
MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
INDUSIND BANK LIMITED



प्रारूप० आई० आर०
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता०.....का सं०.....

No.11-76333.....of 1994.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that .INDUSIND. BANK LIMITED.....

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता०..... को दिया गया।

Given under my hand at .BOMBAY... this .THIRTYFIRST...

day of ... JANUARY. One thousand nine hundred and .NINETYFOUR.



(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

ADDL. Registrar of Companies
Maharashtra

No. 11-76333



कारबार प्रारम्भ करने के लिए प्रमाण-पत्र
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसरण में
Pursuant of Section 149(3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि

जो कम्पनी अधिनियम, 1956 के अधीन तारीख को नियमित की गई थी और जिसने आज विहित प्ररूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the... **INDUSIND...BANK...LIMITED**.....

which was incorporated under the Companies Act, 1956, on the **THIRTYFIRST**... day of... **JANUARY**..... 19 **94** and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख को

में दिया गया।

Given under my hand at... **BOMBAY**.....

this... **EIGHTEENTH** day of... **FEBRUARY**..... one thousand nine hundred and... **NINETYFOUR**.....

(**S. R. V. V. SATYANARAYANA**)

कम्पनियों का रजिस्ट्रार
ADDL. Registrar of Companies



प्रमाण नुंटेक-230 सिविल/85-86-भास नुंटेक-(सी-71)-14-7-88-5,000.
MGIPTC-230 Civil/85-86-GIPTC-(C-71)-14-7-88-5,000.

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
INDUSIND BANK LIMITED

- I** The name of the Company is **INDUSIND BANK LIMITED**.
- II** The Registered office of the Company will be situated in the state of Maharashtra.
- III** The objects for which the Company is established are :
- (A) The main objects of the Company to be pursued by the company on its incorporation are :
1. To do all kinds of banking business.
 2. To engage in any one or more of the following forms of business :
 - a) ¹the borrowing, raising or taking up of money.
 - b) the lending or advancing of money either upon or without security.
 - c) the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, Railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not.
 - d) the granting and issuing of letters of credit, traveller's cheques and circular notes.
 - e) the buying and selling and dealing in bullion and specie.
 - f) the buying and selling of foreign exchange including foreign Bank notes.

¹ Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

- g) the acquiring, holding, issuing on commission,²underwriting and dealing in stocks, funds shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds.
 - h) the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others.
 - i) the negotiating of loans and advances.
 - j) the receiving of all kinds of bonds, scrips or valuables for deposit or for safe custody or otherwise.
 - k) the providing of safe deposit vaults.
 - l) the collecting and transmitting of money and securities.
3. Acting as agents for any Government or Local authority or any other person or persons, the carrying on of agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers, but excluding the business of ³Managing agent or secretary and treasurer of a company.
 4. Contracting for public and private loans and negotiating and issuing the same.
 5. Effecting, insuring, guaranteeing, underwriting, participating in ⁴managing and carrying out of any issue, public or private of State, Municipal or other loans or of shares, stock debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue.
 6. Carrying on and transacting every kind of guarantee and indemnity business.
 7. Managing, selling and realising any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims.
 8. Acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may

² Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

³ Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

⁴ Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

form the security or part of the security for any loans or advances or which may be connected with any such security.

9. Undertaking and executing trusts.
10. Undertaking and administration of estates as executor, trustee or otherwise.
11. Establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons, granting pensions and allowances and making payments towards insurance, subscribing to or guaranteeing moneys for charitable or for any public, general or useful objects.
12. The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company.
13. Selling, improving, managing, developing, ⁵exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company.
14. Acquiring and undertaking ⁶the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in sub-section (1) of section 6 of Banking Regulation Act, 1949.
15. Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.
16. To take or concur in taking all such steps calculated to uphold and support the credit of the Company / Bank and to obtain and justify public confidence and to avert or minimise financial disturbance which may affect the Company / Bank.
17. Any other form of business which the Central Government or Reserve Bank of India may specify as a form of business in which it is lawful for the Company to engage.

⁵ Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

⁶ Amended by special resolution passed through postal ballot the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

18. To encourage thrift and to encourage social and economic betterment of the members of the company.
 - ⁷18A. To open, establish, maintain and operate currency chests and Small Coin Depots on such terms and conditions as may be required by Reserve Bank of India, established under the Reserve Bank of India Act, 1934 and enter into all administrative or other arrangements for undertaking such functions with the permission of Reserve Bank of India.
 - ⁸18B. To undertake all the activities, functions and obligations of the depository participant and such other activities which are incidental or ancillary thereto.
 - ⁹18C. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.
- (B) The objects incidental or ancillary to the attainment of the above objects are :
19. To open branch and other offices.
 20. To create funds to be lent out at moderate rates of interest to those persons found fit by the Company.
 21. To form, establish, promote, subsidise, aid, acquire, organise or be interested in any other company or companies having similar objects as that of the Company.
 22. To take part in the formation, management, supervision or control of the business or operation of any company or organisation.
 23. To act as investment consultants and advisers to firms and companies and for that purpose to keep records and statistics of other Companies.
 24. To undertake and execute the work of acceptance of application and other moneys due on shares, debentures, stocks, bonds, securities, by whatever name called, on behalf of companies, corporations and government and local authorities.

⁷ Inserted by special resolution passed through portal ballot, the results of which were announced at the 11th Annual General Meeting held on September 3, 2005.

⁸ Inserted by Special Resolution passed by the shareholders through Postal Ballot on May 2, 2011.

⁹ Inserted by Special Resolution passed by the shareholders through Postal Ballot on February 17, 2014.

25. To undertake the work of share, debenture and deposit registrars.
26. To enter into partnership or any arrangement for sharing profits with any person, firm or company carrying on or about to carry on any business which this Company is authorised to carry on.
27. To donate, contribute, subscribe, promote, support or aid or otherwise assist or grant money to charitable, benevolent, religious, scientific, national, public or other institutions, funds, exhibitions or for any public, general or other objects.
28. To become members of any business, trade, commercial and/or industrial association, institution or organisation for promoting the Company's interest or otherwise.
29. To undertake, carry out, promote or assist directly or in any other manner any programme for promoting social and economic welfare in any rural area.
30. To undertake, carry out, promote or assist directly or in any other manner any activities for promotion and growth of the national economy and national welfare.

(C) Other Objects :

31. To carry on business of insurance of all kinds or any business allied to insurance and for all risks.
32. To carry on the business of forwarding agent and to enter into agreements, contracts for, undertake or otherwise arrange for receiving, mailing or forwarding any circulars, notices, reports, brochures, materials, articles and things belonging to any company, corporation firm, institution or person or persons by means of delivery by hand or otherwise.
33. To acquire, build, construct, alter, maintain, enlarge, pull down, remove, or replace and to work, manage and control any buildings, offices, factories, mills, ships, machinery, engines, roadways, tramways, railways, airways, branches of siding, bridges, reservoirs, water courses, wharfs, electric works and other works and conveniences which may seem necessary to achieve the main objects of the Company and to join with any other persons or company in doing any of these things.

34. To undertake and carry on the trades and business of transportation of passengers and cargo, either directly or through agencies, by all modes of transport, by air, sea, road, rail and others and to act as agents for airlines, aircrafts proprietors, railways, shipping lines principals and ship-owners, coach and omnibus proprietors and other carriers and transporters.
35. To carry on the business as traders in all kinds of goods and commodities.
36. To act as principals, agents, trustees, contractors or otherwise and either along or in conjunction with others and either by or through agents, contractors, trustees or otherwise.

IV The liability of the members is limited.

V ¹⁰ "The Authorised Share Capital of the Bank is Rs. 10,00,00,00,000 (Rupees One Thousand crores only) divided into 1,00,00,00,000 equity shares of Rs.10/- each with power to increase or decrease the Share Capital and in accordance with the provisions of the Companies Act, 2013."

¹⁰ Amended pursuant to approval by Shareholders at its 27th Annual General Meeting held on August 26, 2021 and noted by RBI vide its letter dated November 15, 2021.

We, the several persons, whose names, addresses, and description are subscribed hereunder are desirous of being formed into a Company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Each Subscriber	Signature of Subscribers	Signature of witness and his name and address
1. Lakhumal Hiranand Hiranandani A-3, Amarchand Mansion, Madam Cama Road, Bombay 400 039. Business	One	Sd/-	Witness to all Indulal Shah, Son of Hiralal Shah Chartered Accountant, Sai Darshan, 9th Road, Khar, Bombay - 400 052.
2. Nanik Kisharam Rupani 1-Arcadia Building, Nariman Point, Bombay 400 021. Business	One	Sd/-	
3. Nandlal Pribhdas Tolani 1100, Prabhukutir, 15, Altamount Road, Bombay 400 026 Business	One	Sd/-	
4. D. M. Harish 13, CCI Chambers, Bombay 400 020 Advocate	One	Sd/-	
5. P. P. Chhabria Finolex, Mittal Court, 'A' Wing, Nariman Point, Bombay 400 021. Industrialist	One	Sd/-	

Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Each Subscriber	Signature of Subscribers	Signature of witness and his name and address
6. R. J. Advani Advani Chambers, Ground Floor, Kemps Corner, Bombay 400 036. Business	One	Sd/-	Witness to all Indulal Shah, Son of Hiralal Shah Chartered Accountant, Sai Darshan, 9th Road, Khar, Bombay-400 052.
7. Ashok Parmanand Hinduja Hinduja House, 171, Dr. Annie Besant Road, Worli, Bombay 400 018. Business	One	Sd/-	
8. Indulal H. Shah Sai Darshan. 9th Road, Khar, Bombay 400 052. Chartered Accountant	One	Sd/-	
TOTAL	8 (Eight) Equity		Satish V. Godbole Son of Vishnu M. Godbole, Chartered Accountant, M.B. House, First Floor, 79, Janmabhumi Marg, Fort, Bombay - 400 001.

Bombay, Dated the 18th January, 1994.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

OF

INDUSIND BANK LIMITED

(Incorporated under the Companies Act, 1956)

1. No regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013, or in the Schedule to any previous Companies Act, shall apply to this Bank, but the regulations for the management of the Bank and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Bank with reference to the repeal or – alteration, of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles. *Table 'F' not to apply but Bank to be governed by these Articles.*
2. The provisions of The Banking Regulation Act, 1949 shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of the Bank, or in any agreement executed by it, or in any resolution passed by the Bank in general meeting or by its Board of Directors, whether the same be registered, executed or passed, notwithstanding anything to the contrary contained in the Companies Act, 2013 or as the case may be. *Provisions of Banking Regulation Act, 1949.*

INTERPRETATION

3. (1) In the interpretation of these Articles, unless repugnant to the subject or context:- *Interpretation clause*
- “The Bank” or “This Bank” means IndusInd Bank Limited *'The Bank' or 'This Bank'*
- “The Act” means “The Companies Act, 2013”, or any statutory modification or re-enactment thereof for the time being in force and includes any Rules and Regulations framed thereunder or the Companies Act, 1956, where the context so requires. *'The Act'*
- “Annual General Meeting” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act, and any adjourned holding thereof. *'Annual General Meeting'*
- “Articles” means these Articles of Association. *'Articles'*
- “Auditors” means and includes those persons appointed as such for the time being by the Bank. *'Auditors'*
- “Board” means the board of directors of the Bank and “Director” means any member of the Board. *'Board'*

*Amended vide special resolution passed by shareholders through Postal Ballot on December 6, 2023.

'Capital'	"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Bank and includes where the context so requires, paid up or subscribed capital of the Bank.
'Chairman'	"Chairman" means the Chairman of the Board of the Directors.
'Debenture'	"Debenture" includes debenture-Stock, Bonds.
'Dividend'	"Dividend" includes any interim dividend.
'Extra-ordinary General Meeting'	"Extra-ordinary General Meeting", means an extra ordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.
'Member'	"Member" means the duly registered holder from time to time of the shares of the Bank and includes the subscribers to the Memorandum of Association of the Bank and also every person holding equity shares of the Bank and whose name has been entered as beneficial owner on the records of the Depository.
'Meeting' or 'General Meeting'	"Meeting" or "General Meeting" means a meeting of members.
'Month'	"Month" means a calendar month.
'Office'	"Office" means the registered office for the time being of the Bank.
'Ordinary Resolution'	A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the resolution including the casting vote, if any, of the chairman, by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceeds the votes, if any, cast against the resolution by members so entitled and voting.
'Paid-up'	"Paid-up" includes credited as paid-up.
'Persons'	"Persons" includes corporations and firms as well as individuals.
'Register of Members'	"Register of Members" means the Register of Members to be kept pursuant to the Act and also includes records of the Depository maintained in any media as may be permitted by law including electronic media.
'Registrar'	"Registrar" means Registrar of Companies of the State in which the office of the Bank is for the time being situated.
'Secretary'	"Secretary" means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made thereunder and appointed to perform the duties, which may be performed by the Secretary under the Act, and any other ministerial or administrative duties.

“Seal” means the Common Seal for the time being of the Bank.	‘Seal’
“Share” means share in the share capital of the Bank and includes stock except where a distinction between stock and shares is express or implied.	‘Share’
A resolution shall be a special resolution when:-	‘Special Resolution’
<p>(a) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or otherwise intimation given to the members of the resolution.</p> <p>(b) the notice required under the Act has been duly given of the general meeting; and</p> <p>(c) the votes cast in favour of the resolution whether on a show of hands, or on a poll, as the case may be, by members, who being entitled, so to do, vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled.</p>	
“Written” and “In writing” include printing, lithography and other modes of representing or reproducing words in a visible form including computer print outs.	‘Written’ and ‘In writing’
“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.	‘Year’ and ‘Financial Year’
Words importing the singular number include, where the context admits or requires the plural number and vice versa.	‘Singular Number’
Words importing the masculine gender also include the feminine gender.	‘Gender’
“Beneficial Owner” shall mean the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.	‘Beneficial Owner’
“Depositories Act” means the Depositories Act, 1996 and shall include any statutory modifications or re-enactment thereof for the time being in force.	‘Depositories Act’
“Depository” shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.	‘Depository’

'SEBI' "SEBI" shall mean the Securities and Exchange Board of India.

'Security' "Security" shall mean such security as may be specified by RBI/ SEBI from time to time.

- (2) The marginal notes used in these Articles shall not affect the construction or meaning hereof, and
- (3) Save as aforesaid, any words or expression, defined in the said Acts, but not defined in these Articles shall, unless inconsistent with the subject or context, bear the same meaning herein as assigned to them respectively in either of the said Acts.

CAPITAL

Authorised Share Capital 4. The Authorised Share Capital of the Bank shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Bank from time to time.

Increase of Capital by the Bank & how carried into effect 5. The Bank has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto, respectively, such preferential, cumulative, convertible guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with these presents and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being be permitted by these presents or the legislative provisions for the time being in force in that behalf.

Buy back of Shares 5A. Notwithstanding anything contained in these Articles, but subject to the approval of the Reserve Bank of India and the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Bank may, as and when it thinks fit, buy back such of its own shares or securities as it may think necessary, subject to such limits, and on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.

6. Except so far as otherwise provided¹¹ by the conditions of issue of these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer, and transmission voting and otherwise.

SHARES AND CERTIFICATES

7. The Bank shall keep and maintain Register of Members in accordance with the manner as prescribed under the provisions of the Act. and the rules made thereunder. *Register of Members*
8. The Shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinabove mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. *Shares to be numbered Progressively and no Share to be sub-divided*
9. (a) Where at any time after the expiry of two years from the formation of the Bank or at any time after the expiry of one year from the allotment of shares in the Bank made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Bank by allotment of further shares either out of the unissued capital or out of the increased share capital then:
- (i) Such further shares of the Bank, shall be offered to the persons who at the date of such offer, are holders of the equity shares of the Bank, in the proportion, as near as circumstances and other applicable provisions of the Act admit, to the capital paid up on those shares at the date.
 - (ii) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right. PROVIDED THAT the Board may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to them.
 - (iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he/she declines to accept the shares offered, the Board may dispose of them in such manner and to such person(s) as it may decide, in their sole discretion, most beneficial to the Bank.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Bank may:- *Further Issue of Shares*
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- (i) by a special resolution; or
 - (ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Bank.
 - (iii) offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Bank.
- (c) Nothing in this Article shall apply to the increase in the subscribed capital of the Bank caused by the exercise of an option attached to the debentures/bonds issued by the Bank;
- (i) To convert such debentures/bonds or loans into shares of the Bank; or
 - (ii) To subscribe for shares in the Bank (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures/bonds include a term providing for such option and such term:

- (a) either has been approved by the Central Government/Reserve Bank of India before the issue of the debentures or bonds or is in conformity with rules, if any, made by the Government/ Reserve Bank of India in this behalf; and
 - (b) in the case of debentures or bonds issued, has also been approved by the Reserve Bank of India and by a special resolution passed by the Bank in the General Meeting before the issue of the debentures or bonds.
- (d) Nothing in sub-clause (iii) of (a) hereof shall be deemed:
- (a) To extend the time within which the offer should be accepted; or
 - (b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
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10. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Bank for the time being shall be under the control of the Board which may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Bank in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Bank on payment in full or part of any property sold and transferred or for any services rendered to the Bank in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares; Provided that the option or right to call for any shares shall not be given to any person or persons without the sanction of the Bank in General Meeting. The Board shall cause to be made the return as to allotment provided for in Section 39 of the Act.
- Shares at the disposal of the Board*
11. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Bank in General Meeting may, subject to the provisions of Section 62 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Bank) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Bank either (subject to compliance with the provisions of Section 52 and 53 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether member or not) the option to call for or be allotted shares of any class of the Bank either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such time and for such consideration as may be directed by such General Meeting of the Bank. The General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
- Power also to Bank in General Meeting to issue shares*
12. Any application signed by or on behalf of an applicant for shares in the Bank, followed by an allotment of any share therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.
- Acceptance of Shares*
-

*Deposit and call
to be a debt payable
immediately*

13. The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Bank from the allottee thereof, and shall be paid by him accordingly.

*Liability of
Members*

14. Every member, or his heirs, executors or administrators shall pay to the Bank the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Bank's regulations, require or fix for the payment thereof.

Share Certificates

15. (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Bank shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Bank its letter of allotment or its fractional coupons of requisite value save in cases of issues against letters of acceptance or renunciation or in cases of issue of bonus shares. Every such certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe or approve and shall be under the seal of the Bank. Every such certificate shall be issued under the seal of the Bank, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose; and two directors or their attorney, and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share Certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

- b) Any two or more joint allottees of a share shall for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, if delivered to the person first named as such joint owners, shall be sufficient delivery to all of them.
- c) A Director may sign a share certificate affixing his signature thereon by means of any machine, equipment or other mechanical means, or digitally signed such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
16. a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Bank, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Bank and on execution of such indemnity as the Bank deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Board shall prescribe.
- Issue of new certificate in place of one defaced, lost or destroyed*
- Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer; Provided that notwithstanding what is stated above, the Board shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
- b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of Share Certificate No... Sub-divided/replaced/on consolidation of shares.
- c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board.
- d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “duplicate issued in lieu of share certificate No.....” The word “Duplicate” shall be stamped or punched in both letters across the face of the share certificate.
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- e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate, in a manner prescribed under the Companies (Shares and Debentures) Rules, 2014, indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and necessary changes be indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks and engravings relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Bank may appoint for the purpose, and the Secretary or the other person as aforesaid shall be responsible for rendering an account of these forms to the Board.
- g) The Managing Director of the Bank for the time being or if the Bank has no Managing Director, every Director of the Bank shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f).
- h) All books referred to in sub-Article (g) shall be preserved in good order and for such period and in such manner as prescribed under the Act and the Companies (Shares and Debentures) Rules, 2014.
- i) The provisions of this Article shall mutatis mutandis apply to bonds/ debentures of the Bank.

The first named or joint holder deemed sole holder

- 17. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Bank, except voting, at meetings, and the transfer of the share be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares for all incidents thereof according to the Bank's regulations.

