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 7.9. All taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, on account of the Transferor Company and, in so far

as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

- 7.10. All the profits or income, taxes (including advance tax, tax deducted at source and GST / MAT Credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including tax losses, GST / MAT Credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 7.11. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, in so far as they relate to the Transferor Company and all quality certifications and approvals, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including GST, MAT credit, advance tax, tax deducted at source, if any), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of or to be availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme.
- 7.12. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 7.13. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor

Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

8. APPLICABILITY OF THE PROVISIONS OF THE INCOME TAX ACT, 1961 AND OTHER TAX LAWS AS MAY BE APPLICABLE

- 8.1. The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.
- 8.2. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for minimum alternate tax purposes, carry forward and set-off of eligible tax losses and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, UTGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company, and to claim tax benefits, under the Income Tax Act and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- 8.3. Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority, and including the right to claim credit for minimum alternate tax, set-off and carry forward of eligible accumulated tax losses, foreign taxes, deferred revenue expenditure, deduction, rebate, allowance, amortization benefit, etc. under the Income Tax Act, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, UTGST, SGST and IGST etc. shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, eligible accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST, UTGST and IGST credits and rights to claim credit or refund etc. of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, UTGST returns, IGST returns and to claim refunds/ credits (including, but not limited to Foreign Tax Credit and minimum alternate tax), pursuant to the provisions of this Scheme.
- 8.4. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 8.3 above, upon the Scheme becoming effective, the Transferee

Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax, foreign taxes and carry forward of eligible accumulated tax losses etc., pursuant to the provisions of this Scheme.

- 8.5. The withholding tax/ tax collected at source/ advance tax/ minimum alternate tax, foreign taxes, if any, paid by the Transferor Company under the Income Tax Act or any other statute for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax/ minimum alternate tax, foreign taxes paid by the Transferee Company and credit for such withholding tax/ tax collected at source/ advance tax/minimum alternate tax, foreign taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ tax collected at source/ advance tax/ foreign tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- 8.6. The service tax, VAT, sales tax, excise and custom duties under the pre – GST regime and in the GST regime, CGST, SGST, UTGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax, sales tax, excise and custom duties, CGST, SGST, UTGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, UTGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, UTGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.
- 8.7. All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.
- 8.8. Any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.

9. **LEGAL PROCEEDINGS**

- 9.1. If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

10. CONTRACTS, DEEDS, BONDS, APPROVALS AND OTHER INSTRUMENTS

- 10.1. For avoidance of doubt and without prejudice to the generality of Clause 7 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme and without any further act of the Companies, all memoranda of understanding, contracts, deeds, bonds, agreements, arrangements, incentives, engagements, registrations, schemes, assurances, licences, insurance policies, guarantees, and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 10.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the NCLT sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.
- 10.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or become necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme and to the extent that the Transferor Company are required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Company under Clause 7 above, the continuance of Proceedings under Clause 9 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 10 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all

acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

12. EMPLOYEES

- 12.1. Upon the coming into effect of this Scheme, all Transferor Company Employees shall become the employees of the Transferee Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company and without any interruption of service as a result of the amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Company Employees with the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- 12.2. In so far as the Employee Benefit Funds created by the Transferor Company or in respect of which the Transferor Company makes contributions, for the Transferor Company Employees, all amounts standing to the credit of the Transferor Company Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authorities, by the Transferee Company.
- 12.3. Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Company Employees would be continued to be deposited in the existing Employee Benefit Funds of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.
- 12.4. Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to: (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

13. CONDUCT OF BUSINESS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

- 13.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 13.2. All the profits or income, taxes (including advance tax and tax deducted at source and fringe benefit tax) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

14. DIVIDENDS

- 14.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 14.2. The shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association, including the right to receive dividends.
- 14.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, as applicable, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, and if applicable as per the provisions of the articles of association, and the Act, as applicable, be subject to such approval of the shareholders of the Transferor Company and Transferee Company, respectively.

