

July 28, 2017

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Dear Sirs,

Sub: Submission of a copy of the Scheme of Amalgamation
Security Code: **JMFINANCIL**

We refer to our letter dated May 2, 2017 making the necessary disclosure with regard to the Scheme of Amalgamation.

We are now enclosing a copy of the Scheme of Amalgamation between the Company, and JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited, wholly owned subsidiaries of the Company and their respective shareholders, the contents of which are self-explanatory.

The submission of the Scheme as above is pursuant to Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 7 of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

We request you to take the above on your record.

Thank You.

Yours faithfully,
For JM Financial Limited



P K Choksi
Group Head – Compliance, Legal
& Company Secretary

Encl: a/a

SCHEME OF AMALGAMATION
BETWEEN
JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED
AND
JM FINANCIAL INVESTMENT MANAGERS LIMITED
AND
JM FINANCIAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

(A) PREAMBLE

This Scheme of Amalgamation ('Scheme') is presented pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited with JM Financial Limited.

(B) DESCRIPTION OF COMPANIES

a) JM FINANCIAL LIMITED ('JMFL')

- i. JM Financial Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- ii. The equity shares of JMFL are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).
- iii. JMFL is a Core Investment Company registered with the Reserve Bank of India ("the RBI") having investments in subsidiary and associate companies.

b) JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED ('JMFIS')

- i. JM Financial Institutional Securities Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.

- ii. The entire share capital of JMFIS is held by JM Financial Limited together with its nominees.
- iii. JMFIS is a Securities and Exchange Board of India (SEBI) Registered Category I Merchant Banker, Stock Broker and Research Analyst. JMFIS presently provides merchant banking services including advisory services for capital market transactions, raising of capital, mergers, acquisitions, restructuring, financial advisory and private equity advisory to corporates in the domestic and international markets. JMFIS also provides research and analysis based stock broking services to both domestic and offshore institutional clients.

c) **JM FINANCIAL INVESTMENT MANAGERS LIMITED ('JMFIM')**

- i. JM Financial Investment Managers Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- ii. The entire share capital of JMFIM is held by JM Financial Limited and its nominees.
- iii. JMFIM is engaged in the business of private equity fund management. Currently, JMFIM manages the JM Financial India Fund which is a broad-based, multi-sector USD 225 million fund that has invested in dynamic and fast growing domestic companies seeking growth capital.

(C) **RATIONALE FOR THE SCHEME**

JM Financial Group is a pioneer in rendering services in the areas of Merchant Banking, Institutional Equities, Asset Management/ Broking, NBFC, Asset Reconstruction amongst others. Its flagship company, JMFL is a Core Investment Company (CIC) under the RBI Regulations.

The key management team of JMFL overlooks strategic and management decisions, as a part of group restructuring exercise to streamline the business operations and to bring administrative synergies, it is proposed to merge JMFIM & JMFIS (post demerger of Institutional Equities Division) into JMFL. This would increase the underwriting capability of JMFL and yield

synergies and operating efficiencies including elimination of multiplicity of corporate functions such as controllers, compliance, human resources, etc.

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part A** deals with the definitions and share capital;
- (ii) **Part B** deals with amalgamation of JMFIS and JMFIM with JMFL;
and
- (iii) **Part C** deals with other terms and conditions applicable to this Scheme.

PART A

1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means January 01, 2018 or such other date as may be approved by the NCLT at Mumbai, or any other competent authority, as maybe applicable.
- 1.3 **“Board of Directors” or “Board”** means the board of directors of JMFIS, JMFIM and JMFL, as the case may be, and shall include a duly constituted committee thereof.
- 1.4 **“Effective Date”** means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the NCLT or such other competent authority, as may be applicable, is filed by JMFIS, JMFIM and JMFL with the Registrar of Companies, Mumbai, Maharashtra.
- 1.5 **“JMFIS” or “the First Transferor Company”** means JM Financial Institutional Securities Limited (CIN: U65192MH1995PLC092522), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, for the purpose of amalgamation of JMFIS.
- 1.6 **“JMFIM” or “the Second Transferor Company”** means JM Financial Investment Managers Limited (CIN: U74100MH1985PLC035954), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.