Bank not bound to recognise any interest in share other than that of registered holder

- 18. Except as ordered by a court of competent jurisdiction, or as by law required, the Bank shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

19. None of the funds of the Bank shall be applied for the purchase of any share of the Bank, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Bank or its holding company, save as provided by Section 67 and 68 of the Act and the provisions of the Banking Regulation Act, 1949. *Funds of Bank may not be applied in purchase of shares of the Bank*

UNDERWRITING AND BROKERAGE

20. Notwithstanding anything to the contrary contained in Section 40(6) under the provisions of the Act, and the Banking Regulation Act, 1949, the Bank shall pay out directly or indirectly by way of commission, brokerage, discount or remuneration in any form in respect of any shares issued by it so that the commission shall not exceed the maximum rates laid down by the Act and the Rules made in that regard. *Commission may be paid*
21. The Bank may pay a reasonable sum for brokerage. *Brokerage*

CALLS

22. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the conditions of allotments, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons, and at the times and places appointed by the Board. A call may be made payable by instalments. *Directors may make calls*
23. Not less than fourteen days' notice in writing of any call shall be given by the Bank, specifying the time and place of payment, and the person or persons to whom such call shall be paid. *Notice of Calls*
24. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board. *Calls to date from resolution*
25. A call may be revoked or postponed at the discretion of the Board. *Call may be revoked or postponed*
26. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
27. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who reside at a distance or for any other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as member of grace and favour. *Directors may extend time*
28. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this article shall render it obligatory for the Board to demand or recover any interest from any such member. *Calls to carry interest*
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- Sums deemed to be calls*** 29. Any sum, which may, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue, the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to the payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Proof on trial of suit for money due on*** 30. On the trial or hearing of any action or suit brought by the Bank against any member or his representatives for the recovery of any money claimed to be due to the Bank in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
- Partial payment not to preclude forfeiture. Bank to have lien on shares*** 31. Neither the receipt by the Bank of a portion of any money, which shall, from time to time, be due from any member to the Bank in respect of his shares either by way of principal or interest, nor any indulgence granted by the Bank in respect of the payment of any such money, shall preclude the Bank from thereafter proceeding to enforce a forfeiture of such share as hereinafter provided.
- Payment in anticipation of Call may carry Interest*** 32. (a) The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive, from any member willing to advance the same, all or any part of the moneys due upon the shares held by him, beyond the sums actually called up and upon moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter, as exceeds the amount of the calls then made upon and due, in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay, at any time, an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to divided or to participate in profit.
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- b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, be payable by him.
- c) The provisions of these Articles shall mutatis mutandis apply to the calls on bonds/debentures of the Bank.
33. The Bank shall have a first and paramount lien upon all the shares/bonds/debentures (other than fully paid-up share/bonds/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not called or payable at a fixed time in respect of such shares/bonds/debentures and no equitable interest in any shares/bonds/debentures shall be created except upon the footing and upon the conditions that this article is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares/bonds/debentures. Unless otherwise agreed, the registration of a transfer of the shares/bonds/debentures shall operate as a waiver of the Bank's lien, if any, on such shares/bonds/debentures. The Board may at any time declare any shares/bonds/debentures wholly or in part to be exempt from the provisions of this clause.
- Bank to have lien on shares / bonds / debentures*
34. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
- As to enforcing lien by sale*
35. The net proceeds of any such sale shall be received by the Bank and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of sale.
- Application of Proceeds of sale*
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FORFEITURE OF SHARES

- If call or instalment not paid, notice may be given* 36. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same the Board may at any time thereafter issue notice to such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Bank by reason of such non payment.
- Form of Notice* 37. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
- If notice not complied with shares may be forfeited* 38. If the requirements of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- Notice of forfeiture to a Member* 39. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
- Forfeited Share to become property of the Bank* 40. Any share so forfeited shall be deemed to be the property of the Bank, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
- Power to annual forfeiture* 41. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it think fit.
- Liability on Forfeiture* 42. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Bank, all calls, or instalments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof or any carry thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
- Effect of Forfeiture* 43. The forfeiture of a share involves extinction, at the time of the forfeiture, of all interest in all claims and demands against the Bank in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.
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44. A duly verified declaration in writing that the declarant is a Director of the Bank, and that certain shares in the Bank have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against, all persons claiming to be entitled to the shares and such declaration and the receipt of the Bank for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition. *Evidence of Forfeiture*
45. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Bank have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respects of the said shares to the person or persons, entitled thereto. *Cancellation of Share Certificate in respect of forfeited shares*

TRANSFER AND TRANSMISSION OF SHARES

46. The Bank shall keep a book to be called the "Register of Transfer", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share. *Register of Transfer*
47. The instrument of the transfer of shares shall be in writing and all provisions of Section 56 of the Act and statutory modifications thereof for the time being, shall be duly complied with in respect of all transfers of shares and the registration thereof. *Instruments of transfer*
48. Every such instrument of transfer shall be executed by or on behalf of both the transferor and the transferee, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of the Depository and attested, and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members or in the records of the Depository in respect thereof. *To be executed by transferor and transferee*
- 48A. No person/group of persons shall acquire any shares of the Bank which would take his/her/its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Bank unless prior approval of the Reserve Bank of India has been obtained by such person/group of persons.
49. The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Bank is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient. *Transfer books when closed*

- Directors may refuse to Register transfer**
50. Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made there under and other applicable laws and the Banking Act, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Bank but in such cases, the Board shall within one month from the date on which the instrument of transfer was lodged with the Bank, send to the transferee and the transferor, notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Bank on any account whatsoever except when the Bank has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused. Transfer of shares shall however, be refused if not acknowledged by Reserve Bank of India, wherever such acknowledgement is required.
- Death of one or more Joint-holders of Shares**
51. In the case of the death of any one or more of the persons named in the Register as the Joint Holders of any share, the survivor or survivors shall be the only person/s recognised by the Bank having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- Title to Shares of deceased member**
52. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Bank as having any title to the shares registered in the name of such member, and the Bank shall not be bound to recognise such executors or administrators or holders of a Succession Certificate of the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board of Directors in its absolute discretion thinks fit, may dispense with production of Probate or Letters of Administration by person, who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.
- No transfer to infant etc.**
53. No Share shall under any circumstances be transferred to any infant, insolvent or persons of unsound mind.
- Registration of persons entitled to shares otherwise than by transfer (The transmission article)**
54. Subject to the Provision of Articles 56 and 57, any person becoming entitled to share in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents,
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may with the consent of the Board of Directors (which shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the share or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This article is referred to in these Articles as the Transmission Article.

55. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give discharge for any dividends or other moneys payable in respect of the share. *Person entitled may receive dividend without being registered as member*
56. Every instrument of transfer shall be presented to the Bank duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Bank until destroyed by order of the Board of Directors. *Transfer to be presented with evidence of Title*
57. Previous to the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Bank along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer. *Conditions of registration of transfer*
58. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document. *No fee on Transfer or Transmission*
59. The Bank shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Bank may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Bank and the Bank shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting to do, though it may have been entered or referred to in some book of the Bank, but the Bank shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit. *Bank not liable for disregard of a notice in prohibiting registration of a transfer*
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*Term of Issue Bonds,
Debentures etc.*

59A. Any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Bank in the General Meeting by a Special Resolution subject to the approval of Reserve Bank of India.

DEMATERIALISATION OF SECURITIES

*Dematerialisation of
Securities*

59B. (i) Notwithstanding anything contained in these Articles, the Bank shall be entitled to dematerialise its shares/debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares/debentures and other securities for subscription in a dematerialised form.

Option for investors

(ii) Every person subscribing to securities offered by the Bank, shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Bank shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Bank shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

*Securities in
depositories to be
held in fungible
form*

(iii) All securities held in the depository shall be dematerialised and be in the fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

*Rights of
depositories and
beneficial owners*

(iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (c) Every person holding securities of the Bank and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Bank. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (d) Save as herein otherwise provided, the Bank shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the person whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Bank, and accordingly, the Bank shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- (v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Bank by means of electronic mode or by delivery of floppies or discs. *Service of documents*
- (vi) Nothing contained in Section 56 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. *Transfer of securities*
- (vii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Bank shall intimate the details thereof to the depository immediately on allotment of such securities. *Allotment of securities dealt with in a depository*
- (viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Bank shall apply to securities held with a depository. *Distinctive numbers of securities held in a depository*
- (ix) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles. *Register and Index of beneficial owners*

**COPIES OF MEMORANDUM AND ARTICLES
TO BE SENT TO MEMBERS**

60. Copies of the Memorandum and Articles of Association of the Bank and other documents referred to in Section 17 of the Act shall be sent by the *Copies of Memorandum and*

*Articles of Association
be sent by the Bank*

Board to every member at his request within 7 days of the request on payment of Rupee one for each copy.

MEETING OF MEMBERS

*Annual General
Meeting Annual
Summary*

61. The Bank shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meeting other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Bank and the next Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, that is, between 9 a.m. and 6 p.m. on a day that is not a national holiday, and shall be held in the office of the Bank or at some other place within the city, town or village in which the Registered office of the Bank is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Bank may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Bank shall be entitled to attend either in person or by proxy and the Auditor of the Bank shall be entitled to attend and be heard at any General Meeting, which he attends, on any part of the business, that concerns him as Auditor. At every Annual General Meeting of the Bank there shall be laid on the table, the Director's Report (if not already incorporated in the Audited statement of Accounts) the Proxy Register with proxies and the Register of Directors' Shareholdings of which later Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.

*Extraordinary
General Meeting*

62. The Board may, whenever it thinks fit call an extraordinary General Meeting and it shall do so upon a requisition in writing or through electronic mode by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

*Requisition of
Members to state
object of meeting*

63. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists to be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

64. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty five days from the date of deposit of the requisition the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital of the Bank or not less than 1/10th of such of the paid-up share capital of the Bank as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- On Receipt of requisitions
Directors to call meeting and in case of default requisitionists may do so*
65. Any meeting called under foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
- Meeting called by Requisitionists*
66. Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Bank. Provided that a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. In the case of an Annual General Meeting, if any business other than (i) the consideration of Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of an Auditor and fixing of his remuneration is transacted in that event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the manager (if any). Where any such item of special business relates to or affects any other company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Bank shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the item and place where the document can be inspected shall be specified in the statement aforesaid.
- Twenty-one days notice of Meeting to be given*
67. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- Omission to give notice not to invalidate a resolution passed*
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- Meeting not to transact business not mentioned in notice*** 68. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
- Quorum at General Meeting*** 69. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act.
- Body Corporate deemed to be personally present*** 70. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
- If quorum, not present meeting to be dissolved or adjourned*** 71. If, at the expiration of half an hour from the time appointed for holding a meeting of the Bank, a quorum shall not be present, the meeting if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in the city or town in which the office of the Bank is for the time being situated, as the Board may determine and if at such adjourned meeting quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
- Business confined to election of Chairman while Chair Vacant*** 72. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the directors present may choose one of their members to be the chairman of the meeting. If no director be present or if all directors present decline to take the chair, then the Members present shall elect one of their member to be a Chairman.
73. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
- Chairman with consent may adjourn meeting*** 74. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjournment meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Questions at General Meeting how decided*** 75. At any General Meeting a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before the declaration of the result on the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the meeting or by any member or members holding not less than one tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Bank conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up on all the

shares conferring that right and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, being carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Bank shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

76. In the case of an equality of votes, the Chairman shall both on show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member. *Chairman's Casting Vote*
77. If a poll is demanded as aforesaid the same shall, subject to Article 91 be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the office of the Bank is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Notwithstanding anything contained in the provisions of these presents, the provisions of Section 110 of the Act and the rules made there under, shall apply in relation to passing of resolutions by postal ballot. *Poll to be taken on demand*
78. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Bank) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. *Scrutineers at poll*
79. Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. *In what case poll taken without adjournment*
80. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. *Demand for poll not to prevent transaction of other business*

VOTE OF MEMBERS

81. No member shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Bank has, and has exercised any right of lien. *Members in arrears not to vote*
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<i>Voting Rights of Shareholders</i>	82.	On show of hands every member present in person shall have one vote and on a poll every member shall have voting rights in proportion to his share of paid-up capital of the Bank provided in Section 47 of the Act that no share-holder shall have voting rights more than the ceiling on voting rights, if any prescribed by the Banking Regulation Act, 1949 read with various regulatory guidelines, directions, notifications, circulars etc. in this regard from time to time of total voting rights of all the shareholders of the Bank, irrespective of the number of shares held. But no shareholder shall exercise any voting right in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Bank has, exercised, any right of lien.
<i>Casting of Votes by a member entitled to more than one vote</i>	83.	On a poll being taken at meeting of the Bank a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
<i>How members of unsound mind and minor may vote</i>	84.	A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his Committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.
<i>Votes of Joint Members</i>	85.	If there be joint holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting then one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed to be joint holders thereof.
<i>Voting in person or by proxy</i>	86.	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body corporate could exercise if it were an individual member.
<i>Votes in respect of shares of deceased and insolvent member</i>	87.	Any person entitled under Article 60, to transfer in the same manner, as if he were the registered holder of such shares, provided that forty eight hours atleast before the time of holding the meeting or adjourned

meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such share and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

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| 88. | Every Proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a Corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it and any Committee or guardian may be appointed as such proxy. The proxy so appointed shall not have any right to speak at the meetings. | <i>Appointment of proxy</i> |
| 89. | An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Bank, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. | <i>Proxy either for specified meeting or a period</i> |
| 90. | A member present by proxy shall be entitled to vote only on a poll. | <i>Proxy to vote only on a poll</i> |
| 91. | The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. | <i>Deposit of Instrument of Appointment</i> |
| 92. | An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105. | <i>Form of Proxy</i> |
| 93. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting. | <i>Validity of Votes given by proxy notwithstanding death of member</i> |
| 94. | No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. | <i>Time for objection of vote</i> |
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Chairman of the meeting to be sole judge of validity of any vote

95. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meeting and Inspection thereof by members

96. (1) The Bank shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or disability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meetings shall contain a fair and correct summary of the proceedings thereat.

(5) All appointment of Officers made at any meeting aforesaid shall be included in the minutes of the meetings

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

- a) is or could reasonably be regarded, as defamatory of any person or
- b) is irrelevant or immaterial to the proceeding, or
- c) is detrimental to the interest of the Bank.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Bank and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

97. Without prejudice to any provisions of the Act, any document, record, register, minutes, etc. required to be maintained by the Bank or allowed to be inspected, copies of such document, record, register, minutes, etc to be given to any person by the Bank under the Act, may be kept or inspected or copies given, as the case may be, in electronic form or in such form and manner as may be prescribed under the Act.

DIRECTORS

98. (1) Until otherwise determined by a General Meeting of the Bank and subject to the provisions of Section 149 of the Act, the number of Directors excluding Debenture and Alternate Directors if any shall not be less than three nor more than fifteen*.

*Amended vide special resolution passed by shareholders through Postal Ballot on December 6, 2023.

- (2) The Board of the Bank shall consist of persons, who shall have special knowledge or practical experience in any of the nine matters mentioned in Section 10-A(2) (a) of the Banking Regulation Act, 1949, provided further that not less than two of them shall be persons who have special knowledge or practical experience, in respect of agriculture and rural economy, co-operation or small scale industry and who do not suffer from any of the disqualifications mentioned in sub-section 2 (b) of that section and shall be constituted in such manner as may be prescribed under applicable law, including such number of Independent Directors and Woman Directors as may be prescribed under the Act and the SEBI Listing Regulations.
- (3) The first Directors of the Bank shall be:-
1. Shri Harish D. Mansharamani
 2. Shri Arjun G. Asrani
 3. Shri Indulal H. Shah
- (4) *The Board of Directors of the Bank shall also include any person nominated as such by the debenture trustee in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

99. If at any time the Bank obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if any time the Bank issues any shares, debentures and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwrites the issue of the Bank's shares or debentures or provides any assistance to the Bank in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board of the Bank, then subject to the provisions of Section 149 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Bank and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Bank. The director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance contract or arrangement, as the case may be subsists.

***Power to appoint
ex-officio Directors***

100. The Board may appoint an Alternate Director to act for a Director (here- in after called "The Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic re-appointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

***Appointment of
Alternate Directors***

*Inserted vide special resolution passed by shareholders through Postal Ballot on December 6, 2023.

<i>Director's Power to add to the Board</i>	101.	Subject to the provisions of Section 152 and 161 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Article 113. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.
<i>Director's Power to fill casual vacancies</i>	102.	Subject to the provisions of Section 152, 161 and 169 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
<i>Remuneration of Directors</i>	103.	<p>(1) Subject to the provisions of the Act, a Managing Director or Managing Directors, who is / are in the whole-time employment of the Bank may be paid remuneration either by way of a monthly payment and / or as per terms approved by Reserve Bank of India.</p> <p>(2) Subject to the provisions of the Act, a Director who is neither in the whole-time employment or a Managing Director, may be paid remuneration either,</p> <p style="padding-left: 40px;">(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or</p> <p style="padding-left: 40px;">(ii) by way of commission if the Bank by a special resolution authorised such payment.</p> <p>(3) The fees payable to a Director (including a Managing or whole - time Director, if any), for attending a meeting of the Board or committee thereof shall be as permitted under law for the time being.</p>
<i>'Office'</i>	104.	The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Bank's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Bank.

105. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 98 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.

Directors may act notwithstanding any vacancy.

106. The office of a Director shall ipso facto be vacated if: -

Vacation of office of Director.

1. (a) he fails to obtain within the time specified in the Act, or at any time thereafter ceases to hold, the share qualification, if any necessary for his appointment; or
 - (b) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (c) he applies to be adjudicated an insolvent; or
 - (d) he is adjudged insolvent; or
 - (e) he is convicted by a Court in India for any offence and is sentenced in respect thereof to imprisonment for not less than six months, or
 - (f) he fails to pay any calls in respect of shares of the bank held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or
 - (g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months. Whichever is the longer, without obtaining leave of absence from the Board; or
 - (h) he or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Bank in contravention of Section 185 of the Act; or
 - (i) he acts in contravention of Section 184 of the Act; or
 - (j) he be removed from office as provided in the Act; or
 - (k) by notice in writing to the Bank that he resigns his office; or
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- (l) any office or place of profit under the Bank or under any subsidiary of the Bank is held in contravention of Section 188 of the Act and by operation of that Section he is deemed to vacate the office.
- (m) he is a Director of any other Banking company.

The eligibility and the appointment of directors shall be governed by the provisions of the Banking Regulation Act, 1949.

2. Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of clause (1) the disqualification referred to in those sub-clauses shall not take effect: -

- (a) for thirty days from the date of adjudication of sentence or order, or
- (b) Where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or
- (c) Where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

*Directors may
contract with Bank*

107. (1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the director is a member or a private company of which the director is member or director, may enter into any contract with the Bank for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Bank, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 188 of the Act.

108. A Director of the Bank who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Bank, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Bank hold not more than two per cent paid-up share capital in any such other company.
- Disclosure of Interest***
109. A General Notice given to the Board by the Directors, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in, relating to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired, and no such general notice and no renewal thereof shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- General Notice of Interest***
110. No director shall as Director take any part in the discussion, of, or vote on any contract or arrangement entered into by or on behalf of the Bank, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be invalid, provided however, that nothing herein contained shall apply to: -
- Interested Directors not to participate or vote in Board's Proceedings***
-

- (a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Bank.
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely: -
 - (i) in his being: -
 - (a) a director in such company, and
 - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Bank.

OR

- (ii) in his being a member holding not more than 2% of its paid-up capital.

*Register of
Contracts in which
Directors are
interested*

111. The Bank shall keep a Register in accordance with Section 189 and shall within the time specified in the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act as the case may be, the Register aforesaid shall also specify, in relation to each Director of the Bank the names of the bodies corporate and firms of which notice has been given by him under Article 109 of these Articles. The Register shall be kept at the office of the Bank and shall be open to inspection at such office, and extracts may be taken there from and copies thereof in same manner, and on payment of the same fee as in the case of the Register of Members of the Bank.

*Directors may be
Directors of
companies
promoted by the
Bank*

112. A Director may be or become a director of any company promoted by the Bank or in which it may be interested as vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 184 or Section 188 of the Act may be applicable.

*Retirement and
rotation of Directors*

113. At every Annual General Meeting of the Bank, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office.

114. Subject to Section 152 of Act, the Directors to retire by rotation under Article 113 of these Articles, at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of, and subject to any agreement among themselves, be determined by lot. *Ascertainment of Directors retiring by rotation and filling of vacancies*
115. A retiring Director shall be eligible for re-election. *Eligibility for re-election*
116. Subject to Section 149 of the Act, the Bank at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto. *Bank to appoint successors*
117. (a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place. *Provision and default of appointment*
- (b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been re-appointed at the adjourned meeting, unless:
- (i) at the meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost
 - (ii) the retiring Director has, by a notice in writing addressed to the Bank or its Board expressed his unwillingness to be so re-appointed:
 - (iii) he is not qualified or is disqualified for appointment.
 - (iv) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
 - (v) the provision of Section 162 of the Act is applicable to the case.
118. Subject to Section 149 of the Act, the Bank may, by Ordinary Resolution, from time to time, increase or reduce the number of directors, and may after their disqualification if any (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the director in whose place he is appointed would have held the same if he had not been removed. *Bank may increase or reduce the number of Directors*
119. (1) No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him has, not *Notice of Candidate for office of*

Directors except in certain cases

less than fourteen days before the meeting left at the office of the Bank a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.