15. CONSOLIDATION OF AUTHORISED SHARE CAPITAL

- 15.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be combined with the authorized share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the ROC and the stamp duty and fees paid by the Transferor Company on its authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.
- 15.2. It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum of association of the Transferee Company as required under Sections 4, 13, 61, 64 and other applicable provisions of the Act, and Clause V of the memorandum of association of the Transferee Company shall stand amended by virtue of the Scheme to account for the change in the authorised share capital of the Transferee Company.
- 15.3. For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Transferor Company or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then this Clause 15 shall automatically stand modified to take into account the effect of such change.

16. NO ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 16.1. For the purposes of this Scheme, it is hereby clarified that the Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there would be no issue of shares by the Transferee Company to the shareholders of the Transferor Company in this regard.
- 16.2. Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the entire paid up share capital in the Transferor Company fully held by the Transferee Company and/or its nominee(s) on the Effective Date shall be extinguished and shall stand

extinguished and all such equity shares of the Transferor Company held by the Transferee Company either in its own name or in the name of its nominee(s) shall be cancelled and shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

- 16.3. The Transferee Company shall not receive any payment or other consideration pursuant to the cancellation of the shares of the Transferor Company.

17. DISSOLUTION OF THE TRANSFEROR COMPANY

- 17.1. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the Companies.

18. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

- 18.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts, with effect from the Appointed Date, as under:

- (A) The amalgamation of the Transferor Company shall be accounted for in accordance with "Pooling of Interests Method" as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' as prescribed under Section 133 of the Act.
- (B) All assets, liabilities and reserves (whether capital or revenue or arising on revaluation), of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.
- (C) The debit balance of the profit and loss account of the Transferor Company shall be aggregated with the balance of the profit and loss account of the Transferee Company.
- (D) All inter-corporate deposits, loans, investments and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf. For the removal of doubt, there will be no accrual of interest or other charges in respect of any such inter-company loans, advances or outstanding balances with effect from the Appointed Date.
- (E) The difference between the share capital of the Transferor Company and the value of investment in the Transferor Company by the Transferee Company shall be debited / credited (as the case may be) to a capital reserve.
- (F) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of a consistent accounting policy.

PART C

REDUCTION OF SECURITIES PREMIUM ACCOUNT

19. REDUCTION OF SECURITIES PREMIUM ACCOUNT

Immediately after Part B of this Scheme becoming effective and with effect from the Appointed Date:

- 19.1. The debit balance in the capital reserve arising pursuant to the amalgamation of the Transferor Company with the Transferee Company on the Appointed Date, pursuant to Clause 18.1 above, shall be set-off against the Securities Premium Account of the Transferee Company.
- 19.2. The reduction of the debit balance in the capital reserve of the Transferee Company by way of the adjustment set out in Clause 19.1 above against the amounts held in the Securities Premium Account of the Transferee Company does not involve the reduction of the issued, subscribed and paid-up share capital of the Transferee Company. Further, the reduction does not envisage the transfer or vesting of any of the properties and/or liabilities of the Transferee Company to any person or entity.
- 19.3. The approvals including approvals from the shareholders of the Transferee Company received pursuant to the provisions of the sections 230 to 232 of the Act under this Scheme shall be deemed to be sufficient approval(s) for giving effect to the provisions of this Clause 19 including under Section 52, Section 66 and the other related provisions of the Act. The Transferee Company shall not, nor shall be obliged to, (i) call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the Securities Premium Account of the Transferee Company; or (ii) obtain any additional approvals / compliances under section 66 of the Act.
- 19.4. The reduction in the Securities Premium Account of the Transferee Company in accordance with this Clause 19 is in accordance with the provisions of Section 230 to 232 read with Section 52 of the Act, as the same does not result in the extinguishment or diminution of any liability in respect of the unpaid share capital of the Transferee Company or payment to any shareholder of any paid-up share capital of the Transferee Company and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 230 of the Act confirming such reduction of share capital of the Transferee Company. The reduction in the Securities Premium Account of the Transferee Company in the manner contemplated in this Scheme would not have any impact on the shareholding pattern of the Transferee Company nor would it have any adverse impact on the creditors or employees of the Transferee Company. The order of the NCLT sanctioning this Scheme shall also be deemed to be an order passed under Section 66 and 52 of the Act for the purpose of confirming the reduction.
- 19.5. Notwithstanding the reduction in the Securities Premium Account, the Transferee Company shall not be required to add 'And Reduced' as a suffix to its name. The reduction in the Securities Premium Account shall be effected as an integral part of the Scheme and in accordance with the applicable provisions of the Act without any further act or deed on the part of the Transferee Company.