- 1.7 **“JMFL” or “the Transferee Company”** means JM Financial Limited (CIN: L67120MH1986PLC038784), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- 1.8 **“NCLT” or “Tribunal”** means the National Company Law Tribunal of Judicature at Mumbai.
- 1.9 **“Scheme” or “the Scheme” or “this Scheme” or “this Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 17 of this Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of JMFIS and JMFIM into JMFL, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The authorised share capital and the issued, subscribed and fully paid-up share capital of JMFIS as on March 31, 2017 is as under:

Particulars	Amount (Rs)
<u>Authorised Share Capital</u>	
5,00,20,000 Equity Shares of Rs. 10/- each	50,02,00,000/-
4,38,00,000 Preference Shares of Rs. 10 each	43,80,00,000/-
TOTAL	93,82,00,000/-
<u>Issued, Subscribed & Paid-up Share Capital</u>	
2,80,00,000 Equity Shares of Rs. 10/- each	28,00,00,000/-
TOTAL	28,00,00,000/-

Subsequent to March 31, 2017 and on the date of filing this scheme, there is no change in the issued, subscribed and paid up capital of JMFIS. The entire paid-up equity share capital is held by JMFL together with its nominees.

- 3.2 The authorised share capital and the issued, subscribed and paid-up share capital of JMFIM as on March 31, 2017 is as under:

Particulars	Amount (Rs)
<u>Authorised Share Capital</u>	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000/-
TOTAL	2,00,00,000/-
<u>Issued, Subscribed & Paid-up Share Capital</u>	
18,00,000 Equity Shares of Rs. 10/- each	1,80,00,000/-
TOTAL	1,80,00,000/-

Subsequent to March 31, 2017 and on the date of filing this scheme, there is no change in the issued, subscribed and paid up capital of JMFIM. The entire paid-up equity share capital is held by JMFL together with its nominees.

- 3.3 The authorised share capital and the issued, subscribed and fully paid-up share capital of JMFL as on March 31, 2017 is as under:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
1,00,00,00,000 Equity Shares of Re. 1 each	1,00,00,00,000/-
TOTAL	1,00,00,00,000/-
<u>Issued, Subscribed & Paid up Capital</u>	
79,45,25,114 Equity Shares of Re.1/- each fully paid-up	79,45,25,114/-
TOTAL	79,45,25,114/-

Subsequent to March 31, 2017, there has been a change in the issued, subscribed and fully paid-up share capital of JMFL pursuant to issue of shares under employee stock option scheme. The new issued, subscribed and fully paid-up share capital of JMFL as on July 25, 2017 is as under:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
1,00,00,00,000 Equity Shares of Re. 1 each	1,00,00,00,000/-
TOTAL	1,00,00,00,000/-
<u>Issued, Subscribed & Paid up Capital</u>	
79,70,67,410 Equity Shares of Re.1/- each fully paid-up	79,70,67,410/-
TOTAL	79,70,67,410/-

PART C

AMALGAMATION OF JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED AND JM FINANCIAL INVESTMENT MANAGERS LIMITED WITH JM FINANCIAL LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING OF JMFIS AND JMFIM INTO JMFL

- 4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of JMFIS and JMFIM including all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc. including, without limitation, all the movables and immovable properties and assets of JMFIS and JMFIM comprising amongst others, investments, and business licenses, trading licenses, permits, authorisations, if any, rights and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, no objection certificate from any authorities, including the municipal authorities, electricity board, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax credit entitlement, etc., credit for service tax, sales tax / value added tax / goods and services tax and / or any other statutes, incentives, if any, and all other rights, title, interest, contracts shall, pursuant to the order of the NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in JMFL on a going concern basis so as to become the assets of JMFL.