- (2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Bank a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Bank, the consent in writing to act as Director, if appointed.
- (3) A person other than a Director re-appointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Bank unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Register of Directors etc. and notification of change to Registrar

- 120.
- (a) The Bank shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 170 of the Act and shall otherwise duly comply with the provisions of the said Section in all respects.
 - (b) The Bank shall in respect of each of its Directors also keep at its office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Disclosure by Directors of appointment on other body corporate

- 121.
- Every Director (including a person deemed to be a Director by virtue of the Section 170, of the Act) who is in any way directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Bank, shall disclose the nature of his concern or interest at a meeting of the Board of Directors at which the question of entering into the contract or arrangement is taken for consideration, or in case of a proposed contract or arrangement at the first meeting of the Board held after he becomes concerned or interested. A general notice given to the board in the last month of the financial year for a further period of one financial year by a director to the effect, he is to be regarded as concerned or interested in any contract or arrangement which, may after the date of the notice, be entered into with that body corporate shall be sufficient disclosure of the concern or interest.

122. (a) (1) The Directors may, from time to time, appoint or re-appoint one of their member to be the Part-time Non-executive Chairman for such period not exceeding five years at any one time and may remove him and appoint another in his place. *Chairman*
- (2) The Chairman shall not while he continues to hold that office be subject to retirement by rotation. But he shall be subject to the same provisions as to resignation and removal as the other directors, subject however to the approval of the Reserve Bank of India and he shall ipso facto and immediately cease to be the Chairman if he ceases to hold the office of Director for any reason whatsoever.
- (3) The Directors, subject to provisions of the Banking Regulation Act, 1949, may, from time to time, entrust to and confer upon the Chairman for the time being such of the powers exercisable by law or under these presents by the Director, as they think fit except such as or by any law required to be exercised by the Board of Directors and may confer such powers for such objects and purposes and upon such terms and conditions and with such restriction as they think expedient and they may confer such powers either collaterally with or to the exclusion of or in substitution of all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.
- (4) The Chairman shall preside over the meetings of the Board of Directors of or any Committee thereof.
- (5) If, at any meeting of the Board or committee, the Chairman, is not present within 15 minutes after the time fixed for holding the meeting or is unwilling to preside, then the Directors present shall choose one of themselves to be the Chairman of the Meeting.
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- b) The eligibility and appointment of the Chairman of the Bank will be governed by provisions of the Banking Regulation Act, 1949.

Chairman of the Bank may, by writing under his hand addressed to the Bank, resign his office.

MANAGING DIRECTOR

***Board may appoint
Managing Director
or Managing
Directors***

123. Subject to the provisions of the Act and these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Bank for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 124 the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

***Restriction on
management***

124. The Managing Director or Managing Directors shall not exercise the powers to:
- (a) make calls on share holders in respect of money unpaid on the shares in the Bank.
 - (b) issue debenture, and except to the extent mentioned in the resolution passed at the Board meeting under Section 179 of the Act, shall also not exercise the powers etc to:
 - i) borrow moneys, otherwise than on debentures;
 - ii) Invest the funds of the Bank, and
 - iii) make loans.
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- 124A Whole-time Director
In addition to the Part-time Non-executive Chairman or Managing Director, the Bank may also appoint one or more Whole-time Directors by whatever designation / name it may think fit. The management of whole of the affairs of the Bank shall be entrusted to the Managing Director and the Whole-time Director(s) so appointed shall function under the supervision and control of the Managing Director.
125. The Bank shall not appoint or employ, or continue the appointment or employment of a person as its Part-time Non-Executive Chairman, Managing Director or Whole-time Director who: - *Certain persons not to be appointed*
- (a) is an undischarged insolvent, or has at any time been adjudged as insolvent;
- (b) suspends, or has, at any time suspended payment to his creditors, or makes or has at any time made a compromise with them; or
- (c) is, or has, at any time been convicted by a Court of an offence involving moral turpitude.
126. A Part-time Non-executive Chairman or Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with Article 113. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be Chairman / Managing Director, as the case may be. *Special Position of Chairman & Managing Director*
- PROCEEDINGS OF THE BOARD OF DIRECTORS**
127. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year and not more than 120 days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. *Meeting of Directors*
128. Notice of every meeting of the Board shall be given in writing or over e-mail to every Director, on the e-mail registered by the Director with the company or in the absence of such details or any change thereto, any of such addresses appearing in the Director Identification Number (DIN) registration of the Director. *Notice of Meeting*
129. The Secretary shall, as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing or over e-mail to every other Director. *When meeting to be convened*
130. The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their members to be the Chairman of such meeting. *Chairman*
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Quorum	131.	The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.
Powers of Quorum	132.	A Meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretion by or under these Articles for the time being vested in or exercisable by the Board.
How Questions to be decided	133.	Subject to the provision of Section 203 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
Power to Appoint committee and to delegate	134.	The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed on it by the Board.
Proceedings of committee	135.	The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 134 of these Articles.
Resolution without Board meeting	136.	Save in those cases where a resolution is required by Section 161, 179, 188, 203 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors, or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution.
Acts of Board or committee valid notwithstanding formal appointment	137.	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that

the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Bank to be invalid or to have terminated.

138. (1) The Bank shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the meeting or the Chairman of the next succeeding meeting.
- (3) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by paste or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- (6) The minutes shall also contain:
- (a) the names of the Directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting the names of the Directors if any, dissenting from or not concurring to the resolution.
- (7) Nothing contained in sub-clauses (2) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
- (a) is, or could reasonably be regarded as defamatory of any person.
 - (b) is irrelevant or immaterial to the proceedings;
 - or
 - (c) is detrimental to the interest of the Bank.

*Minutes of
proceedings of
meetings of the
Board*

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Power to borrow

138A. Subject to the relevant provisions of the Act and The Banking Regulation Act, 1949, if any, the Board may from time to time, by a resolution passed at a Meeting of the Board, borrow moneys and may generally raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular the issue of bonds, perpetual or redeemable debentures or debenture stock etc;

Provided that the Board shall not borrow moneys, where moneys to be borrowed together with the moneys borrowed by the Bank, apart from temporary loans obtained and deposits raised in the ordinary course of business of the Bank and except as otherwise provided hereafter, shall exceed the aggregate of the paid up capital of the Bank and its free reserves, that is to say reserves not set apart for any specific purpose, without the prior approval of the Reserve Bank of India;

Provided, however, that :

- (i) nothing contained hereinabove shall apply to any sums of moneys borrowed by the Bank from any other Banking companies or from the Reserve Bank of India, State Bank of India or any other Bank established by or under any law for the time being in force;
- (ii) acceptance by the Bank in the ordinary course of business of deposits of moneys shall not be deemed to be borrowing of moneys by the Bank for the purpose aforesaid;

Provided, further, that the Bank shall not create:

- (i) charge upon any unpaid capital of the Bank and
- (ii) a floating charge on the undertaking or any property of the Bank or any part thereof unless the creation of such floating charge is certified in writing by the Reserve Bank of India as provided in the Banking Act.

Bonds, debentures etc to be subject to the control of the Board

138B. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Bank shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Bank.

Issue of bonds, debentures etc at a premium, etc or with special privileges

138C. Subject to the provisions of the said Acts, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing or allotment of shares.

138D. The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Bank and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and of copies of instruments creating charges.

Register of Charges

139. Without prejudice to the General Powers conferred by the last preceding clause and of other powers conferred by the articles, it is hereby expressly declared that the Directors shall have the following powers that is to say, power:

Express Powers of Directors

- (a) to purchase or otherwise acquire for the Bank any property, rights or privileges which the Bank is authorised to acquire at such price and generally on such terms and conditions as they think fit.
- (b) at their discretion to pay for any property, rights or privileges acquired by or services rendered to the Bank either wholly or partially in cash or in shares, bonds, debentures, or other securities of the Bank and any such share may be issued either as fully paid up or with such amounts credited as paid up thereon as may be agreed upon; and any such bond or debentures or other securities may either be specifically charged upon all or any part of the property of the Bank or not so charged;
- (c) to secure the fulfilment of any contracts or engagements entered into by the Bank by mortgage or charge of all or any of the property of the Bank or in such other manner as they may think fit;
- (d) to nominate and appoint and to remove or suspend, as the Directors deem best for the management of the business of the Bank, any of the employees and other officers, to require securities in such instances and of such amounts as they deem fit and to fix salary or remuneration to be paid to them by the Bank and to demand from all or any of such persons such securities for the due performance of the duties assigned to them as deemed fit and to establish a provident fund, gratuity or any other fund for their benefit or for any other purpose;
- (e) to authorise or empower the Chairman or other officers or employees for the time being of the Bank either any one of them or all of them jointly or some of them jointly to exercise and perform all or any of the powers or authorities and duties conferred by Articles of Association subject to such restrictions and conditions if any as the Board may think proper;
- (f) to raise or borrow money from time to time by bonds, debentures, or promissory notes or by opening current accounts, or by receiving advances with or without securities, mortgaging any

lands, buildings, machinery, goods and or other property of the Bank or by such other means as the Directors may deem expedient;

- (g) to buy, sell and deal in drafts, hundis, bills of exchange, bills of lading, railway receipts and Government bonds, etc., to negotiate with and secure from any recognised Banks, institutions or corporations cash credits, loans or overdrafts on pledge of Government securities or otherwise;
- (h) to draw, accept, endorse, negotiate and sell Bills of Exchange, and other negotiable instruments with or without securities.
- (i) to undertake on behalf of the Bank the payment of all rents and performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted to be assigned to or otherwise acquired by the Bank;
- (j) to insure or keep insured, if deemed expedient, all or any of the goods, stores, buildings, or other property or any securities of the Bank separately or conjointly or for such period and to such extent as the Directors may think proper and to sell, assign, surrender or discontinue any policies of assurance, effected in pursuance of this power and to incur incidental charges thereto;
- (k) from time to time to provide for the Management of the affairs of the Bank in such manner as they think fit and in particular appoint any person to be Attorney or Agents of the Bank with such powers (including the powers to sub-delegate) and upon such terms as may be thought fit;
- (l) to pay and to charge to capital accounts of the Bank any item of expenditure which may in fairness be distributed over several years and has been incurred in any one year but the whole amount shall be stated in the Annual Report giving reasons why only a portion of such expenditure is charged against the income of the period for which the accounts are rendered.
- (m) to act on behalf of the Bank in all matters relating to its customers or other persons.
- (n) (i) to deposit in any Bank, they may from time to time approve of, and to invest any funds of the Bank not immediately required for the purposes thereof upon such securities other than shares of this Bank and in such manner as they may think fit and from time to time vary or realise such investments;
(ii) to make arrangements for the safe custody of the moneys, title deeds, bonds, jewels and other valuable properties of the Bank.

- (o) to accept from any member so far as may be permissible by law, a surrender of his share or any part thereof on such terms and conditions as shall be agreed upon.
 - (p) to execute all deeds, agreements, contracts, receipts and other documents, that may be necessary or may be expedient for the purpose of the Bank;
 - (q) to commence, institute, prosecute, withdraw, defend, compromise, and refer to arbitration, all such actions and suits as the Directors may think necessary or proper.
 - (r) to compromise any debt or any claim or to remit in whole or in part at their absolute discretion any claim or debt or to give time to any debtor for repayment of his debts or refer any matter or disputes to arbitration or arrive at any arrangement incidental to any transactions in respect of any claim, right, title or interest in favour of the Bank subject to the provisions of section 180 of the Companies Act.
 - (s) (i) to open and establish branches, currency chests and other agencies for the conduct of the business of the Bank from time to time, to appoint Managers or Agents and other employees and to fix their salary or remuneration as the Directors may think it expedient to do, and to close such branches, currency chests or other agencies.
(ii) to authorise or arrange for the inspection and or checking of the business, investments and or assets or affairs of the Head Office, Branch or Branches, or Agency or Agencies in such manner as the Board of Directors deems fit;
 - (t) to grant pensions, allowances, gratuities and bonuses to employees of the Bank, their present and future dependents and to support or subscribe to any charitable or other institutions, clubs, societies or funds;
 - (u) (i) to set aside from time to time out of the net profits of the Bank such sums as they think proper and to place the same to any one or more of the following or other accounts
(a) Statutory Reserve Fund; (b) Contingent Fund;
(c) Reserve for Bad and Doubtful Debts; (d) Dividend Equalisation Fund and (e) any other funds;
(ii) Any fund other than the Statutory Reserve Fund may be applied from time to time in such manner as the Directors shall determine for meeting depreciation or contingencies, or for equalising dividends or for special dividends, or for writing off bad or doubtful debts or claims, or for repairing, improving or maintaining any property of the Bank, or for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Bank;
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- (iii) the Directors may divide any fund (other than the Statutory Reserve Fund) into such special funds as they think fit, and may consolidate into one fund any special fund or any parts of any special funds into which the funds may have been divided as they think fit, with full power to employ or invest the whole or any part of the assets constituting such funds in the business of the Bank or upon such other investments as they may think fit, and from time to time deal with or vary such investments and dispose off or utilise all or any part thereof in any manner the Directors may deem fit in their absolute discretion to keep the same separate from the other assets of the Bank.
- (iv) the Directors may appropriate the Statutory Reserve Fund as may be permitted by law;
- (v) to make advances and to lend money and to open cash credits and generally to give credit or deal upon credit with any persons, to such amount upon such terms and conditions as they shall think fit;
- (v) Provided however that no Directors shall vote on any question respecting a loan or advance of money or cash credit account or otherwise giving credit to or for the benefit of himself or of the Joint Hindu Family of which he is a member or unregistered company or firm in which such Director is a partner.
- (w) for or in relation to any of the matters aforesaid or otherwise for the purpose of the Bank to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Bank as they may consider expedient.
- (x) from time to time to make, vary and repeal by-laws for the regulation of the business of the Bank, its Officers and servants or the employees of any section thereof or for any matter pertaining to the Bank;
- (y) to pay remuneration including travelling expenses and halting expenses to any Director or Directors or any other person for any service in the interests of the Bank rendered by such Director or Directors or such other person;
- (z) to propose a dividend and/or bonus etc. to the shareholders to be adopted at the General Meeting.
- (aa) to purchase all furniture, utensils and other things necessary for the Bank;
- (bb) and generally to do, sanction and authorise all such matters and things as may be deemed necessary or expedient to be done, authorised or sanctioned in or about the general business or affairs of the Bank or in or about the execution of all or any of the powers hereinbefore conferred on the Directors.

140. The continuing Directors may Act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Companies Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of the Directors to that fixed for the quorum, or of summoning a general meeting of the Bank, but for no other purpose.
- Powers of continuing Directors*

THE SECRETARY

141. The Directors may from time to time appoint, and at their discretion remove the Secretary and where the Board comprises only two Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be whole-time Secretary. The Directors may also at any time appoint some person, who need not be the Secretary to keep the registers required to be kept by the Bank.
- Secretary*

THE SEAL

142. (a) The Board shall provide a Common Seal for the purposes of the Bank, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- The Seal, its custody and use*
- (b) The Bank shall also be at liberty to have an official Seal in accordance with the Act, for use in any territory, district or place outside India.
143. Every Deed or other instrument, to which the seal of the Bank is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the seal shall be affixed in accordance with the Article 15 (a).
- Deeds how executed*

DIVIDENDS

144. The profits of the Bank, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- Division of profits*
145. The Bank in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Bank in General Meeting may declare a lower dividend than that recommended by the Board.
- The Bank in General Meeting may declare a dividend*
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<i>Dividends to be paid out of profits</i>	146.	<p>No dividends shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Bank for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that :</p> <p>(a) If the Bank has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.</p> <p>(b) If the Bank has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Bank for the year for which the dividend is proposed to be declared or paid or against the profits of the Bank for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provision of Section 123 of the Act, or against both.</p>
<i>Interim dividend</i>	147.	The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Bank justified.
<i>Capital paid up in advance not to earn dividend</i>	148.	Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
<i>Dividends in proportion to amount paid-up</i>	149.	All dividend shall be apportioned proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any shares are issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
<i>Retention of dividends until completion of transfer under Article 60</i>	150.	The Board may retain the dividend payable upon shares in respect of which any person under the Article 54, is entitled to become a member or which any person under that Article is entitled to transfer, until such a person shall become a member, in respect of such shares or shall duly transfer the same.
<i>Dividend etc. to joint holders</i>	151.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
<i>No members to receive dividend</i>	152.	No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due

- or owing from him to the Bank in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Bank.
- while indebted to the Bank and Bank's right of reimbursement thereof*
153. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Transfer of shares must be registered*
154. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Bank shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in the transmission, or for any dividend lost to the member or person enlisted thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.
- Dividends how remitted*
155. The Bank shall comply with the provision of section 124 of the Act in respect of all unclaimed or unpaid dividend. No unclaimed or unpaid dividend shall be directed by the Board to be forfeited.
- Unclaimed Dividend*
156. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Bank and the member, be set off against the calls.
- Dividend call together*
157. The Directors shall maintain a Reserve Fund, and shall out of the Balance of Profits of each year as disclosed in the Profit and Loss Account and before any dividend is declared, transfer a sum equivalent to not less than twenty per cent of such profits or any other sum as determined by the Banking Regulation Act, 1949, from time to time to a Reserve Fund (hereinafter referred to as the Statutory Reserve Fund) until the amount of the said Fund is equal to paid-up capital of the Bank, or as may be prescribed by law.
- Reserve Fund*

Over and above the statutory Reserve Fund referred to in the preceding Article the Directors before recommending any dividend may set aside out of the profits of the Bank such sums as they think proper as Reserve Fund to meet the contingencies or for equalising dividends, or for repairing, improving and maintaining any of the property of the Bank or for meeting bad debts and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Bank and may invest the several sums so set aside upon such investment (other than shares of the Bank) as they may think fit and from time to time deal with and vary such investment and dispose of all or any part

thereof for the benefit of the Bank and may divide the Reserve Fund into such special funds as they think fit and employ the Reserve Fund or any part thereof in the business of the Bank and that without being bound to keep the same separate from the other assets.

CAPITALISATION OF RESERVES

Capitalisation of Reserve

158. Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Bank standing to the Credit of the Reserve or any Capital Redemption Reserve Fund, or in the hands of the Bank and available for dividend or representing premiums received on the issue of shares and standing to the Credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture stock of the Bank which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Bank as fully paid bonus shares.

159. A General Meeting may resolve that any surplus money arising from the realisation of any capital assets of the Bank or any investments representing the same, or any other undistributed profits of the Bank not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

'Office'

160. For the purpose of giving effect to any resolution under the two last preceding Articles hereto the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment, shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the such distribution. Where requisite, a proper contract shall be filed in accordance with section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective.

Director to keep the accounts

ACCOUNTS

161. (1) The Bank shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Accounts in accordance with Section 128 of the Act, with respect to: -

- (a) all the sums of moneys received and expended by the Bank and the matters in respect of which the receipts and expenditure take place.
 - (b) all sales and purchases of goods by the Bank.
 - (c) the Assets and liabilities of the Bank.
- (2) where the Board decided to keep all or any of the Books of Accounts at any place other than the office of the Bank the Bank shall within seven days of decision file with the Registrar a notice in writing giving the full address of the other place.
- (3) the Bank shall preserve in good order the Books of Accounts relating to the period for not less than eight years preceding the current years together with the vouchers relevant to any entry in such books of Accounts.
- (4) Where the Bank has a branch office, whether in or outside India, the Bank shall be deemed to have complied with this Article if proper Books of Accounts relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Bank at its office or other place in India, at which the Bank's Books of Accounts are kept as aforesaid.
- (5) The Books of Accounts shall give a true and fair view of the state of affairs of the Bank or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
162. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Bank or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account or books or documents of the Bank except as conferred by law or authorised by the Board.
- As to inspection of accounts or books by Members*
163. The Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Bank in General Meeting, such Balance Sheets, Profit and Loss Account and Receipts as are required by these Sections.
- Statement of Accounts to be furnished to General Meeting*
164. (a) A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty one days before the meeting at which the same are to be laid before the members, be sent to the members of the Bank, to holders of debentures issued by the Bank (not being debentures which ex facie are payable to the bearer thereof) to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Bank
- Copies shall be sent to each member*

Form of Balance Sheet

- (b) The said Balance Sheet and the Profit Loss Account shall be in the form provided for in Section 29 of the Banking Regulation Act, 1949.

AUDIT

Accounts to be Audited

165. At least once in every year, the accounts of the Bank shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors to be appointed as required by the said Acts.