PART D

GENERAL TERMS AND CONDITIONS

20. **VALIDITY OF EXISTING RESOLUTIONS, ETC**

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

21. **APPLICATIONS TO THE NCLT**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the NCLT where the respective Registered Offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

22. **MODIFICATIONS/AMENDMENTS TO THE SCHEME**

22.1. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

22.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

23. **SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

23.1. The Scheme is conditional upon and subject to:

(A) The Transferee Company having obtained no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (B) This Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT;
- (C) Sanctions and orders under the provisions of Sections 230 to 232 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company from the NCLT; and
- (D) Final approval being granted by the IRDAI in accordance with Regulation 9 of the IRDAI Amalgamation Regulations and satisfaction of the conditions, if any, as set out in the final approval provided by the IRDAI and which needs to be satisfied on or prior to the Effective Date in accordance with the terms thereunder.

23.2. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:

- (A) That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 23.1 shall be obtained or passed; or
- (B) That on which the certified copy of the order of NCLT approving this Scheme having been filed with the ROC by the Transferor Company and the Transferee Company.

Subject to the fulfilment of each of the above conditions, this Scheme shall become effective on such date as may be specified by the IRDAI in its final approval for this Scheme in terms of the IRDAI Amalgamation Regulations, and such date shall be referred to as the “**Effective Date**” for the purpose of this Scheme.

24. **EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME**

24.1. In the event of any of the said approvals or conditions referred to in Clause 23 above not being obtained and/ or complied with and/or satisfied and/or the Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect. The Transferor Company and the Transferee Company shall, in such event, *inter se* bear and pay their respective costs, charges, expenses in connection with the Scheme.

24.2. In the event of revocation under Clause 24.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.

- 24.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.
- 24.4. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post-amalgamation.
- 24.5. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and /or the Transferee Company, then in such case the Transferor Company and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

25. **SEVERABILITY**

If any part of this Scheme is found to be invalid, unenforceable or unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

26. **COSTS**

All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, shall be respectively borne by the Transferor Company and the Transferee Company, till the Effective Date.

27. **COMPLIANCE WITH THE IRDAI AMALGAMATION REGULATIONS**

- 27.1. This Scheme shall be implemented only after receipt of the final approval of IRDAI.
- 27.2. The Transferor Company and the Transferee Company shall ensure that the Scheme is compliance with Applicable Laws.
- 27.3. The Transferee Company shall ensure that its available solvency margin after the Effective Date will not be lower than the required minimum regulatory level.
- 27.4. The Transferor Company and the Transferee Company acknowledge that the Scheme is beneficial for and in the interest of the policyholders and is conducive to the orderly growth of the insurance sector. The Transferor Company and the Transferee Company will implement suitable measures for protecting the interests of policyholders .
- 27.5. Notwithstanding anything contrary contained in the Scheme, the Scheme shall be given effect to and shall stand appropriately modified to the extent required to ensure compliance with any requirements and conditions imposed by the IRDAI while granting its in-principle approval to the proposed Scheme.

- 27.6. On and from the Effective Date, the Scheme shall be binding on the Transferor Company and Transferee Company and also on all the shareholders, policyholders and other creditors and employees of each of them, and on any other person having any right or liability in relation to any of them.
- 27.7. The Transferee Company shall ensure that a notice is published in the newspapers about the completion of the process (at least one national daily, and one vernacular, copies of which shall be filed with the IRDAI).