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

4.2. Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) Subject to the provisions of this Scheme, as specified hereinafter, and with effect from the Appointed Date, the entire business and the undertaking of JMFIS and JMFIM including all their debts, liabilities, duties and obligations of every description and also including, without limitation, all the movable properties and assets of JMFIS and JMFIM comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in JMFL as a going concern so as to become the assets and liabilities of JMFL.
- (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of JMFIS and JMFIM as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by JMFIS and JMFIM and shall, upon such transfer, become the assets and properties of JMFL as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same. No stamp duty or any other charges shall be payable on the transfer of such movable properties upon its transfer and vesting in JMFL.
- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances, deposits of any kind and other current assets, if any, whether receivable in cash or kind or for the value to be received, cash and bank balances,

investments, etc., shall on and from the Appointed Date stand transferred to and vested in JMFL without any notice or other intimation to the debtors or depositors or any person, as the case may be, so that the said debt, loan, advance, deposit, investments, etc. stands transferred and vested in JMFL.

- (d) All immovable properties of JMFIS and JMFIM, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of JMFIS and JMFIM, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto without taking any approval, shall stand vested in and/ or be deemed to have been vested in JMFL, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme and the order of the Tribunal shall for all purposes be treated as the instrument conveying transfer of such properties and assets to JMFL without requiring the execution of any other deed or document or instrument of conveyance and its filings with the Registrar concerned. Such assets shall stand vested in JMFL by operation of law. JMFL shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

- 4.3. Upon coming into effect of this Scheme and with effect from the Appointed Date, all the movables and immovable properties and assets of JMFIS and JMFIM comprising amongst others investments, and business licenses, trading licenses, permits, authorisations, if any, rights and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, no objection certificate from any authorities, including the municipal authorities, electricity board, licenses, powers of attorney, lease, letters of intent, permissions, leases, tenancy rights, liberties, approvals or consents relating to and/or held by JMFIS and JMFIM and all rights and benefits that have accrued or which may accrue to JMFIS and JMFIM, whether before or

after the Appointed Date shall stand vested in or transferred to JMFL, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of JMFL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by JMFIS and JMFIM shall vest with and be available to JMFL on the same terms and conditions.

- 4.4. Upon coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description pertaining to JMFIS and JMFIM shall also without any further act or deed, be transferred to or deemed to be transferred to JMFL, so as to become from the Appointed Date the debts, liabilities, duties and obligations of JMFL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.5. All encumbrances, if any, existing prior to the Effective Date over the assets of JMFIS and JMFIM which secure or relate to the liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to JMFL. Provided that, if any of the assets of JMFIS and JMFIM have not been encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such encumbrances shall not relate or attach to any of the other assets of JMFL. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 4.6. All taxes of any nature, duties, cess or any other like payments or deductions made by JMFIS and JMFIM to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax etc. or any tax deduction/collection at source, including Minimum Alternate Tax, relating

to the period after the Merger Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of JMFL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to JMFL upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.

- 4.7. The provisions of this Scheme as they relate to the amalgamation of JMFIS and JMFIM, has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 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, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which JMFIS and JMFIM are party or to the benefit of which JMFIS or JMFIM may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of JMFL and may be enforced as fully and effectually as if instead of JMFIS or JMFIM, JMFL had been the party thereof.
- 5.2. JMFL shall, if so required or become necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, JMFL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of JMFIS and JMFIM and to implement or carry out all formalities required on the part of JMFIS and JMFIM to give effect to the provisions of this Scheme.

6. STAFF, WORKMEN, AND EMPLOYEES

- 6.1. On the Scheme becoming effective, staff and employees, if any, of JMFIS and JMFIM in service on the Effective Date, shall be deemed to have become staff and employees of JMFL on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Pension Fund, Superannuation Fund or any other Special Fund or Trusts (hereinafter referred to as Fund or Funds) created or existing for the benefit of the staff, workmen and employees of JMFIS and JMFIM, if any, shall become trusts/funds of JMFL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of JMFIS and JMFIM in relation to such Fund or Funds shall become those of JMFL. It is clarified that the services of the staff and employees of JMFIS and JMFIM will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

Upon coming into effect of this Scheme and with effect from the Appointed Date, all suits, actions, appeal and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatever nature is pending by or against JMFIS and JMFIM, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against JMFL as effectually and in the same manner and to the same extent as if the same has been instituted and/or pending and/or arising by or against JMFIS and JMFIM.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 8.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and upto and including the Effective Date, JMFIS and JMFIM shall

carry on and be deemed to have been carrying on their respective business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for JMFL. Further, all the profits or income accruing or arising to JMFIS and JMFIM or expenditure or losses arising to or incurred by JMFIS and JMFIM, with effect from the said Appointed Date shall for all purposes and intent be treated and be deemed to be and accrue as the profits or income or expenditure or losses of JMFL, as the case may be.