First Auditor or Auditors

166. The First Auditor or Auditors of the Bank shall be appointed by the Board within a month of the date of registration of the Bank and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the Bank may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Bank and of whose nomination notice has been given to the Members of the Bank not less than fourteen days before the date the Meeting provided further that if the Board fails to exercise its powers under this Article, the Bank in General Meeting may appoint the first Auditor or Auditors.

DOCUMENTS AND NOTICES

Service of documents or notices on Members by Bank

167. (1) A document (which expression for the purposes of these presents, shall be deemed to include and shall include any summon, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company) may be given by the Bank to any Member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or to the address if any within India supplied by him to the Bank (if he has no registered address in India), or by such electronic means or other mode as prescribed in the Act.
- (2) Where a Member has intimated to the Company in advance, that documents and/or notice should be sent to him through a particular mode and has deposited with the Company, a sum as determined by the Company in its Annual General Meeting, no service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member.

168. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Bank an address within India for serving of documents on or the sending of notices to him.
169. A document or notice may be served or given by the Bank on or given to the joint holders of a share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the share.
170. A document or notice may be served or given by the Bank on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post by a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred. *On personal Representative etc.*
171. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor for the time being of the Bank. *To whom documents or notices must be served or given*
172. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares. *Members bound by documents or notices served on or given to previous holders*
173. Any document or notice to be served or given by the Bank may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed. *Document or notice by Bank and Signature thereof*
174. All documents or notices to be served or given by members on or to the Bank or any office thereof shall be served or given by sending it to the Bank or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office. *Service of documents or notices by member*

WINDING UP

175. The Liquidator on any winding-up (whether Voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital divide among the contributories in specie any part of the assets of the Bank and may with the like sanction, vest any part of the assets *Liquidator may Divide assets in specie*

of the Bank in trust for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

176. Every Officer or Agent for the time being of the Bank shall be indemnified out of the assets of the Bank against all liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in favour or in which he is acquitted or discharged or in connection with any application, in which relief is granted to him by the Court or the Tribunal.

We, the several persons, whose names, addresses, and description are subscribed hereunder are desirous of being formed into a Company, in pursuance of this Articles of Association and we respectively agree to take the number of shares in the capital of the Bank set opposite to our respective names.

Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Each Subscriber	Signature of Subscribers	Signature of witness and his name and address
1. Lakhmal Hiranand Hiranandani A-3, Amarchand Mansion, Madam Cama Road, Bombay 400 039 Business	One	Sd/-	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div> <p style="text-align: center;">Witness to all Indulal Shah, Son of Hiralal Shah Chartered Accountant, Sai Darshan, 9th Road, Khar, Bombay - 400 052.</p>
2. Nanik Kisharam Rupani 1-Arcadia Building, Nariman Point, Bombay 400 021. Business	One	Sd/-	
3. Nandlal Pribhdas Tolani 1100, Prabhukutir, 15, Altamount Road, Bombay 400 026. Business	One	Sd/-	
4. D. M. Harish 13, CCI Chambers, Bombay 400 020. Advocate	One	Sd/-	
5. P.P. Chhabria Finolex, Mittal Court, 'A' Wing Nariman Point, Bombay 400 021. Industrialist	One	Sd/-	

Name, Address, Description and Occupation of each Subscriber	No. of Equity Shares taken by Each Subscriber	Signature of Subscribers	Signature of witness and his name and address
6. R. J. Advani Advani Chambers, Ground Floor, Kempes Corner, Bombay 400 036. Business	One	Sd/-	Witness to all Indulal Shah, Son of Hiralal Shah Chartered Accountant, Sai Darshan, 9 th Road, Khar, Bombay - 400 052.
7. Ashok Parmanand Hinduja, Hinduja House, 171, Dr. Annie Besant Road, Worli, Bombay 400 018. Business	One	Sd/-	
8. Indulal H. Shah Sai Darshan, 9 th Road, Khar, Bombay 400 052. Chartered Accountant	One	Sd/-	
TOTAL :	8 (Equity) Equity		

Bombay, Dated the 18th January, 1994.

15419/03

14156

Ce. Bayley & Co
 And Copy Rs. = 14.25
 Additional Rs. = 6.00
 Total Rs. = 20.25

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 1086 OF 2002
CONNECTED WITH
COMPANY APPLICATION NO. 440 OF 2002

In the matter of Sections 391 to 394 of the Companies Act, 1956;

And

In the matter of IndusInd Bank Limited

And

In the matter of Scheme of Amalgamation between IndusInd Enterprises & Finance Limited and IndusInd Bank Limited.

IndusInd Bank Limited)
 a banking company incorporated under the)
 Companies Act, 1956 and having)
 its Registered Office at)
 2401, Gen. Thimmayya Road, Cantonment,)
 Pune-411 001) ... Petitioner

CORAM : D.G. Karnik J

Date: 5th June, 2003

UPON the Petition of IndusInd Bank Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 25th day of November, 2002 for sanction of the Arrangement embodied in the proposed Scheme of Amalgamation of IndusInd Enterprises & Finance Limited (hereinafter referred to as the "Transferor Company" or "IEFL") with IndusInd Bank Limited (hereinafter referred to as the

"Petitioner Company" or "Transferee Company") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Gopal Lohiya, Company Secretary of the Petitioner dated the 25th day of November, 2002 verifying the said Petition AND UPON READING the Affidavit of Mr. Gopal Lohiya, Company Secretary of the Petitioner Company dated the 18th day of December, 2002 proving publication of the notice of the date of hearing of the said Petition in the issue of "Financial Express" dated 11th day of December, 2002 and "Loksatta" dated 11th day of December, 2002 pursuant to the Order dated 29th day of November, 2002 AND UPON READING the Affidavit dated 7th day of December, 2002 of Mr. Bhagwan Sawant, Clerk in the Office of Advocate for Petitioner Company proving service of notice of hearing upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Affidavit dated 20th day of December, 2002 of Mr. Gopal Lohiya annexing thereto as Exhibit "A-1" to "A -11" consent given to the Scheme of Amalgamation by the 11 unsecured non - convertible redeemable debentures/ bondholders of the Petitioner pursuant to order dated 19th September, 2002 AND UPON READING the Order dated 19th day of September, 2002 made by this Hon'ble Court in Company Application No. 440 of 2002 whereby the Transferee Company was ordered to convene the meeting of its equity shareholders for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation between the Transferor Company and the Transferee Company and meeting of the secured and unsecured creditors of the Petitioner Company was ~~also~~ dispensed with in view of the averment

made in paras 21 and 22 of the Affidavit in support of the Company Application No. 440 of 2002 stating that the Petitioner Company has no Secured Creditors and Petitioner Company undertakes to obtain no objection from its 11 unsecured creditors non – convertible redeemable debentures/ bondholders and undertake to give individual notices to such other Unsecured Creditors, if any, as the Hon'ble Court may direct, at the final hearing of the Petition AND UPON READING the Affidavit of Mr. Gopal Lohiya, Company Secretary of the Petitioner Company dated 24th day of October, 2002 proving publication of the notice convening meeting of the Equity Shareholders of the Petitioner Company in the issue of "Financial Express" dated 9th day of October, 2002 and "Loksatta" dated 9th day of October, 2002 and also proving despatch of notice convening meeting to individual equity shareholders of the Petitioner Company AND UPON READING the Report dated 14th day of November, 2002 of Mr. R.J. Shahaney, Chairman of the meeting of equity shareholders of the Transferee Company as to the result of the said meeting AND UPON READING the Affidavit of Mr. R.J.Shahaney dated 14th day of November, 2002 verifying the said Report AND IT APPEARS from the said Report of the Chairman of the meeting of equity shareholders of the Transferee Company that the Scheme of Amalgamation has been approved by majority of the equity shareholders of the Petitioner Company representing more than three fourth in value of the equity shareholders of the Petitioner Company present at the said meeting AND UPON READING the affidavit dated 28th day of March, 2003 of Mr. Gopal Lohiya, Company Secretary of the Petitioner placing on record a copy of the unaudited balance sheet as at 30/9/2002 of the Petitioner AND UPON READING affidavit dated 3rd day of April, 2003 of Mr. R. J. Uttamchandani, shareholder of the Transferee Company objecting to the amalgamation of the Transferor Company and the Transferee Company AND UPON READING the affidavit in reply dated 17th

April, 2003 of Mr. Gopal Lohiya, Company Secretary of the Petitioner Company to the affidavit of Mr. R. J. Uttamchandani AND UPON READING the affidavit in rejoinder dated 25th day of April, 2003 of Mr. R.J. Uttamchandani AND UPON READING the affidavit dated 28th day of April, 2003 of Mr. Gopal Lohiya, company secretary of the Petitioner annexing the names and addresses of the shareholders AND UPON READING the affidavit dated 17th day of March, 2003 of Mr. Gopal Lohiya, Company Secretary of the Petitioner annexing and bringing on record the correspondence exchanged by the Petitioner with Reserve Bank of India AND UPON READING the Affidavit dated 15th day of January, 2003 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, Maharashtra, Mumbai stating that Scheme is not prejudicial to the interest of creditors and shareholders AND UPON READING the further affidavit dated 16th day of April, 2003 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, stating that he has no objection to the scheme being approved between the Transferor Company and Transferee Company as both the companies are regulated by the Reserve Bank of India AND UPON HEARING Mr. Virag Tulzapurkar alongwith MS. Sowmya Srikrishnan, Counsel instructed by Ms. Suman Kamani of Crawford Bayley & Co, Advocates for the Petitioner Company and Mr. Ashok Bathija with Mr. D. A. Dube, Panel Counsel instructed by Mr. H. D. Rathod for the Regional Director, Department of Company Affairs, Maharashtra , Mumbai who submits to the Order of the Court and Mr. R. J. Uttamchandani, shareholder of the Transferee Company appearing in person And no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of the Petition or to show cause against the same AND THIS COURT DOTH RECORD that the objection raised by Mr. Uttamchandani are rejected in view of the substantial compliance of Rules by the Petitioner Company AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied

in the Scheme of Amalgamation of IndusInd Enterprises & Finance Limited, the Transferor Company with IndusInd Bank Limited, the Petitioner Company as set forth in Exhibit "C" to the said Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE the same to be binding on all the members and the creditors of the Petitioner Company and the Transferor Company AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 2002 (hereinafter called the "Appointed Date") the entire Undertaking of the Transferor Company, as defined in the Scheme (being Exhibit "C" to the Petition) and set forth in the Schedule hereto shall without any further act or deed, and pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to and vested in the Petitioner Company so as to become the properties of the Petitioner Company subject to the charges if any now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company shall without any further act or deed be transferred to or deemed to be transferred to the Petitioner Company and accordingly the same shall pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to the Petitioner Company so as to become the debts, liabilities, duties and obligation of Petitioner Company AND THIS COURT DOTH FURTHER ORDER that all legal or other proceedings pending by or against, the Transferor Company shall be continued, and enforced by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that on and from the Effective Date, as defined in the Scheme, the Petitioner Company do engage all the employees of the Transferor Company , on the same terms and conditions on which they are engaged as on

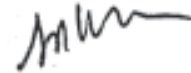
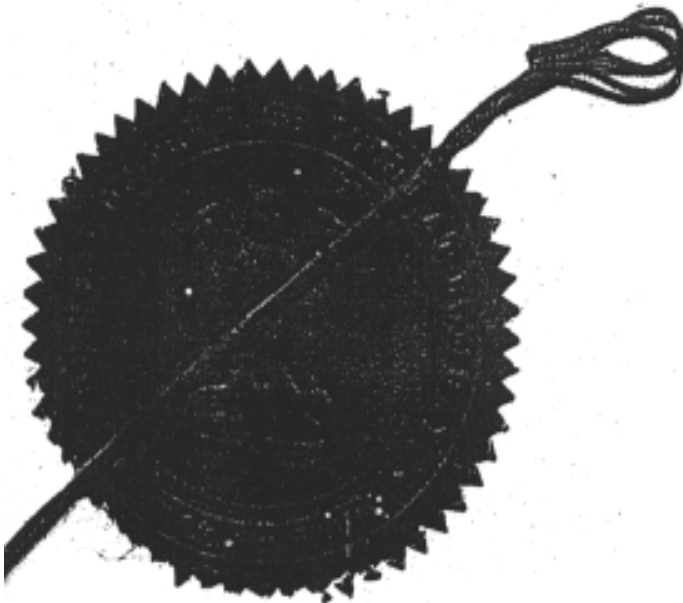
the Effective Date by the Transferor Company without any break or interruption of services as a result of the transfer AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of assets and liabilities of the Undertaking of the Transferor Company in favour of the Petitioner Company, the Petitioner Company shall without any further act or deed issue and allot to every member of the Transferor Company, equity shares in the Petitioner Company on a date to be fixed by the Board of Directors of the ~~Transferor~~^{Petitioner} Company, (1) equity share in the ~~Transferor~~^{Petitioner} Company of Rs (10)- each credited as fully paid up for every (1) equity share of Rs (10) each fully paid up held by such member in the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within thirty days from the date of the sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Pune, for registration and on such certified copy of the Order being so delivered and upon receipt of all documents relating to the Transferor Company from the Registrar of Companies, Maharashtra, Mumbai, the Registrar of Companies Pune shall registered with him on the file kept by him in relation to the Petitioner Company and the files relating to the Transferor Company and the Petitioner Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation sanctioned herein, and any other person or persons interested therein, shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation sanctioned herein AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay the sum of Rs.2,500/- (Rupees two thousand five hundred only) to the Regional Director, Department of

Company Affairs, Maharashtra, Mumbai towards the costs of the said
Petition WITNESS SHRI. CHUNILAL KARSANDAS THAKKER, Chief
Justice at Bombay aforesaid this 5th day of June, 2003.

By the Court,



For Prothonotary & Senior Master



Dated this 27th day of June 2003
Scaler

Order sanctioning the Scheme of Amalgamation
Drawn on the application of Crawford Bayley
& Co. Advocates for the Petitioner having
their office at State Bank of India Building
NGN Vaidya Marg, Mumbai 400 023.

SCHEDULE

SCHEDULE

SCHEME OF AMALGAMATION
OF
INDUSIND ENTERPRISES AND FINANCE LIMITED
WITH
INDUSIND BANK LIMITED

1. GENERAL:

This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of IndusInd Enterprises & Finance Ltd with IndusInd Bank Ltd. pursuant to Sections 391 to 394 and other relevant provisions of the Act.

2. DEFINITIONS:

- 2.1 "The Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 2.2 "The Appointed Date" means the later of (i) 1st April, 2002 and (ii) the date on which the approval of the Reserve Bank of India for the Scheme becomes effective.
- 2.3 "Effective Date" This Scheme although to come into operation from the Appointed Date shall not become effective until the last of the dates on which all the necessary orders, consents, sanctions, approvals as may be required under the law or otherwise to be passed or obtained are so passed or obtained and necessary certified copies of the orders of the Bombay High Court under Sections 391 and 394 of the Act shall be duly filed with the appropriate Registrars of Companies and last of the dates shall be "the Effective Date".
- 2.4 "The Scheme" means this Scheme in its present form or as may be modified in accordance with the orders of the Bombay High Court sanctioning the scheme.
- 2.5 "The Transferor Company" means IndusInd Enterprises and Finance Limited, a Company incorporated under the Companies Act,

1956 having its registered office at IndusInd House, 425, Dadasaheb Bhadkamkar Marg, (Lamington Road), Mumbai - 400 004.

2.6 "The Transferee Company" means IndusInd Bank Limited, a company incorporated under the Companies Act, 1956 having its registered office at 2401 General Thimmayya Road, Cantonment, Pune-411 001.

2.7 "Undertaking" shall mean and include:

- (i) All the assets and property of the Transferor Company (hereinafter referred to as "the Assets").
- (ii) All the debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as "the Liabilities").
- (iii) Without prejudice to the generality of sub-clause (i) and (ii) above, the undertaking of the Transferor Company shall include all the Transferor Company's reserves, movable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold, rights, other intangibles, industrial and other licenses, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotes, telephones, telex, facsimile and other communication facilities and equipments, 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 of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or control of the Transferor Company.

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 Contract Regulation Act, 1956, the Depositories Act, 1996 and other

applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification of re-enactment thereof from time to time.

3. **SHARE CAPITAL:**

3.1 The Authorised, Issued, Subscribed and Paid-up capital of Transferor Company as on 31st March, 2002 is as under:

Authorised	Rupees
10,00,00,000 Equity shares of Rs. 10/- each	100,00,00,000/-
Issued Subscribed and paid - up	
10,00,00,000 Equity shares of Rs. 10/- each	100,00,00,000/-

3.2 The Authorised, Issued, Subscribed and Paid-up capital of the Applicant as on 31st March, 2002 is as under:

Authorised	Rupees
25,00,00,000 equity Shares of Rs. 10 each	250,00,00,000/-
Issued Subscribed and paid up	
16,00,00,000 Equity Shares of Rs. 10 each	160,00,00,000/-
Less : Call unpaid	<u>97,24,500/-</u>
	159,02,75,500/-

4. The undertaking of the Transferor Company shall be transferred to the Transferee Company in the following manner:

4.1 With effect from the Appointed Date, the entire undertaking of the Transferor Company except for the portions specified in clauses 4.2 and 4.3 below of whatsoever nature and wheresoever situated and owned by the Transferor Company as on the Appointed Date and incapable of passing by manual delivery, and including in particular all licenses, permits, approvals, rights, claims, leases, tenancy rights and liberties, held by the Transferor Company shall under the provisions of

Section 391 and 394 of the Companies Act, 1956 and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without further act or deed but subject to the charges affecting the same as on the Effective Date be transferred to and vested in the Transferee Company so as to become the property of the Transferee Company.

4.2 It is expressly provided that in respect of such of the assets of the Undertaking as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of section 394 of the Act as an integral part of the Undertaking.

4.3 In respect of moveable assets other than those specified in sub-clause 4.2 above, including sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received and deposits with Government, Semi-government, local and other authorities and bodies the following modus operandi shall be followed:

(i) The Transferee Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be, that pursuant to the Mumbai High Court having sanctioned this Scheme under Sections 391 and 394 of the Act, the said debt, loan, advances, etc. 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 extinguished and that appropriate entry should be passed in their respective books to record the aforesaid change.

(ii) The Transferor Company, if so required shall also give notice in such form as it may deem fit and proper to each person, debtor or depositor, that pursuant to the Mumbai High Court having sanctioned this Scheme between the Transferor Company and the Transferee Company under Sections 391

and 394 of the Act, the said person, debtor, or depositor should pay the debt, loan or advance or make good the same on account of the Transferor Company and the right of the Transferor Company to recover or realise the same stands extinguished.

- 4.4 It is hereby clarified that for the purpose of transfer the value of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company shall be the value as appearing in the books of account of the Transferor Company at the close of the business hours on 31st day of March 2002.
- 4.5 With effect from Appointed Date and subject to any corrections and adjustment as may, in the opinion of the Board of Directors of Transferee Company as may be required, all Reserves and Surplus of the Transferor Company as on the close of business hours on 31st March 2002 shall stand transferred to and form part of the reserves and surplus of the Transferee Company, provided however that any diminution in the value of assets transferred to the Transferee Company can be set off against such reserves and surplus.
- 4.6 With effect from the Appointed Date, and subject to the provisions of this Scheme, the Liabilities shall also be and stand transferred or deemed to have been transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
5. Upon the coming into effect of this Scheme:
- 5.1 all the employees of the Transferor Company who are in service on the Appointed Date or the Effective Date (whichever is later), shall become the employees solely of the Transferee Company on such

date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company on the said date.

- 5.2 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Scheme(s), fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned on and from the Effective Date, the same shall stand transferred to the Transferee Company and the Transferee Company shall, stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contribution to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes/Funds shall become those of the Transferee Company or such other Company, as the case may be. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds or provisions.
6. All legal proceedings by or against the Transferor Company pending at the Appointed Date initiated thereafter until the Effective Date shall be continued as per the directions of the Transferee Company and at its costs and risks and as and from the Effective Date shall be continued and enforced by or against the Transferee Company as the case may be.
7. With effect from Appointed Date and up to the Effective Date:
 - 7.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company;
 - 7.2 All the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the

effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

8. The Transferor Company hereby undertakes that from the Appointed Date upto and including the Effective Date.
 - 8.1 It shall carry on its business with proper prudence and shall not (without prior written consent of the Transferee Company) alienate, charge or otherwise deal with or dispose of its assets or any part thereof (except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date).
 - 8.2 It shall not utilise its profit, if any, for the purposes of declaring or paying any dividend on its equity share capital in respect of the period falling on and after the Appointed Date unless a prior approval of the Board of Directors of the Transferee Company is obtained.
 - 8.3 Save and except as may be otherwise permitted or required under the provisions of the Scheme, the Transferor Company and the Transferee Company shall not make any change in their respective capital structure, either by issue of new equity or preference shares or bonus shares, convertible into equity shares or otherwise, subdivision, reduction, reclassification, consolidation, buy-back, or in any other manner which may affect the share exchange ratio, except with the prior written authorization of the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company.
9. Subject to the other provisions of this Scheme, all suits, actions, contracts, deeds, bonds and agreements and other instruments of whatsoever nature to which the Transferor Company is a party and subsisting or having effect against, or in favour of the Transferor Company as the case may be, may be enforced by or against the Transferee Company as if it has been a party thereto.

10. The transfer of the said assets and the said liabilities of the Transferor Company hereunder to the Transferee Company and the continuance of proceedings by or against the Transferee Company shall not affect any contract or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, matters and things done and/or executed by the Transferor Company in respect thereto as having been done or executed on behalf of itself.
11. On the scheme becoming effective, the Transferor Company shall be dissolved without winding up under Section 394 of the Act.
12.
 - (a) In consideration of the transfer of the aforesaid assets and liabilities of the Transferor Company in favour of the Transferee Company every member of the Transferor Company holding equity shares in the Transferor Company on the Effective Date or on such other date as may be decided by the Board of Directors or Committee of Directors thereof of the Transferee Company shall in respect of every one fully paid up equity share of Rs.10/- held by him/her in the Transferor Company be entitled to receive without any application in that behalf from the Transferor Company one equity share of the Transferee Company of Rs.10/- each credited as fully paid up.
 - (b) The equity shares to be so allotted by the Transferee Company shall rank for dividend and for all other benefits and on all other respects pari passu with the existing shares of the Transferee Company with effect from the date of their allotment except that in respect of dividend that may be declared after the Effective Date such shares will be entitled for such dividend from the Appointed Date. The equity shares to be issued and allotted by the Transferee Company under this Scheme shall be so issued and allotted by the Transferee Company as soon as possible after the Effective Date.
 - (c) No fractional certificate shall be issued, in favour of any member of the Transferor Company holding equity shares but the total number of fractions shall be consolidated so as to

represent one new equity share of the Transferee Company. The Board of Directors of the Transferee Company shall make an allotment of such shares as fully paid to such person or persons (including one or more of themselves or one or more executives of the Transferee Company) as the Board of Directors may in their absolute discretion select for the purpose of holding and selling the shares allotted. Provided that the Board of Directors may without making allotment of all or some of the said equity shares resulting from such consolidation as aforesaid direct the sale of all or any of such equity shares. Every sale under this sub-clause shall be at such price or prices and at such time or times as may be approved by the Board of Directors of the Transferee Company and upon receipt of the purchase price in respect of such sale, provided the Board of Directors approve of the purchaser or its nominee, the Board of Directors shall allot the equity shares covered by such sale to the approved purchaser or its nominee. The aggregate proceeds of all such sales, after deducting therefrom all costs, charges and expenses of and incidental to the sale, shall be distributed amongst such members of the Transferor Company holding equity shares as would otherwise have been entitled to such fractions respectively in proportion to their respective entitlements in such fractions.

(d) On the Scheme becoming effective, all the 3,97,73,017 equity shares of Rs.10/- each fully paid up of the Transferee Company held by the Transferor Company shall stand cancelled.

13.

(a) Notwithstanding the allotment of its equity shares by the Transferee Company under this Scheme in view of the cancellations of the 3,97,73,017 Equity shares of the Transferee Company, the paid up Equity Shares capital of the Transferor Company shall be reduced and accordingly as a part of this Scheme, the paid up Equity Share Capital of the Transferee Company shall, with effect from the Effective Date or from the date Equity Shares are allotted by the Transferee

Company under this Scheme stand increased from Rs.160,00,00,000 divided into 16,00,00,000 equity shares of Rs.10/- each to Rs.220,22,69,830/- divided into 22,02,26,983 equity shares of Rs.10/- each.

(b) The Transferee Company shall not be required to add the words "And Reduced" to its name.

14. The Transferor Company and the Transferee Company shall, with all reasonable despatch, after the Scheme is duly approved by the requisite statutory majority of their respective shareholders, apply to the Mumbai High Court under Sections 391 and 394 of the Act for sanctioning this Scheme and for an Order dissolving the Transferor Company without winding up.
15. The Transferor Company and the Transferee Company by their respective Board of Directors may consent to any modification or amendment of the Scheme which may be in the best interest of the Companies concerned or to any condition that the Court may deem fit to impose. The Transferor Company and the Transferee Company (by their respective Board of Directors) shall be entitled to give such directions or take such steps as may be necessary desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the Court or of any directive or order of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned therewith.
16. This Scheme is conditional upon and subject to:
 - 16.1 the approval of and agreement to the Scheme by the requisite majority of the members of the Transferor Company and the Transferee Company.
 - 16.2 All Court sanctions and orders as are legally necessary or required under the Companies Act, 1956.
 - 16.3 Any requisite consent, approval, permission of the Central Government, Reserve Bank of India or any other authority which by


law may be necessary for the implementation of this Scheme being obtained or passed before the 31st December 2002 or within such further period or periods as may be agreed between the Directors of the two companies and in the event of any such consent, approval, permission, resolution, agreement, necessary sanctions or orders not being so obtained or passed, this Scheme shall become null and void. In that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed amongst themselves.

16.4 The Transferor Company ensuring that all acts, deeds matter and things are done by the persons concerned including its shareholders as may be required to ensure that as a result of issue and allotment of its equity shares by the Transferee Company to the shareholders of the Transferor Company as provided under this Scheme, the percentage or extent of the shareholding of foreign or Non-resident Indians in the Transferee Company does not exceed the limits as prescribed by the Reserve Bank of India and/or Government of India.

17. All the costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and of and incidental to the completion of the amalgamation of the undertaking of the Transferor Company in pursuance of this Scheme shall, be borne and paid by the Transferee Company.

CERTIFIED TO BE A TRUE COPY

This 2nd day of June 2002


Prothonotary and Senior Master

15419
03

HIGH COURT

O. O. C. J.

COMPANY PETITION NO. 1086 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO.440 OF 2002

In the matter of Sections 391 to
394 of the Companies Act, 1956;
And

In the matter of IndusInd Bank
Limited
And

In the matter of the Scheme of
Amalgamation between IndusInd
Enterprises & Finance Limited and
IndusInd Bank Limited

IndusInd Bank Limited Petitioner

CERTIFIED COPY OF

**ORDER SANCTIONING THE
SCHEME OF AMALGAMATION**

Dated this 5th day of June, 2003
Filed this 27th day of June, 2003

Approved on 26.6.03
Registered on 27.6.03
Section Writer [Signature]
Folio 19 page
Examined by [Signature]
Compared with 27 JUN 2003
Ready on 27 JUN 2003
Delivered on 27 JUN 2003

Appointed on 11.6.2003
Examined on 27.6.2003
Section Writer [Signature]
Folio [Signature]
Examined by [Signature]
Compared with [Signature]
Ready on 27.6.2003
Delivered on [Signature]

Crawford Bayley & Co,
Advocates for the Petitioner
State Bank Buildings,
NGN Vaidya Marg,
Bombay- 400 023.

(IBL drawnuporder/ IEPL)

27 JUN 2003

11612109

9190

and Copy No. 19.50 Rajesh Shah & C
Additional Rs. 6.00
Total Rs. = 25.50

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 270 OF 2004
CONNECTED WITH
COMPANY APPLICATION NO. 45 OF 2004

In the matter of the Companies Act, 1956 (1
of 1956);

AND

In the matter of Sections 391 to 394 of the
Companies Act, 1956;

AND

In the matter of Scheme of Arrangement
between Ashok Leyland Finance Limited
and IndusInd Bank Limited and their
respective members and creditors.

IndusInd Bank Limited, a Company incorporated)
under the Companies Act, 1956 having its)
Registered Office at 2401, General Thimmayya)
Road, Cantonment, Pune - 411.001.).... Petitioner Company

Coram : Anoop V. Mohta, J

Date : 6th day of May, 2004

UPON the Petition of IndusInd Bank Limited, the Petitioner Company abovenamed,
presented to this Hon'ble Court on 26th day of March 2004 for sanction of Scheme of
Arrangement (hereinafter referred to as the "Scheme") between Ashok Leyland
Finance Limited (hereinafter referred to as "the Transferor Company" or "ALFL") and
IndusInd Bank Limited (hereinafter referred to as "the Petitioner Company" or "the
Transferee Company" or "IBL") AND for other consequential reliefs as mentioned in
the petition AND the said petition being this day called on for hearing and final
disposal AND UPON READING the said Petition and the Affidavit of Mr. Gopal
Lohiya, Authorised Signatory of the Petitioner Company, solemnly affirmed on 22nd
day of March 2004, verifying the said Petition AND UPON READING the affidavit of

Mr. Hanmant Jadhav, clerk in the office of M/s. Rajesh Shah, Advocates for the Petitioner dated 21st day of April 2004 proving service of the notice of the date of hearing of the petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and also proving publication of the notice of the date of hearing of the Petition in the issue of "Maharashtra Herald" dated 31st day of March 2004 and "Kesri" dated 31st day of March 2004 and by Order dated 26th day of March, 2004 issuance of notice to creditors was dispensed with AND UPON READING the affidavit of Mr. Gopal Lohiya, Company Secretary of the Petitioner Company dated 28th day of April, 2004 annexing thereto as Exhibits A-1 to A-21 the consents from 21 unsecured non-convertible redeemable debenture / bond holders of the Petitioner Company AND UPON READING the Order dated 13th day of February 2004, made by this Hon'ble Court in Company Application No. 45 of 2004 whereby the Petitioner Company was directed to convene the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement between the Transferor Company and the Petitioner Company AND by the said Order dated 13th day of February 2004 convening and holding of the meeting of the Unsecured Creditors of the Petitioner Company to consider and approve the proposed Scheme of Arrangement between the Transferor Company and the Petitioner Company was dispensed with in view of the averment made in paras (22) (23) and (24) of the affidavit in support of the Company Application No. 45 of 2004 and the undertaking given by the Petitioner Company to obtain the consent letters from Unsecured Non-Convertible Redeemable Debenture/Bond holders before hearing of the Petition and undertaking given by the Petitioner Company to issue notices before the hearing of the Petition to such other Unsecured Creditors as may be directed by this Hon'ble High Court AND UPON READING the affidavit of Mr. R. J. Shahaney, Chairman of the meeting of the Equity Shareholders of the Petitioner Company dated 10th day of March, 2004 proving the publication of the notice convening meeting of the Equity Shareholders in the issue of Maharashtra Herald dated 23rd day February 2004 and Kesri dated 23rd day of February 2004 and the corrigendum of the same on 26th day of February 2004 and also proving dispatch of individual notices to the Equity Shareholders of the Petitioner Company AND UPON READING the Report dated 20th day of March 2004 of Mr. R. J. Shahaney, Chairman of the meeting of the Equity Shareholders of the Petitioner Company as to the results

of the said meeting AND UPON READING the affidavit of Mr. R. J. Shahaney, Chairman of the meeting of the Equity Shareholders of the Petitioner Company dated 20th day of March 2004 verifying the said Report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholders that the Scheme of Arrangement being Exhibit "E" to the said Petition and in Schedule hereto has been approved by the requisite majority of the Equity Shareholders of the Petitioner Company representing more than 3/4th in value present and voted at the meeting and further the Equity Shareholders have also approved the special resolution for increase of the equity share capital of the Petitioner Company AND UPON READING the affidavit dated 23rd day of April, 2004 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, stating that the Scheme is not prejudicial to the interest of the creditors and shareholders of the Petitioner Company and he further stated that the Petitioner Company should comply with the necessary provisions of the Companies Act in connection with the increase in its Authorised Capital and also pay the necessary fees in relation thereto AND UPON READING the affidavit dated April 28, 2004 of Mr. Gopal Lohiya, Company Secretary of the Petitioner Company stating that the Petitioner Company would comply with all the necessary provisions in relation to the increase in the authorised share capital and also file the necessary filing fees AND UPON HEARING Mr. Virag V. Tulzapurkar, Counsel with Mr. Navroz Seervai, Counsel instructed by Mr. Rajesh Shah of M/s Rajesh Shah & Co., Advocates for the Petitioner Company and Mr. R.C. Master, Panel Counsel instructed by Dr. T.C.Kaushik, for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who appears in pursuance of the notice herein dated 26th day of March 2004 under Section 394A of the Companies Act, 1956 and submits to the Order of the Court AND Mr. Prakash Shinde i/b. P.G.Desai for El Dorado Guarantee Limited who appeared at the hearing of the petition appearing this day in support of the petition And no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of said Petition or to show cause against the same AND THIS COURT DOTH HEREBY SANCTION the said arrangement embodied in the Scheme of Arrangement between Ashok Leyland Finance Limited, the Transferor Company and IndusInd Bank Limited, the Petitioner Company as set forth in Exhibit 'E' to the said petition and in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement

be binding on the Transferor Company and the Petitioner Company and also their respective members / shareholders and creditors AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 2003 (hereinafter referred to as the "Appointed Date"), entire Undertaking of the Transferor Company shall pursuant to the provisions of Section 394(2) of the Act, of whatsoever nature and wheresoever situated and owned by the Transferor Company on the Appointed Date and incapable of passing by manual delivery and including in particular all the licenses, permits, approvals, incentives, rights, claims, leases, tenancy rights, liberties, and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company shall, under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court of Judicature at Bombay, without any further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be and stand transferred to and vest in and be available to the Petitioner Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the Petitioner Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law without any further act, instrument or deed, and be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Petitioner Company as a going concern AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all debts, including rupee and foreign currency loans, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations including any post dated cheques that may be issued, of the Transferor Company (the "Liabilities") shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to stand transferred to and vested in the Petitioner Company so as to become the debts, liabilities, duties and obligations of the Petitioner Company , and further that it shall not be necessary to obtain the consent of any person who is a party to any contract or arrangement by virtue of which such debt, liabilities, duties and obligations have arisen in order to give effect to the provisions of Clause 5(a) of the Scheme AND THIS COURT DOTH FURTHER ORDER that upon the coming into effect of the Scheme all suits, actions and legal and other proceedings by or against the Transferor

Company pending and/or arising on or before the Appointed Date or the Effective Date (whichever is later) shall be transferred in the name of the Petitioner Company and shall be continued and be enforced by or against the Petitioner Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arisen by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective, and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to any of them) 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, without any further act, instrument or deed, be in full force and effect in favour of or against the Petitioner Company, as the case may be, and may be enforced as fully and effectually as if, instead of such Transferor Company, the Petitioner Company had been a party or beneficiary or obligee thereto and that upon the Scheme becoming effective the employees of the Transferor Company who are in service on the Effective Date, shall become the employees solely of the Petitioner Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company on the said date AND THIS COURT DOTH FURTHER ORDER that upon the coming into effect of the Scheme, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Petitioner Company in terms of the Scheme; the Petitioner Company shall without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of the Transferor Company (the "Members"), on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Petitioner Company or a committee of such Board of Directors, equity shares of Rs. 10/- (Rupees ten only) each, credited as fully paid up, in the ratio of 9 equity shares of the face value of Rs. 10/- (Rupees ten only) each in the Petitioner Company for every 4 equity shares of the face value of Rs. 10/- (Rupees ten only) each held in the

Transferor Company and that no fractional shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to any Member and the Board of Directors of the Transferee Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a director or an officer of the Transferee Company or such other person as the Transferee Company shall appoint in this behalf who shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that the Trust or director(s) or officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the Transferee Company, the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the Members of the Transferor Company in proportion to their respective fractional entitlements AND THIS COURT DOTH FURTHER ORDER that pursuant to the provisions of Section 94 and subject to the sanction by the High Court of Judicature at Bombay of the Scheme of Arrangement presented to that Court in the Company Application No. 45 of 2004 and other applicable provisions, if any, of the Companies Act, 1956, and Article 4 of the Articles of Association and Clause V of the Memorandum of Association of the Petitioner Company, the Authorised Share Capital of the Petitioner Company be increased from Rs. 2,500,000,000 to Rs. 3,000,000,000 AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Arrangement to be delivered to the Registrar of Companies, Maharashtra, Pune, for registration and that upon such certified copy of the order being so delivered, and upon receipt of the certified copy of order sanctioning the Scheme of Arrangement by the High Court at Chennai and upon receipt of the files and document in respect of Transferor Company from the Registrar of Companies, Tamilnadu, Chennai, the Registrar of Companies, Maharashtra, Pune shall place and transfer all files documents relating to the Transferor Company and registered with him on the file maintained by him in relation to the Petitioner Company so as to consolidate the files and

documents relating to the said companies, AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary as are necessary to ensure that the Scheme of Arrangement sanctioned herein shall be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs.2500/- (Rupees Two thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 6th day of May 2004.

BY THE COURT,



FOR PROTHONOTARY & SENIOR MASTER



Sealer

Dated this 13th day of May, 2004



ORDER sanctioning the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 drawn on the Application By M/s. Rajesh Shah & Co., Advocates for the Petitioner Company, having their office at 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

--- SCHEDULE ---

SCHEDULE

SCHEME OF ARRANGEMENT BETWEEN ASHOK LEYLAND FINANCE LIMITED AND INDUSIND BANK LIMITED

PART I – GENERAL

Parties to the Scheme

1. This Scheme of Arrangement (hereinafter referred to as the "Scheme") provides for the amalgamation of Ashok Leyland Finance Limited with Indusind Bank Limited pursuant to Sections 391 to 394 and other relevant provisions of the Act.

Definitions

2. In the Scheme, unless repugnant to the context thereof, the following expressions shall have the following meanings:

2.1 "Act" means the Companies Act, 1956 or any amendment or re-enactment thereof.

2.2 "ALF" or the "Transferor Company" means Ashok Leyland Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Sudarsan Building, 86, Chamiers Road, Chennai. 600 018, Tamilnadu.

2.3 "Appointed Date" means April 1, 2003.

2.4 "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 17 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in the Scheme to the date of "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean the Effective Date.

2.5 "IBL" or the "Transferee Company" means IndusInd Bank Limited, a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949 and having its registered office at 2401, General Thimmayya Road, Cantonment, Pune, 411 001, Maharashtra.

2.6 "Record Date" shall mean a date to be fixed by the Board of Directors of the Transferee Company to determine the issue of equity shares under clause 10(a) of the Scheme to the equity shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company.

2.7 "Undertaking" means the entire business of the Transferor Company and shall include:

a) All the properties (whether movable or immovable, tangible or intangible), assets, deposits, investments of all kinds (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates), all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, lease and hire purchase contracts and assets, securitised assets, receivables, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, authorities, allotments, approvals, reversions, buildings and structures, office, residential and other premises, tenancies, leases, licenses, fixed and other assets, powers, consents, authorities, registrations, agreements, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits, advantages, leasehold rights, other intangibles and licences and including, but without being limited to, trade and service names and marks and other intellectual property rights of any nature whatsoever, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customers credit information, customer and supplier pricing information and other records 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, or to which the Transferor Company may be entitled whether in India or abroad.

b) All the debts, liabilities, duties and obligations of the Transferor Company.