8.2. With effect from the date of approval of this Scheme by the Board of Directors of JMFIS and JMFIM and JMFL and upto and including the Effective Date:

- (a) JMFIS and JMFIM shall carry on their respective business and activities with reasonable diligence, business prudence and shall not without the prior written consent of JMFL, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) nor shall they undertake any new business or substantially expand their existing business;
- (b) JMFIS and JMFIM shall not alter their respective equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of JMFL; and

9. SAVING OF CONCLUDED TRANSACTIONS

The amalgamation of JMFIS and JMFIM into JMFL under Clause 4 and the continuance of legal proceedings by or against JMFIS and JMFIM as per Clause 7 shall not affect any transaction or proceedings already concluded by JMFIS or JMFIM on or after the Appointed Date till the Effective Date, to the end and intent that JMFL accepts and adopts all acts, deeds and things done and executed by JMFIS and JMFIM in respect thereto as done and executed on behalf of itself.

10. CONSIDERATION

JMFL holds the entire share capital of JMFIS and JMFIM alongwith its nominees. Hence, no shares will be issued to JMFL pursuant to merger of JMFIS and JMFIM into JMFL.

11. CANCELLATION OF SHARES OF JMFIS AND JMFIM

Since entire issued, subscribed and paid-up share capital of JMFIS and JMFIM is directly held by JMFL along with its nominees, on the date of coming into effect of this Scheme and accordingly, no shares of JMFL shall be allotted in lieu or exchange of its holding in JMFIS and JMFIM and JMFL's investment in the entire share capital of JMFIS and JMFIM shall stand cancelled in the books of JMFL. Upon coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by JMFL alongwith its nominees in JMFIS and JMFIM shall be deemed to be cancelled without any further act or deed for cancellation thereof by JMFL, and shall cease to be in existence accordingly.

12. COMBINATION OF AUTHORISED SHARE CAPITAL

- 12.1. The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 12.2. Upon the coming into effect of this Scheme, the authorised share capital of JMFL shall automatically stand increased without any further act, instrument or deed on the part of JMFL including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of JMFIS and JMFIM as on the Effective Date and the Memorandum of Association of JMFL (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under or Section 13, Section 61 or any other applicable provisions of Companies Act, 2013 would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by JMFIS and JMFIM on their

authorised share capital shall be utilized and applied to the increased share capital of JMFL, and shall be deemed to have been so paid by JMFL on such combined authorised share capital and accordingly, JMFL shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

13. AMENDMENT OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF JMFL

With effect from the Appointed Date and upon coming into effect of this Scheme, the Objects Clause of the Memorandum of Association of JMFL be altered and amended by the insertion of the following new sub-clauses 1B, 1C, 1D and 1E immediately after the existing sub-clause 1A under Clause III-A thereof.

1B To carry on the business of merchant banking in all its aspects, to act as managers to the issue and offers, whether by way of public offer or otherwise, of shares, stocks, debentures, bonds, units, participation certificates, deposits, bills, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, in respect of the securities, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, of any person or company, by investment in various avenues like mutual funds, growth funds, income funds, risk funds, tax exempt funds, pension/superannuation funds and to pass the benefits of portfolio investments to the investors as dividends, bonus, interest, or such other modes as may be necessary, to provide financial and investment assistance for the purposes herein.

1C To carry on the business of acting as financial consultants, project consultants, issue houses, discount houses, custodians, registrar and transfer agents, managers; and advisors, in respect of any financial or project related services, including services in respect of issue of equity, preference or other capital debentures, debt instruments or other securities and loans, guarantees

and other financial or credit facilities for any person, company, corporation, institutions, equity, government or other agency whether incorporated or not.