PART II - SHARE CAPITAL

3(a) The Share Capital of the Transferor Company as of March 31, 2003 was as under:

Particulars	Rs.
Authorised	
50,000,000 Equity shares of Rs. 10/- each	500,000,000
10,000,000 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs.100/- each	1,000,000,000
10,400,000 Cumulative Convertible Preference Shares of Rs.50/- each	520,000,000
TOTAL	2,020,000,000
Issued, subscribed and paid-up	
20,472,026 Equity shares of Rs. 10/- each	204,720,260
10,236,013 Cumulative Convertible Preference Shares of Rs. 50/- each	511,800,650
10,000,000 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs.100/- each	1,000,000,000
TOTAL	1,716,520,910

The Share Capital of the Transferor Company on November 30, 2003 was as follows:

Particulars	Rs.
Authorised	
50,000,000 Equity shares of Rs. 10/- each	500,000,000
10,000,000 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs.100/- each	1,000,000,000
21,000,000 Cumulative Convertible Preference Shares of Rs.50/- each	1,050,000,000
TOTAL	2,550,000,000
Issued, subscribed and paid-up	
31,322,157 Equity shares of Rs. 10/- each	313,221,570
9% - 5,000,000 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs.100/- each	500,000,000
5.25% - 4,700,000 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs.100/- each	470,000,000
TOTAL	1,283,221,570

- (b) The Share Capital of the Transferee Company as of March 31, 2003 was as under:

Particulars	Rs.
Authorised	
250,000,000 Equity shares of Rs. 10/- each	2,500,000,000
TOTAL	2,500,000,000
Issued, subscribed and called up	
220,226,983 Equity shares of Rs. 10/- each	2,202,269,830
TOTAL	2,202,269,830
Paid up	
120,226,983 Equity Shares of Rs.10/- each	1,202,269,830
Less: Calls unpaid	9,556,000
Share Capital suspense	1,000,000,000
TOTAL	2,192,713,830

The Share Capital of the Transferee Company as on November 30, 2003 was as under:

Particulars	Rs.
Authorised	
250,000,000 Equity shares of Rs. 10/- each	2,500,000,000
TOTAL	2,500,000,000
Issued, subscribed and called up	
220,226,983 Equity shares of Rs. 10/- each	2,202,269,830
TOTAL	2,202,269,830
Paid up	
220,226,983 Equity Shares of Rs.10/- each	2,202,269,830
Less: Calls unpaid	8,745,000
TOTAL	2,193,524,830

PART III - TRANSFER AND VESTING

Transfer of Assets

4. Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme:

(a) The entire Undertaking of the Transferor Company shall pursuant to the provisions of Section 394(2) of the Act except for the portions specified in Clause 4 (c) and 4 (d) below of whatsoever nature and wheresoever situated and owned by the Transferor Company on the Appointed Date and incapable of passing by manual delivery and including in particular all the licenses, permits, approvals, incentives, rights, claims, leases, tenancy rights, liberties, and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company shall, under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court of Judicature at Bombay, without any further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be and stand transferred to and vest in and be available to the Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law without any further act, instrument or deed, and be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern.

(b) The Transferee Company undertakes to continue to honour the current trade arrangements, trade practices and the contractual obligations the Transferor Company has entered into and which exist as on the Effective Date.

(c) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company.

(d) In respect of moveable assets other than those specified in sub-clause 4(c) above, including sundry debtors, actionable claims, outstanding loans, advances recoverable in cash or in kind or for value to be received and deposits with Government, Semi-government, local and other authorities and bodies the following modus operandi shall be followed:

(i) The Transferee Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositee as the case may be; that pursuant to the High Court of Judicature at Bombay and the High Court of Judicature at Madras having sanctioned the Scheme under Sections 391 and 394 of the Act, the said debt, loan, advances, etc., 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 extinguished and that appropriate entry should be passed in their respective books to record the aforesaid change.

(ii) The Transferor Company, if so required shall also give notice in such form as it may deem fit and proper to each person, debtor or depositee, that pursuant to the High Court of Judicature at Bombay having sanctioned the Scheme between the Transferor Company and the Transferee Company under Sections 391 and 394 of the Act, the said person, debtor, or depositee should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realise the same stands extinguished.

(e) All the post dated cheques issued in favour of the Transferor Company upon the coming into effect of the Scheme shall be encashed by the Transferee Company which shall be entitled to the proceeds thereof, as if such post dated cheques have been drawn and made in favour of the Transferee Company.

Transfer of Debts and Liabilities

5. Upon the coming into effect of the Scheme and with effect from the Appointed Date:

(a) All debts, including rupee and foreign currency loans, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations including any post dated cheques that may be issued, of the Transferor Company (the "Liabilities") shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to stand transferred to and vested in, the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any person who is a party to any contract or arrangement by virtue of which such debt, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

(b) All public deposits, debentures or bonds of the Transferor Company shall be kept distinctly identified in the records of the Transferee Company.

(c)(i) All debentures, bonds, notes or other securities of the Transferor Company, whether convertible into equity or otherwise, (the "Transferor Company's Securities"), shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Transferor Company's Securities so transferred. If the Transferor Company's Securities are listed on any stock exchange, the same shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange/s in India where the Transferor Company's Securities were listed and/or admitted to trading on the same terms and conditions unless otherwise modified in accordance with the provisions hereof.

(ii) Loans and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party. Provided however, security over any moveable and/or immovable properties and security in any other form (both present and future), if any, created by any person in favour of the Transferor Company for securing the obligation of the persons for and on whose behalf a guarantee, letter of credit, letter of comfort or other similar instrument has been executed or arrangements entered into by the Transferor Company in favour of the Transferee Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company.

(iii) Any shares, debentures or notes, if any, issued by the Transferor Company, and held by the Transferee Company, and vice versa shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Appointed Date or the Effective Date (whichever is later), stand cancelled as on the Effective Date, and shall be of no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(d) During the period between the Appointed Date and the Effective Date the following provisions shall apply:

(i) Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been

discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;

(ii) The Transferor Company and the Transferee Company shall give public notice in respect of the merger of the Transferor Company into the Transferee Company to the public depositors who have placed fixed deposits with the Transferor Company and give an option to such depositors to either:

- withdraw their public deposits outstanding as on the Effective Date; or
- continue the public deposits with the Transferee Company.

In the event the public depositor seeks withdrawal of the public deposits outstanding as on the Effective Date, the public depositor shall be required to intimate the Transferor Company or the Transferee Company, as the case may be, upto a period of 30 days after the Effective Date. If such intimation is received before the Effective Date, the depositor shall be paid the deposit amount along with the accrued interest (upto the date of repayment) within 30 days of the Effective Date. If such intimation is received after the Effective Date, the depositor shall be paid the deposit amount along with the accrued interest (upto the date of repayment) within 30 days of receipt of such intimation. In all other cases, the public deposits (of the public depositors not seeking withdrawal) shall be deemed to be the deposits of the Transferee Company on the same terms and conditions upto the date of their maturity, as were applicable while with the Transferor Company.

(iii) all loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to be transferred to and vested in the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same; and

(iv) all assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to

be transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.

Conduct of Business during the Interim Period

6. During the period between the Appointed Date and the Effective Date the following provisions shall apply:

(a) the Transferor Company with effect from the Appointed Date and upto and including the Effective Date:

(i) shall carry on and shall be deemed to have carried on all the business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and in trust for, the Transferee Company; and

(ii) all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

(b) the Transferor Company with effect from the Appointed Date and upto and including the Effective Date shall carry on its business and activities with reasonable diligence and business prudence and shall not undertake financial commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber the Undertaking or any part thereof, save and except in each case in the following circumstances:

(i) if the same is in its ordinary course of business as carried on by it as on the date of filing of the Scheme with the High Court of Judicature at Bombay and the High Court of Judicature at Madras; or

(ii) if the same is expressly permitted by the Scheme; or

(iii) if prior written consent of the Board of Directors of the Transferee Company has been obtained.

(c) the Transferee Company with effect from the Appointed Date and upto and including the Effective Date shall carry on its business and activities with reasonable diligence and business prudence and shall not undertake financial commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its undertaking or any part thereof, save and except in each case in the following circumstances:

(i) if the same is in its ordinary course of business as carried on by it as on the date of filing the Scheme with the High Court of Judicature at Bombay and the High Court of Judicature at Madras; or

(ii) if the same is expressly permitted by the Scheme; or

(iii) if prior written consent of the Board of Directors of the Transferor Company has been obtained.

Provided however that the Transferee Company shall be free to pursue any restructuring proposal, which involves merger and / or acquisition of Company/ies engaged in similar line of business in a manner that they do not affect the Scheme and are consummated after the Effective Date of the Scheme.

Effect of Pending Legal Action

7. Upon the coming into effect of the Scheme all suits, actions and legal and other proceedings by or against the Transferor Company pending and/or arising on or before the Appointed Date or the Effective Date (whichever is later) shall be transferred in the name of the Transferee Company and shall be continued and be enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arisen by or against the Transferee Company.

Effect of Pending Contracts

8. (a) Upon the coming into effect of the Scheme, and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to any of them) 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, without any further act, instrument or deed, be in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of such Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

(b) The Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party of any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out

or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

Treatment of Employees

9. Upon the coming into effect of the Scheme:

(a) the employees of the Transferor Company who are in service on the Effective Date, shall become the employees solely of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company on the said date.

(b) the existing provident fund, gratuity fund, and pension and/or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately on existing terms. In the event that the Transferee Company does not have its own fund with respect to any such matters, the Transferee Company shall create its own funds to which the contributions pertaining to the employees of Transferor Company shall be transferred.

Consideration

10. (a) Upon the coming into effect of the Scheme, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of the Transferor Company (the "Members"), on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Transferee Company or a committee of such Board of Directors, equity shares of Rs. 10/- (Rupees ten only) each, credited as fully paid up, in the ratio of 9 equity shares of the face value of Rs. 10/- (Rupees ten only) each in the Transferee Company for every 4 equity shares of the face value of Rs. 10/- (Rupees ten only) each held in the Transferor Company. (The above ratio in which the shares of the Transferee Company are to be allotted to the shareholders of the Transferor Company by the Transferee Company is hereinafter referred to as the "Share Exchange Ratio").

(b) The shares held by the said Members in the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from such Record Date,

without any further act, instrument or deed. In so far as the issue of shares pursuant to sub-clause (a) above is concerned:

(i) those of the Members of the Transferor Company who hold shares in an electronic form, shall receive shares in the Transferee Company in an electronic form in terms hereof.

(ii) those of the members of the Transferor Company who hold the shares in physical form, shall have the option to receive the shares of the Transferee Company in either the physical form or the electronic form, in terms hereof.

(c) Prior to coming into effect of the Scheme, the Transferor Company shall redeem the 9,700,000 non-convertible redeemable cumulative preference shares of Rs. 100 each.

(d) No fractional shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to any Member. The Board of Directors of the Transferee Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the Trust or a director or an officer of the Transferee Company or such other person as the Transferee Company shall appoint in this behalf who shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that the Trust or director(s) or officer(s) or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the Transferee Company, the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the Members of the Transferor Company in proportion to their respective fractional entitlements.

(e) Equity shares issued and allotted by the Transferee Company in terms of Clause 10 (a) shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank pari passu in all respects with the then existing equity shares of the Transferee Company, including in respect of dividends, if any, that may be declared by the Transferee Company, on or after the Effective Date.

(f) Equity shares of the Transferee Company issued in terms of Clause 10(a) above, shall, subject to applicable regulations, be listed or admitted to trading on the relevant stock exchange/s, in India where the equity shares of the Transferee Company are listed or admitted to trading on the Effective Date.

Declaration of Dividend

- 11 (a) With effect from the date of filing of the Scheme with the High Court of Judicature at Bombay and the High Court of Judicature at Madras (whichever is earlier) and upto and including the Effective Date, the Transferor Company and

the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period commencing after the Appointed Date and prior to the Effective Date, provided that the Transferor Company shall not make any such declaration, except with the prior approval of the Board of Directors of the Transferee Company and vice versa.

(b) Until the coming into effect of the Scheme, the holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, 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 Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

PART IV – ACCOUNTING TREATMENT

12. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities of the Transferor Company in the books of the Transferee Company, the fair value of the assets (after deducting such provisions as are outstanding in the books of the Transferor Company on the date immediately preceding the Appointed Date in respect of any asset or class of assets) and liabilities shall be determined on the Appointed Date to the satisfaction of the Transferee Company.

(b) Upon the coming into effect of the Scheme and with effect from the Appointed Date:

(i) If the fair value of any class of assets of the Transferor Company determined in accordance with sub-clause (a) above is less than the value of such class of assets appearing in the books of the Transferor Company immediately prior to the Appointed Date, the assets shall be accounted for and dealt with in the books of the Transferee Company at the value appearing in the books of the Transferor Company on the date immediately preceding the Appointed Date and a provision equal to the difference between the value appearing in the books of the Transferor Company and the fair value determined in accordance with sub-clause (a) above shall be made in the books of the Transferee Company.

(ii) If the fair value of any class of assets of the Transferor Company determined in accordance with sub-clause (a) above is greater than the value of such class of assets appearing in the books of the Transferor Company immediately prior to the Appointed Date, the assets shall be accounted for and dealt with in the books of the Transferee Company at the fair value.

(iii) Provisions outstanding in the books of the Transferor Company on the date immediately preceding the Appointed Date in respect of any asset or class of assets shall be accounted for and dealt with in the books of the Transferee Company as provisions against the assets or class of assets against which such provisions were held in the books of the Transferor Company on the date immediately preceding the Appointed Date.

(iv) The liabilities of the Transferor Company shall be accounted for and dealt with in the books of the Transferee Company at the fair value determined in accordance with sub-clause (a) above.

(v) In the event that any non-convertible redeemable cumulative preference shares of the Transferor Company are outstanding as on March 31, 2004, then the Transferee Company shall record the same as a liability payable by it to the holders of such preference shares in terms of Clause 10(c) of the Scheme.

(c) The excess of the fair value of the net assets of the Transferor Company over the paid-up value of the shares to be issued and allotted pursuant to the terms of Clause 10, shall be accounted for and dealt with in the books of the Transferee Company as follows:

(i) The balance in "Statutory Reserve Account" of the Transferor Company shall continue to be designated as Statutory Reserve Account in the books of the Transferee Company;

(ii) The balance in "Share Premium Account" of the Transferor Company shall continue to be designated as Share Premium Account in the books of the Transferee Company;

(iii) The balance in "Investment Allowance Reserve Account" of the Transferor Company shall continue to be designated as Investment Allowance Reserve Account in the books of the Transferee Company;

(iv) The balance in "General Reserve Account", "Profit and Loss Account" and any other account included in Reserves and Surplus of the

Transferor Company on the date immediately preceding the Appointed Date shall be reduced by the provisions created in accordance with sub-clause (b)(i) and b(ii) above and such further adjustments as may be deemed necessary including such adjustments as may be required to ensure the uniform application of accounting standards and policies adopted by the Transferee Company and the net balance thereof shall be credited / debited by the Transferee Company to its General Reserve Account.

PART V – GENERAL TERMS AND CONDITIONS

Application for Sanction of Scheme by Transferor Company

13. The Transferor Company shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Madras for sanctioning of the Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law. Upon coming into effect of the Scheme, the Transferor Company shall, without any further act, deed or instrument, be dissolved without winding-up.

Application for Sanction of Scheme by Transferee Company

14. The Transferee Company shall also with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of the Scheme under the provisions of law, and obtain all approvals as may be required under law.

Capital Structure

15. (i) From the date of filing of the Scheme with the High Court of Judicature at Bombay and the High Court of Judicature at Madras and upto and including the Effective Date, the Transferor Company and/or the Transferee Company shall not make any change in its capital structure in any manner, except as specified in Clause 10(c) either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in Clause 10(a) above), except with the prior approval of the Board of Directors of both the Transferor Company and the Transferee Company.

(ii) Upon the coming into effect of the Scheme the Authorized Share Capital of the Transferor Company shall stand combined with the Authorized Share Capital of the Transferee Company and Clause V of the Memorandum and Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The Authorized Share Capital of the Company is Rs. 3,000,000,000 (Rupees Three Hundred Crores only) divided into 300,000,000 Equity Shares of Rs. 10 each with power to increase or decrease the share capital and in accordance with the provisions of the Companies Act, 1956."

Further, Clause 4 of the Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 31 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The Authorized Share Capital of the Company is Rs. 3,000,000,000 (Rupees Three Hundred Crores only) divided into 300,000,000 Equity Shares of Rs. 10 each."

(iii) The filing fee and stamp duty already paid by the Transferor Company on its Authorized Share Capital, shall be deemed to have been so paid by the Transferee Company on the combined Authorized Share Capital.

Modifications & Amendments

16. (a) The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme or to any conditions or limitations which either the Boards of Directors of the Transferor Company and the Transferee Company deem fit, or which the High Court of Judicature at Bombay and/or the High Court of Judicature at Madras and/or any other authorities (including the Reserve Bank of India) under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise in carrying out and implementing the Scheme and to do, authorise and execute all acts, instruments, deeds, matters and things necessary, or to review the position relating to the satisfaction of the conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the Scheme into effect. In the event any of the conditions that may be imposed by the Courts or other authorities (including the Reserve Bank of India) which the Transferor Company

or the Transferee Company is found unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee or committees of the concerned Board of Directors or any director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegates").

(b) For the purpose of giving effect to the Scheme or to any modifications or amendments thereof or additions hereto, the Delegates of the Transferor Company and the Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question or 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 the Scheme.

(c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective.

Conditions of the Scheme

17. The Scheme is conditional upon and subject to:

(a) the Scheme being agreed to by the requisite majorities of the members of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Judicature at Bombay and the High Court of Judicature at Madras being obtained;

(b) such other sanctions and approvals including from any regulatory authorities, if any, as may be required by law in respect of the Scheme being obtained; and

(c) the certified copies of the court orders referred to in the Scheme being filed with the Registrar of Companies, Maharashtra, at Pune and the Registrar of Companies, Tamilnadu at Chennai.

(d) the Transferor Company and the Transferee company shall ensure that all acts, deeds matter and things are done by the persons concerned including their shareholders as may be required to ensure that as a result of issue and allotment of equity shares by the Transferee Company to the Equity shareholders of the


Transferor Company as provided under the Scheme, the percentage or extent of the shareholding of foreign or Non-resident Indians in the Transferee Company does not exceed the limits as prescribed by the Reserve Bank of India and/or Government of India.

Validity of the Scheme

18. In the event of the Scheme not becoming effective by December 31, 2004 or by such later date as may be agreed to by the respective Boards of Directors of the Transferor Company and the Transferee Company, the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case both the Transferor Company and the Transferee Company shall bear their own costs or as may be mutually agreed between them.

Costs

19. All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of the Scheme shall be borne and paid by the Transferee Company and the Transferor Company equally.



CERTIFIED TO BE A TRUE COPY
This 17th day of 20, 04
S. Bhargava
Prothonotary and Senior Master

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
CP (CAA) 4648 /230-232/NCLT/MB/MAH/2018**

Bharat Financial Inclusion Limited	...Petitioner Company 1/ Amalgamating Company
IndusInd Bank Limited	...Petitioner Company 2/ Amalgamated Company
IndusInd Financial Inclusion Limited	... Petitioner Company 3/ Transferee Company

In the matter of:

Petition under Sections 230 -232 and
other relevant provisions of the
Companies Act, 2013;

And

Composite Scheme of Arrangement
among Bharat Financial Inclusion
Limited (Amalgamating Company),
IndusInd Bank Limited
(Amalgamated Company) and
IndusInd Financial Inclusion Limited
(Transferee Company) and their
respective shareholders and creditors.

Order Date: 10.06.2019

Coram:

Hon'ble Member (Judicial): Mr. V. P. Singh,
Hon'ble Member (Technical): Mr. Ravikumar Duraisamy

For the Petitioner Companies: Mr. Gaurav Joshi, Senior Advocate

Mr. Ashish Kamat, Advocate
Mr. Tapan Deshpande, Advocate
Ms. Priya Patwa, Advocate



For Regional Director: Mr. S. Ramakantha, Joint Director and
Ms. RupaSutar, Assistant Director.

PerseRavikumar Duraisamy, Member

ORDER

1. Heard Learned Senior Advocate appearing for the Petitioner Companies, and Officers of the Regional Director, Western Region, Mumbai. No shareholder or creditor of any of the Petitioner Companies, has appeared before this Tribunal to oppose the present Company Scheme Petition.
2. The Senior Advocate for the Petitioner Companies states that the Company Scheme Petition has been filed to seek sanction to the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited (“Amalgamating Company”/ “Petitioner Company 1”), IndusInd Bank Limited (“Amalgamated Company”/ “Petitioner Company 2”) and IndusInd Financial Inclusion Limited (“Transferee Company”/ “Petitioner Company 3”) and their respective shareholders and creditors (“Scheme” or “Scheme of Arrangement”).
3. Petitioner Company 1 is engaged primarily in the businesses of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business



correspondent for Petitioner Company 2 as well as provision of other products and services. Petitioner Company 2 is primarily engaged in the business of, *inter alia*, banking and financial services including retail, commercial, corporate and investment banking and wealth management services catering to both consumer and corporate customers. Petitioner Company 3 is a wholly owned subsidiary of Petitioner Company 2, was incorporated to carry on the business of business correspondent/ business facilitator or authorized agent/sub-agent to customers, for various clients from time to time including banks, financial institutions, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services in connection with the same. Petitioner Company 3 was incorporated on 6th August, 2018 and is not carrying on any business presently.

4. The shares of Petitioner Company 1 and Petitioner Company 2 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The BSE *vide* its letters both dated 1st June, 2018 and the NSE *vide* its letters both dated 4th June, 2018 have respectively given their no objections to Petitioner Company 1 and Petitioner Company 2, to file the Scheme with this Tribunal. The Global Depository Receipts (GDR) of Petitioner Company 2 are listed on Luxembourg Stock Exchange. The shares of Petitioner Company 3 are not



listed on any of the Stock Exchanges. The Scheme of Arrangement, provides *inter alia* for: (i) the amalgamation of Petitioner Company 1 with Petitioner Company 2 by way of merger by absorption and dissolution of Petitioner Company 1 without winding up and the consequent issuance of IBL Shares (*as defined in the Scheme*) by Petitioner Company 2 to the shareholders of Petitioner Company 1 in accordance with the Share Exchange Ratio (*as defined in the Scheme*) (“Amalgamation”); (ii) the Preferential Allotment (*as defined in the Scheme*) by Petitioner Company 2 of the Warrants (*as defined in the Scheme*) to the IBL Promoters (*as defined in the Scheme*); (iii) pursuant to the Amalgamation, the transfer of the Transferred Undertaking (*as defined in the Scheme*), as a going concern, on a slump sale basis, from Petitioner Company 2 to Petitioner Company 3 in exchange for the Slump Exchange Shares (*as defined in the Scheme*) to be issued by Petitioner Company 3 to Petitioner Company 2 (“Slump Exchange”); (iii) the grant of Special Incentive IBL Options (*as defined in the Scheme*) to specified BFIL Employees (*as defined in the Scheme*) transferred to Petitioner Company 2 or Petitioner Company 3 pursuant to the Scheme; and (iv) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by Petitioner Company 2, pursuant to Sections 230 - 232 and other relevant provisions of the Companies Act, 2013



("Act") in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961. The Amalgamation shall precede the Preferential Allotment and the Slump Exchange. Further, as a part of the Scheme and upon its effectiveness, the name of the Petitioner Company 3 shall be changed to "Bharat Financial Inclusion Limited", being the name of the Petitioner Company 1.

5. The background, rationale and benefits of the Scheme are that Petitioner Company 1 and Petitioner Company 2 have entered into an Implementation Agreement dated 14th October, 2017, pursuant to which the parties thereto have agreed, *inter alia*, to the amalgamation of Petitioner Company 1 into Petitioner Company 2 in accordance with the RBI Amalgamation Directions (*defined in the Scheme*) and the Act, the issuance and allotment of the Warrants (*as defined in the Scheme*) to the IBL Promoters (*as defined in the Scheme*) and the subsequent transfer and vesting of the Transferred Undertaking (*as defined in the Scheme*) from Petitioner Company 2 to Petitioner Company 3, as a 'going concern' on a slump sale basis, by way of a Composite Scheme of Arrangement under Sections 230 - 232 of the Act. The Amalgamation, Preferential Allotment and the Slump Exchange pursuant to the Scheme would, *inter alia*, have the following benefits: (i) the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business



would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others; (ii) the Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception in relation to the Amalgamation; (iii) Petitioner Company 1 has a commercially established model in the microfinance segment; (iv)The Amalgamation pursuant to the Scheme shall provide Petitioner Company 2 access to Petitioner Company 1's growing customer base and outlets which would help in building a strong liability book resulting in reduction in cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India; (iv) the Amalgamation would offer Petitioner Company 2 a deeper reach in the low income segment and also increase the access of Petitioner Company 1's customer base to Petitioner Company 2's wide array of products and services; (v) Petitioner Company 2 can, pursuant to the Amalgamation, leverage Petitioner Company 1's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both Petitioner Company 1 and Petitioner Company 2; (vi) the Preferential Allotment shall result in bolstering the capital base and balance



sheet of Petitioner Company 2 and shall provide growth capital for the future growth of Petitioner Company 2; and (vii) the Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide Petitioner Company 2 with access to dedicated business correspondent services through Petitioner Company 3 which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity and help Petitioner Company 2 in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable Petitioner Company 2, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, *inter alia*, prohibit a banking company from carrying on the business correspondent business directly and accordingly, following the Amalgamation, the said business would be carried on by Petitioner Company 3, which is a wholly owned subsidiary of Petitioner Company 2.

6. The Petitioner Companies have complied with all the requirements as per the directions of this Tribunal and have filed necessary Affidavits of compliance in this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, as required under the



Actand the Rules made thereunder. The said undertaking given by the Petitioner Companies, is accepted.

7. The Regional Director (“RD”) has filed his Representation dated 28th March, 2019 (“Report”) before this Tribunal *inter alia* raising certain observations to the Scheme in paragraph IV therein. The paragraph IV of the RD’s Report is, for sake of ready reference, reproduced hereunder:

““IV. The observation of the Regional Director on the proposed Scheme to be considered by the Hon’ble NCLT are as under:

- (i) *In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-(IND AS-8) etc.;*
- (ii) *As per Part-I, General Clause - A(2) of the scheme, it is stated that “the equity shares of the amalgamated company (IndusInd Bank Limited) are listed in the Stock Exchanges and its Global Depository Receipts (GDR) are listed (GDR) are listed on Luxembourg Stock Exchange” in this regard it is submitted that the petitioner to produce NOC from the above said stock Exchange;*
- (iii) *As per Part-1, General Clause - B (4) of the scheme, it is stated that “BFIL and IBL have entered into implementation agreement dated 14th October 2017 pursuant to which the parties thereto have agree *inter alia* to the amalgamation of BFIL in to IBL in accordance with the RBI Amalgamation Directions and*



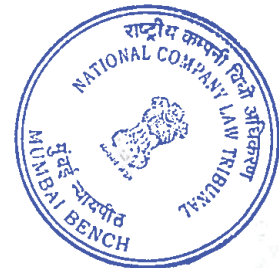
the Act" in this regard it is submitted that the petitioner to produce NOC from RBI. Further, it is submitted that the petitioners be directed to file the said agreement in a sealed envelope to the Central Government and this Tribunal for perusal and to offer any comments and to form a considered opinion;

- (iv) *As per Part-I, Definitions Clause - 10(H) of the scheme, it is stated that Appointed Date shall mean the opening of business on January 01, 2018. In this regard it is submitted that the petitioner companies have already filed financial statements for the financial year 2017-18. Duly audited, authenticated and adopted balance sheet as at 31.03,2018 is on public dominion. Since the financial figures given as at 31.12.2017 has no relevancy under the Companies Act 2013. The Balance Sheet should be duly audited by the Statutory Auditor, authenticated by the Board of Directors of the Company in pursuance to section 134 and laid before Shareholders in Annual General Meeting held in compliance of the provisions of section 96 of the Companies Act, 2013 and approved/adopted by the shareholders of the Company in the said Annual General Meeting is must. The Annual Accounts without going through process is of no value in the Act. In this regard Hon'ble Tribunal may pass appropriate orders as deem fit;*
- (v) *As per Part-I, Definitions Clause - (Q) of the scheme, "Effective Date" means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived; In this regard it is submitted that the "Effective Date" shall be 1st January, 2018 as per provisions of section 232(6) of the*



Companies Act, 2013 and not as specified in the above said clauses of the scheme;

- (vi) *As per Part-I, Definitions Clause - (Y) of the scheme, "Exclusivity Agreement Date" shall mean September 11, 2017 i.e. the date of execution of the confidentiality, exclusivity and standstill agreement between IBL and BFIL. In this regard it is submitted that the petitioners be directed to file the said agreement in a sealed envelope to this Tribunal for perusal form a considered opinion;*
- (vii) *As per Part-I, Definitions Clause - (BB) of the scheme, "Implementation Agreement Execution Date" shall mean October 14, 2017, in this regard it is submitted that the petitioners be directed to file an affidavit regarding the relevancy of the said date to the appointed date;*
- (viii) *As per Part-I, Definitions Clause - (OO) of the scheme, "Regulatory Authority" means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body, tax authorities or tribunal, including but not limited to the CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought. In this regard it is submitted the petitioners be directed to submit NOC from CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;*
- (ix) *As per Part - II Section -1- Clause - (18) - (v) - of the Scheme - Transfer of Existing BFIL Options it is stated that "The exercise price payable for each IBL Share*



issued pursuant to the exercise of the Amalgamated Company Options by the Eligible Employees shall be equal to the quotient of the exercise price payable for each Amalgamating Company share under the respective BFIL ESOP Plans divided by the Share Exchange Ratio (rounded up to the nearest integer)". In this regard it is submitted that the petitioners be directed to file an affidavit quantifying the price and equation enunciated in the scheme with an illustration;

- (x) *As per Part - II Section - 4 Clause - (28) - of the Scheme - Issue of Shares for Amalgamation. It is stated that "If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Amalgamated Company in accordance with Clause 27 of this Scheme; the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to*



withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company in proportion to their respective fractional entitlements'. In this regard it is submitted that as per section 2(5) of the Act the definition of member does not encompass trust as a member. Hence, the said clause of the scheme needs to be deleted;

(xi) As per regard, Part-II-Section-5-Clause-37 of the Scheme "Increase of the Authorized Share Capital" In this regard it is submitted that the fee payable by the Transferee Company shall be in accordance with the provisions of Section 232(3) (i) of the Companies Act, 2013;

(xii) As per regard, Part-III-Section - 5- of the Scheme - Change to the share capital of the Amalgamated Company. In this regard it is submitted that the fee payable by the Transferee Company shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013;

(xiii) As per regard, Part-III-Section - 1- of the Scheme - Preferential Allotment (issue and allotment of Warrants by the Amalgamated company on Preferential Basis) it is stated that "Subject to the effectiveness of the Scheme and upon the allotment of the IBL Shares pursuant to the Amalgamation in accordance with Clause 27 of this Scheme, the Amalgamated Company shall, pursuant to this Scheme and as an integral part hereof, issue and allot to the IBL Promoters on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) share warrants ("Warrants"), each convertible into 1 (one) IBL Share, such that upon



exercise of all the Warrants, and together with the IBL Shares already held by them, the IBL Promoters shall hold in the aggregate up to 15 % (fifteen percent) of the total expanded issued and paid up equity share capital of the Amalgamated Company on a fully diluted basis (such allotment, the "Preferential Allotment"). The "relevant date" for the Preferential Allotment is October 14, 2017, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular ("Warrant Price"), and is Rs. 1,709 (Rupees One Thousand Seven Hundred and Nine) per Warrant. In this regard it is submitted that the further issue of Share Capital should be in accordance with the provisions of section 62 of the Companies Act, 2013 and it cannot be a past or future date. The petitioner under the scheme is contemplating "Preferential Allotment" w.e.f. 14.10.2017 which is not permissible. Hence, the said clause of the Scheme needs to be deleted;

- (xiv) *As per Part-IV-Section-7- Clause 65 of the Scheme- Change of Name by the Transferee Company. In this regard it is submitted that the same is subject to compliance with the provisions of section 4(2) & (3) of the Companies Act, 2013 r/w rule 8(8) of the Company (Incorporation) Rules, 2014;*
- (xv) *As per Part-V-Section-7- Clause 68 of the Scheme- Grant of Special Incentives IBL Employees- clause 68(i) it is stated that "Upon Part II of this Scheme becoming effective, the Amalgamated Company shall, in order to ensure continuity and retention of the BFIL Employees with IBL, create a New IBL ESOP Scheme in*



terms of which IBL shall grant to specified BFIL Employees ("Special Incentive Eligible Employees"), stock options of the Amalgamated Company as a special incentive (collectively referred to as "Special Incentive IBL Options"). In this regard it submitted the petitioner be directed to file an affidavit containing the names of "Specified BFIL Employees"

(xvi) *In view of the observation raised by the RoC Mumbai, and ROC Pune mentioned at para 7 above, Hon'ble NCLT may kindly direct both the RoCs to file further report and offer further comments on the Scheme to facilitate thipray Hon'ble Tribunal to pass appropriate orders/orders as deem fit.*

(xvii) *Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any, liberty be given to Central Government to file further report if any required."*

8. The observations made by the RD have been dealt with by the Petitioner Companies in their respective Affidavits and copies of the said Affidavits were served upon the RD on 2nd April, 2019. Petitioner Company 2 in its Affidavit dated 1st April, 2019 ("IBL Affidavit"), has dealt with the observations of the RD. Petitioner Company 1 vide its Affidavit dated 2nd April, 2019 while adopting the contents of the Affidavit filed by Petitioner Company 2, has also dealt with the observations specifically related to Petitioner Company 1, made in paragraphs IV (xv) and (xvi) of the Report. Similarly, Petitioner Company 3 vide its Affidavit dated 1st April,



2019, has dealt with the RD Report while adopting the contents of the IBL Affidavit, deal also with the observations specifically related to Petitioner Company 3, made in paragraphs IV (i), (xii) and (xvi) of the Report. The responses of the Petitioner Companies to the observations made in the RD's Report in the said Affidavits are as under:

9. As regards observation in paragraph IV (i) of the said Report, Petitioner Company 2 in paragraph 6 of the IBL Affidavit dated 1st April, 2019 has provided an undertaking that in addition to the compliance of AS-14 (IND AS-103), Petitioner Company 2 shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS- 5 (IND AS-8) etc., to the extent applicable. Further, in its Affidavit dated 1st April, 2019, Petitioner Company 3 has also provided an undertaking in paragraph 5 thereof that in addition to the compliance of AS-14 (IND AS-103), it would pass such accounting entries which were necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS- 5 (IND AS-8) etc., to the extent applicable. The said undertakings given by Petitioner Company 2 paragraph 6 of the IBL Affidavit dated 1st April, 2019 and Petitioner Company 3 in paragraph 5 of its Affidavit dated 1st April, 2019 are accepted.



10. As regards observation in paragraph IV (ii) of the said Report, Petitioner Company 2 has, in paragraph 7 of the IBL Affidavit dated 1st April, 2019, stated that Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) read with the SEBI Circular dated 10th March, 2017, bearing reference number CFD/DIL3/CIR/2017/21 (“SEBI Scheme Circular”) require listed companies to obtain approval only from the stock exchanges in India, where the securities of the parties to a scheme are listed. Accordingly, Petitioner Company 1 as well as Petitioner Company 2 have obtained requisite approvals from the BSE and NSE. Petitioner Company 2 in its IBL Affidavit stated that the proposed Scheme does not require prior approval/ NOC from the Luxembourg Stock Exchange, to seek approval of this Tribunal to the Scheme. In any event, in accordance with the Deposit Agreement dated 28th May, 2008 entered into between Petitioner Company 2 and The Bank of New York (the “Depositary”), Petitioner Company 2 had provided notice of the Tribunal Convened Meeting to the Depositary, and that the Depositary on behalf of the GDR holders, had voted in favour of the Scheme. Petitioner Company 2 further stated that once the Scheme is approved by this Hon'ble Tribunal and prior to declaring its effectiveness, Petitioner Company 2 shall give notice to the Luxembourg Stock Exchange of the Scheme



simultaneously with the intimation to the NSE and the BSE in India.

11. As regards observation in paragraph IV (iii) of the said Report, the Petitioner Company 2 has, in paragraph 8 of the IBL Affidavit dated 1st April, 2019, stated that the Reserve Bank of India has *vide* its letter dated 13th March, 2018 issued to Petitioner Company 2, conveyed its “No objection” to the proposed Scheme, which is annexed as Exhibit “M” to the Company Scheme Petition filed by the Petitioner Companies, and for the sake of ready reference, also annexed as Exhibit “A” to its Affidavit dealing with the RD’ s observations. As regards the Implementation Agreement dated 14th October, 2017 (“Implementation Agreement”), Petitioner Company 2 stated that the Implementation Agreement is a commercial document, entered into between Petitioner Company 2 and Petitioner Company 1 only for the purposes of capturing the understanding of the parties in relation to the amalgamation, preferential allotment and slump exchange, which forms part of the Scheme. Petitioner Company 2 further stated that the Implementation Agreement, being a commercial document, the Petitioner Companies are under an obligation to maintain confidentiality and not to disclose the Implementation Agreement. Petitioner Company 2 therefore stated that the Implementation Agreement, which only provides for *modus operandi* for the parties, has no relevance for this Hon’ble



Tribunal to consider the sanction of this Scheme, being the principal document, which envisages the terms of the arrangement between the parties. The Senior Advocate for the Petitioner Companies states that, as required by the office of the RD, the Petitioner Company *vide* their Advocate's letter dated 2nd April, 2019 have furnished a copy of the Implementation Agreement in a sealed envelope to Central Government (Regional Director, Western Region, Mumbai) and claim privilege and requested RD to keep it confidential.

12. As regards observation in paragraph IV (iv) of the said Report, Petitioner Company 2, in paragraph 9 of the IBL Affidavit dated 1st April, 2019, stated that being a listed company, Petitioner Company 2 is required to prepare quarterly financial results in accordance with SEBI LODR Regulations and annual financial statements in accordance with Section 134 of the Companies Act, 2013. Such financial results are also required to be published on the website of the Stock Exchanges where the securities of the concerned company are listed. Petitioner Company 2 stated that in compliance with the aforementioned laws, Petitioner Company 2 prepares and publishes its quarterly financial results and annual financial statements. Petitioner Company 2 has given an undertaking to this Tribunal that once the proposed Scheme is sanctioned by this Hon'ble Tribunal and same is implemented in accordance with the terms thereof, Petitioner Company 2 will prepare consolidated financial



statements of Petitioner Company 2, including its balance sheet with effect from the Date, i.e. 1st January, 2018 in accordance with the applicable law, including the applicable accounting standards. Further, such consolidated financial statements shall be audited by the Statutory Auditors of Petitioner Company 2, authenticated by the Board of Directors of Petitioner Company 2 pursuant to Section 134 of the Companies Act, 2013 and shall be presented before its Shareholders in Annual General Meeting to be held in compliance of the provisions of Section 96 of the Companies Act, 2013 for approval/adoption by the shareholders of Petitioner Company 2. The said undertaking given by Petitioner Company 2 in paragraph 9 of the IBL Affidavit dated 1st April, 2019 is accepted.

13. As regards observation in paragraph IV (v) of the said Report, Petitioner Company 2 has, in paragraph 10 of the IBL Affidavit dated 1st April, 2019, stated that in accordance with Section 232(6) of the Companies Act, 2013, the Scheme specifies that the Appointed Date for the purposes of the amalgamation of Petitioner Company 1 with Petitioner Company 2 and the slump exchange of the Transferred Undertaking (*as defined in the Scheme*) from Petitioner Company 2 to Petitioner Company 3 shall be 1st January, 2018. Clause 72 of the Scheme contains certain conditions to the Scheme, which, *inter alia*, include the certified copy of the order of this Tribunal approving the Scheme being filed with the Registrar of Companies,



Maharashtra. Petitioner Company 2 further stated that once the said conditions are fulfilled, the Scheme will be given effect to in accordance with the terms thereof and the Scheme shall be deemed to be effective from 1st January, 2018, being the Appointed Date in accordance with Section 232(6) of the Companies Act, 2013.

14. As regards observation in paragraph IV (vi) of the said Report, Petitioner Company 2, in paragraph 11 of the IBL Affidavit dated 1st April, 2019, stated that the Exclusivity Agreement dated 11th September, 2017 (“Exclusivity Agreement”) was entered into between Petitioner Company 2 and Petitioner Company 1 in accordance with the SEBI Regulations and Petitioner Company 2 and Petitioner Company 1 made requisite disclosures to the NSE and the BSE in relation to the same. The Petitioner Company 2 further stated that being a commercial document, the Petitioner Companies are under an obligation to maintain confidentiality and not to disclose the said Exclusivity Agreement. The Senior Advocate for the Petitioner Companies states that, as required by the office of the RD, the Petitioner Company *vide* their Advocate’s letter dated 2nd April, 2019 have furnished a copy of the Exclusivity Agreement in a sealed envelope to Central Government (Regional Director, Western Region, Mumbai), by claiming privilege and request RD to keep it confidential.



15. As regards observation in paragraph IV (vii) of the said Report, Petitioner Company 2 has, in paragraph 12 of the IBL Affidavit dated 1st April, 2019, stated that the Implementation Agreement Execution Date i.e. 14th October, 2017 has no relevance to the Appointed Date, and therefore a separate affidavit regarding the relevance of the said date to the Appointed Date was not required to be filed with this Tribunal.
16. As regards observation in paragraph IV (viii) of the said Report, Petitioner Company 2 has, in paragraph 13 of the IBL Affidavit dated 1st April, 2019, stated that the letters issued by the Competition Commission of India, the Reserve Bank of India, the BSE and the NSE to Petitioner Company 1 and Petitioner Company 2 respectively, conveying their “No objections” to the proposed Scheme, are annexed to the Company Scheme Petition, as Exhibit “L-Colly”, “ M”, “E”, “F”, “J” and “K” respectively. Copies of the letters are also annexed to the IBL Affidavit dealing with the Report. The Scheme has been approved by the aforesaid regulators and such their decisions are binding on the Petitioner Companies. The said approvals are not the subject matter of any appeals.
17. As regards observation in paragraph IV (ix) of the said Report, Petitioner Company 2 has, in paragraph 14 of the IBL Affidavit dated 1st April, 2019, stated that the equation for determining the exercise price payable for each IBL Share (*as defined in the*



Scheme) is provided in the IBL Affidavits, with an illustration.