1D To carry on the business of advising and managing venture capital funds for private investors, trusts, institutional investors, banks, companies, individuals or any other body corporate (whether incorporated or not in India or abroad) for investment in stocks, shares, finance, debenture bonds, property, depository receipts, options, obligations, derivatives or in and all kinds of financial instruments; to float various venture capital schemes for investments in various sectors, including but not limited to, real estate and allied sectors

1E To carry on the business of promoting, organising, supervising, procuring, incorporating and giving financial or other assistance in India or abroad independently or in association with any other person, Government or any other agencies whether incorporated or not and to act as administrators or managers of any investment trusts or funds including any growth funds, income or capital funds, taxable or tax exempt funds, provident funds, pension funds, gratuity funds, superannuation funds, charitable funds and unit trusts or consortium, to act as trustees for bondholders, debenture holders and other purposes herein mentioned; to constitute any trust and to subscribe and act as, and to exercise the powers of trustees, executors, administrators, receivers, treasurers, attorneys, nominees, and agents and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including stocks, shares, finance, debentures, bonds, property, depository receipts, options, obligations, derivatives, or in and all kinds of financial instruments.

14. DISSOLUTION OF JMFIS AND JMFIM

On the coming into effect of the Scheme JMFIS and JMFIM shall stand dissolved, without being wound up.

15. ACCOUNTING TREATMENT

The accounting treatment to be given to the amalgamation shall be as prescribed under the Pooling of Interest method as per Accounting Standard 14

“Accounting for Amalgamation” as issued by the Institute of Chartered Accountants of India.

In the Books of JMFL

- 15.1. All the assets, liabilities and reserves recorded in the books of JMFIS and all the assets, liabilities and reserves recorded in the books of JMFIM shall stand transferred to and vested in JMFL pursuant to the Scheme and shall be recorded by JMFL at their book values.
- 15.2. The intercompany deposits / loans and advances outstanding and investments between JMFIS, JMFIM and JMFL will stand cancelled.
- 15.3. The investment in the share capital of JMFIS and JMFIM appearing in the books of account of JMFL will stand cancelled.
- 15.4. The difference between the book value of assets and the book value of liabilities and reserves of JMFIS and JMFIM transferred to and recorded by JMFL in terms of Clause 15.1 hereinabove respectively, after adjusting for the value of investments of JMFIS and JMFIM as appearing in the books of JMFL, shall be debited to the Surplus in the Statement of Profit and Loss or credited to Capital Reserve Account, as the case may be.
- 15.5. If considered appropriate for the purpose of application of uniform accounting methods and policies between JMFIS, JMFIM and JMFL, JMFL may make suitable adjustments to record the assets and liabilities transferred by JMFIS and JMFIM in its books and debit or credit, as the case may be, the difference to the Surplus in the Statement of Profit and Loss.

PART C
OTHER TERMS AND CONDITIONS APPLICABLE TO THIS
SCHEME

16. APPLICATION TO THE NCLT

JMFIS, JMFIM and JMFL shall make all necessary applications and petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT of Judicature at Mumbai for seeking approval of the Scheme.

17. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

JMFIS, JMFIM and JMFL subject to approval of their respective Board of Directors, may, in their full and absolute discretion, jointly and as mutually agreed in writing consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of JMFIS, JMFIM and JMFL to give effect to the modifications / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the NCLT or any other authorities under the applicable law to such modifications / amendments to the Scheme. The Board of Directors may modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

18. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- 18.1. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including the Reserve Bank of

India, Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme;

- 18.2. The Scheme being approved by the respective requisite majorities of the members and / or creditors of JMFIS, JMFIM and JMFL, as may be directed by the NCLT, and/or any other competent authority, and it being sanctioned by the NCLT and/or any other competent authority, as may be applicable;
- 18.3. The certified copies of the order of NCLT under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
- 18.4. Certified copy of the orders of the NCLT approving the Scheme of Arrangement for demerger of Institutional Equities Division from JM Financial Institutional Securities Limited into JM Financial Securities Limited being filed with the Registrar of Companies, Mumbai, Maharashtra.

19. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 19.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2018 or such other date as the Board of Directors of JMFIS, JMFIM and JMFL may determine, the Scheme shall become null and void, and be of no effect, save and except, in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and JMFL shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.
- 19.2. In the event of this Scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

20. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by JMFL.