For the sake of ready reference the same is reproduced hereunder:

“Exercise price payable for each IBL Share =	Exercise price for the Amalgamating Company Share
	<hr/>
	0.639

Illustration:

- (a) Amalgamated Company Options held by an Eligible Employee = 1000
- (b) Exercise Price at which the Amalgamating Company Options have been issued to the Eligible Employee = Rs. 500

Exercise price payable for each IBL Share as per the above formula = $500 / 0.639$, i.e. Rs.782.”

Petitioner Company 2 stated that since the stock options of Petitioner Company 1 were issued to the Eligible Employees at different points in time with different exercise price in accordance with the BFIL ESOP Plans (*as defined under the Scheme*), the exercise price to be paid by the Eligible Employee for each IBL Share shall also vary.

- 18. As regards observation in paragraph IV (x) of the said Report, Petitioner Company 2, in paragraph 15 of the IBL Affidavit dated 1st April, 2019, stated that Section 2(55) of the Act defines a ‘member’. There is no restriction on a trustee holding shares of a company. Petitioner Company 2 further submitted that in accordance with Clause 28 of the Scheme, and in line with the approach adopted by listed companies in schemes of



arrangement, the Petitioner Companies are in the process of appointing Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956, to act as corporate trustee for the purposes of holding fractional shares for the benefit of the respective shareholders of Petitioner Company 1, which shall sell such shares within 60 days from the date of allotment of the fractional shares. The Petitioner Companies submitted that the shares shall be held for such period by the corporate trustee for the purposes of facilitating the sale. Therefore, the fractional shares will not be held by a trust, but by a corporate trustee, namely - Catalyst Trusteeship Limited during the prescribed period, which is permitted under the Companies Act, 2013.

19. As regards observation in paragraph IV (xi) of the said Report, Petitioner Company 2 has, in paragraph 16 of the IBL Affidavit dated 1st April, 2019, given an undertaking to this Tribunal to comply with the provisions of Section 232(3) (i) of the Act. The said undertaking given by the Petitioner Company 2 in paragraph 16 of the IBL Affidavit dated 1st April, 2019 is accepted.
20. As regards observation in paragraph IV (xii) of the said Report, the Petitioner Company 2 has, in paragraph 17 of the IBL Affidavit dated 1st April, 2019, given an undertaking to this Tribunal that the fee, if any, payable by Petitioner Company 2



shall be in accordance with the provisions of Section 232 (3) (i) of the Act, as applicable. The said undertaking has also been given by Petitioner Company 3 in paragraph 6 of its Affidavit dated 1st April, 2019. The undertakings given by Petitioner Company 2 in paragraph 17 of the IBL Affidavit dated 1st April, 2019 and Petitioner Company 3 in paragraph 6 of its Affidavit dated 1st April, 2019 are accepted.

21. As regards observation in paragraph IV (xiii) of the said Report, Petitioner Company 2, in paragraph 18 of the IBL Affidavit dated 1st April, 2019, stated that the preferential allotment to the promoters of Petitioner Company 2 is being made as an integral part of the Scheme, and the provisions of the Companies Act, 2013 in relation to the preferential allotment have been complied with, to the extent applicable. Petitioner Company 2 in the IBL Affidavit stated that by virtue of Section 24 of the Companies Act, 2013, SEBI has the power to administer *inter alia* the issue of securities by listed companies. Further, being a listed company, Petitioner Company 2 is issuing warrants to the promoters of Petitioner Company 2, as an integral part of the Scheme, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, read with the SEBI Circular dated March 23, 2017, bearing reference number CFD/DIL3/CIR/2017/26 (“SEBI Preferential Allotment Circular”), which permit and specify the manner in which a preferential allotment may be made by listed companies to a



select group of shareholders as part of a scheme of arrangement. Petitioner Company 2 further stated that the preferential allotment would be made pursuant to its effectiveness, once the Scheme receives approval of this Hon'ble Tribunal. In the IBL Affidavit, Petitioner Company 2 further stated that the date of 14th October, 2017 was relevant only for the purposes of determining the price at which the warrants shall be allotted to the promoters of Petitioner Company 2, being the date on which the Board of Petitioner Company 2 approved the Scheme, which is in accordance with the Preferential Allotment Circular. Petitioner Company 2 further stated that the preferential allotment as a part of the Scheme has received requisite approval of (i) Audit Committees and the Board of Directors of the Petitioner Companies; (ii) no-objection from the Reserve Bank of India *vide* its letter dated 13th March, 2018, (iii) NSE *vide* its observation letter dated 1st June, 2018 and the BSE *vide* its observation letter dated 4th June, 2018, on the basis of the comments received from SEBI, (iv) the shareholders of Petitioner Companies in their respective NCLT convened meeting with 99.90%, 99.99% and 100% respectively. The preferential allotment has also been approved by 99.86%, being a significant majority, of the public shareholders of Petitioner Company 2, as required in terms of paragraph (I)(A)(9)(b)(i) of Annexure 1 of the SEBI Scheme Circular. Petitioner Company



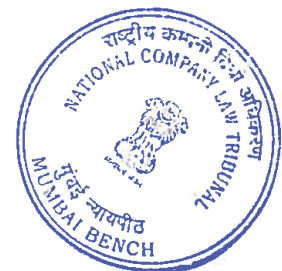
2 stated that in light of the aforementioned, the preferential allotment of the warrants as part of the Scheme and the pricing thereof, as specified in Clause 27 thereof, has received all the relevant corporate approvals (from the Audit Committees, Board of Directors and Shareholders of the Petitioner Company 2) as well as relevant regulatory approvals/ no-objections (from the RBI, and the Stock Exchanges and SEBI) in accordance with the provisions of applicable laws including the Companies Act, the RBI Regulations and the SEBI regulations and is permitted in terms thereof.

22. As regards observation in paragraph IV (xiv) of the said Report, Petitioner Company 2 has, in paragraph 19 of the IBL Affidavit dated 1st April, 2019, stated that the name of Petitioner Company 3 shall be changed pursuant to the Scheme. Further, Petitioner Company 3 in paragraph 7 of its Affidavit dated 1st April, 2019, has also given an undertaking to this Tribunal to comply with the provisions of Section 4 (2) and (3) of the Companies Act, 2013 read with Rule 8 (8) of the Company (incorporation) Rules, 2014, as applicable to Petitioner Company 3. The undertaking given by Petitioner Company 2 in paragraph 19 of the IBL Affidavit dated 1st April, 2019 is accepted.
23. As regards observation in paragraph IV (xv) of the said Report, Petitioner Company 2 has, in paragraph 20 of the IBL



Affidavit dated 1st April, 2019, stated that Petitioner Company 2, as stated in the Scheme is proposing to grant “Special Incentive IBL Options” to certain employees of Petitioner Company 1, in accordance with Clause 68 the Scheme. The Specified BFIL Employees, who shall be entitled to Special Incentive IBL Options, shall be identified by the management of Petitioner Company 1 prior to the effectiveness of the proposed Scheme and the Special Incentive IBL Options shall be granted by the Nomination and Remuneration Committee of Petitioner Company 2 at its meeting to be held post effectiveness of the proposed Scheme, based on such recommendation. Petitioner Company 2 further stated that the total number of options to be granted by Petitioner Company 2 under the Scheme: (i) in lieu of the options held by the employees of Petitioner Company 1 under the existing ESOP plans of Petitioner Company 1; and (ii) as Special Incentive IBL Options to Specified BFIL Employees, shall, in any event, not exceed 57,50,000 which was also mentioned in the notice given to the shareholders of Petitioner Company 2 for the Tribunal Convened Meeting. Petitioner Company 1 in paragraph 5 of its Affidavit dated 2nd April, 2019, has also confirmed the same to this Tribunal.

24. As regards observation in paragraph IV (xvi) of the said Report, in relation to Petitioner Company 1, Petitioner Company 2, in paragraph 21 of the IBL Affidavit dated 1st April, 2019, stated



that the RD has given reference of the Report, submitted by the Registrar of Companies,(the "ROC Mumbai") to the RD. Petitioner Company 2 further stated that from the said reference it is observed that the ROC Mumbai had stated therein that no investigation and inspection were pending against Petitioner Company 1 and that there was no complaint against Petitioner Company 1. With regards to one pending inquiry against Petitioner Company 1 is concerned, Petitioner Company 2 stated that Petitioner Company 1 has already responded to the enquiries made by the ROC Mumbai and thereafter there was no response from the ROC Mumbai, and no follow up queries have been raised by the ROC Mumbai till date. Petitioner Company 2 submitted that in any event, post sanction to the Scheme by this Tribunal, Petitioner Company 1 will be merged with Petitioner Company 2 and in terms of Clause 50 of the Scheme, all the legal proceedings, which includes the said Complaint, will get transferred to in Petitioner Company 2 and Petitioner Company 2 will pursue the said Complaint. Petitioner Company 1 has also specifically confirmed its response in its Affidavit dated 2nd April, 2019, in paragraph 6 thereof.

25. As regards observation in paragraph IV (xvi) of the said Report, in relation to Petitioner Company 2, Petitioner Company 2, in paragraph 22 of the IBL Affidavit dated 1st April, 2019, states that the RD has given reference of the Report submitted by the



Registrar of Companies, Pune (ROC Pune) to the RD. Petitioner Company 2 submitted that from the said reference it is observed that ROCPune had stated therein that no investigation, inspection, are pending and there is no complaint against Petitioner Company 2. Petitioner Company 2 further submitted that in any event, Petitioner Company 2 would survive post sanction and effectiveness of the Scheme, and the inquiries in relation to Petitioner Company 2, if any, would continue even after the sanction of the Scheme by this Tribunal.

26. As regards observation in paragraph IV (xvii) of the said Report, Petitioner Company 2, in paragraph 23 of the IBL Affidavit dated 1st April, 2019, stated that the Scheme enclosed to the Company Scheme Application and to the Company Scheme Petition, are one and same and there is no discrepancy for changemade therein.
27. Learned Senior Advocate states that the office of the RD has filed a Supplementary Report dated 4th April, 2019 with this Tribunal, dealing with Affidavits filed by the Petitioner Companies dealing with the Report. In the said Supplementary Report, the RD has found the responses given by the Petitioner Companies in relation to most of the observations, satisfactory. In relation to the observations made in paragraphs IV (ii), (iii), (vi), (ix), (xiii)and (xv) of the Report, the RD in its Supplementary Report has stated that “this Tribunal to pass



appropriate orders, as it may deem fit". The submissions made by the Learned Senior Advocate for the Petitioner Companies in relation to the observations made in the Supplementary Report are summarized as under:

Requirement of NOC from Luxembourg Stock Exchange (ParaIV (ii) of the Report):

28. Senior Advocate for the Petitioner Companies reiterated the submissions of the Petitioner Companies recorded in their respective Affidavits and submitted that though there is no requirement to obtain an NOC or any approval from the Luxembourg Stock Exchange. Learned Senior Advocate placed reliance upon Regulation 37 of the SEBI (LODR) read with SEBI Scheme Circular which requires a listed company to obtain a prior approval only from the Stock Exchanges in India, and not from an off-shore Stock Exchange. Further, The Petitioner Company 2 has vide its Affidavit dated 10th April, 2019 placed on record a letter dated 9th April, 2019 issued by the Luxembourg Stock Exchange to Petitioner Company 2 whereby the Luxembourg Stock Exchange has confirmed that no NOC, clearance, approval or consent from Luxembourg Stock Exchange is required for or in relation to the execution and fulfilment of the Scheme. Petitioner Company 2 has undertaken in paragraph 7 of the IBL Affidavit dated 1st April, 2019 to intimate to the Luxembourg Stock Exchange after the sanction



of the Scheme by this Tribunal prior to the effectiveness of the Scheme, in accordance with law. The said undertaking given by Petitioner Company 2 in paragraph 7 of the IBL Affidavit dated 1st April, 2019 is accepted by this Tribunal.

Exercise price of IBL shares for converting IBL options granted to BFIL Employees ("Eligible Employee") in lieu of BFIL options held by them (Paragraph IV (ix) of the Report)

29. Senior Advocate for Petitioner Companies stated that the exercise price payable for each IBL Share issued pursuant to IndusInd Bank stock options held by the Eligible Employees shall in be in terms of Clause 18 (iv) of the Scheme, and reiterated the submissions recorded in paragraph 17 hereinabove.

Compliance with Section 62 of the Companies Act, 2013 in relation to Preferential Allotment(Paragraph IV (xiii) of the Report):

30. Senior Advocate for Petitioner Companies reiterated the submissions recorded in paragraph 21 hereinabove, and also submitted that paragraph 44 of the Scheme provides that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the issuance and allotment of Warrants of the Petitioner Company 2 to the IBL Promoters and no further



resolutions/ approval/ authorizations under Section 42 and Section 62 (1) (c) of the Act, would be separately required.

Implementation Agreement and Exclusivity Agreement
(paragraph VI (iii) and (iv) of the Report)

31. (a) As regards the Implementation Agreement, Senior Advocate for the Petitioner Companies reiterated the submissions recorded in paragraph 11 hereinabove, and further submitted that the Implementation Agreement is a private commercial document, entered for the purposes of capturing broad understanding and responsibilities of the parties in relation to the manner in which the parties will undertake the amalgamation, preferential allotment and slump exchange, by way of and pursuant to the Scheme. Senior Advocate further submitted that it merely sets out the process agreed between the parties for implementation. The substantive provisions in relation to the same are elaborately provided in the Scheme, being the single principal document which governs the amalgamation, preferential allotment and slump exchange and the manner in which they would be given effect to.
- (b) As regards the Exclusivity Agreement, Senior Advocate for the Petitioner Companies reiterated the submissions recorded in paragraph 14 hereinabove and further submitted that it was entered into in compliance with the provisions of the applicable SEBI regulations, and the parties made requisite disclosures to



the NSE and the BSE in relation to the same. The agreement has lapsed and does not have any relevance to the Scheme.

In view thereof, this Tribunal is of the view that there is no relevance to examine the Implementation Agreement and Exclusivity Agreement while considering sanction to the Scheme. As such the Petitioner Companies have provided copies of the same in sealed envelope to RD and the RD has not given any further comments on the said Agreements.

Specified BFIL Employees eligible for Special Incentive IBL Options (Paragraph (xv) of the Report)

32. Senior Advocate for the Petitioner Companies reiterated the submissions recorded in paragraph 23 hereinabove, and in view thereof, the filing of an Affidavit containing the names of the “Special BFIL Employees” is not warranted. Senior Advocate for the Petitioner Companies drew the attention of this Hon’ble Tribunal to Regulation 5(2) of the SEBI (Share Based Employee Benefits) Regulations, 2014, wherein it is mentioned that the compensation committee shall be a committee of such members of the board of directors of the company as provided under Section 178 of the Companies Act, 2013, as amended or modified from time to time. Section 178 of the Companies Act, 2013 deals, *inter alia*, with Nomination and Remuneration Committee of a listed company.



33. The clarifications and undertakings given by the Petitioner Companies are accepted.
34. The Official Liquidator has filed his Report dated 11th December, 2018 stating that the affairs of Petitioner Company 1 have been conducted in a proper manner and that Petitioner Company 1 may be ordered to be dissolved without winding up.
35. Affidavit dated 04.06.2019 submitted on behalf of the Petitioner Company 1 and the affidavits dated 03.05.2019 submitted on behalf of the Petitioner Company 2 and 3 have been taken on record.
36. With regard to Regional Director's observation in para- IV (ix), (xiii), (xv) petitioner companies are directed to ensure strict compliance with applicable provisions of SEBI Act, Rules, Regulations, Circulars etc. and in case of any violation/non-compliance SEBI is free to take appropriate action as deemed fit.
37. From the material on record and after perusing the clarifications and submissions of the Petitioner Companies to the Reports of the RD, the Scheme appears to be fair and reasonable and *prima-facie* is not violative of any provisions of law and is not contrary to public policy.



38. All Petitioner Companies are liable to pay applicable Income Tax/Capital Gains Tax etc. pursuant to this composite scheme of arrangement.
39. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 4648 of 2018 filed by the Petitioner Companies is made absolute in terms of prayer clauses (a) and (b) fixed appointed date as 01.01.2018.
40. The Petitioner Company 2 to lodge a certified copy of this order along with the sanctioned Scheme attached thereto with the concerned Collector of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified copy of this order.
41. The Petitioner Companies are directed to file certified copy of this order alongwith a copy of the sanctioned Scheme attached thereto with the concerned Registrar of Companies, electronically, along with e-form INC 28 in addition to physical copy within 30 days of receipt of certified copy of this order along with the sanctioned Scheme.
42. The Petitioner Companies I and 2 to pay cost of the Company Scheme Petition of INR 1,00,000/-each and Petitioner Company 3 to pay cost of INR 25,000/- to the Regional Director, Western Region, Mumbai. The Petitioner Company 1 to pay cost of the Company Scheme Petition of INR 25,000/- to



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
CP (CAA) 4648 /230-232/NCLT/MB/MAH/2018

the Official Liquidator, High Court, Bombay as well. Costs to be paid within four weeks from the date of receipt of the certified copy of the order.

43. All concerned authorities to act on a copy of this order along with the sanctioned Scheme, duly certified by the Deputy/Assistant Registrar of National Company Law Tribunal, Mumbai Bench.

SD/-
RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)

SD/-
V.P. SINGH
MEMBER (JUDICIAL)

Date: 10.06.2019

Certified True Copy
Date of Application 11.06.2019
Number of Pages 36
Fee Paid Rs. 180
Applicant called for collection copy on 12.06.2019
Copy prepared on 13.06.2019
Copy issued on 13.06.2019 B.A.S
B. A. Patel
Assistant Registrar
National Company Law Tribunal, Mumbai Bench

36



COMPOSITE SCHEME OF ARRANGEMENT

Under Sections 230 to 232 of the Companies Act, 2013

AMONG

BHARAT FINANCIAL INCLUSION LIMITED	...	AMALGAMATING COMPANY
INDUSIND BANK LIMITED	...	AMALGAMATED COMPANY
INDUSIND FINANCIAL INCLUSION LIMITED	...	TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

A. *Description of Parties*

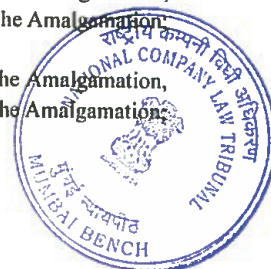
1. Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) is public company, limited by shares, incorporated under the 1956 Act (as defined hereunder), under corporate identification number L65999MH2003PLC250504) and having its registered office at Unit No. 410, Madhava, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "BFIL" or the "Amalgamating Company"). BFIL is registered with the RBI (as defined hereunder) as a non-deposit taking non-banking financial company – micro finance institution. The equity shares of BFIL are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). BFIL is engaged primarily in the businesses of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business correspondent for IBL (as defined hereunder) as well as provision of other products and services;
2. IndusInd Bank Limited is a public company, limited by shares, incorporated under the 1956 Act, under corporate identification number L65191PN1994PLC076333 and having its registered office at 2401, General Thimmayya Road, East Street, Pune – 411 001 (hereinafter referred to as "IBL" or the "Amalgamated Company") and is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of the Amalgamated Company are listed on the Stock Exchanges and its global depository receipts are listed on the Luxembourg Stock Exchange. IBL is primarily engaged in the business of providing banking services in India. IBL is engaged in the business of, inter alia, banking and financial services including retail, commercial, corporate and investment banking and wealth management services catering to both consumer and corporate customers.



3. IndusInd Financial Inclusion Limited is a company incorporated under the Act (as defined hereunder) under the Act (as defined hereunder), under corporate identification number U65999MH2018PLC312539 and having its registered office at One Indiabulls Centre, Tower 1, 8th Floor, 841 Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra – 400013 (the “Transferee Company”). The Transferee Company is a wholly owned subsidiary of IBL. The main objects of the Transferee Company include, *inter alia*, to carry on the business of business correspondent/ business facilitator or authorized agent/sub-agent to customers, for various clients from time to time including banks, financial institutions, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services in connection with the same.

B. Description of the Scheme

4. BFIL and IBL have entered into an Implementation Agreement dated October 14, 2017, (the “Implementation Agreement”), pursuant to which the parties thereto have agreed, *inter alia*, to the amalgamation of BFIL into IBL in accordance with the RBI Amalgamation Directions (defined hereunder) and the Act, the issuance and allotment of the Warrants (as defined hereunder) to the IBL Promoters (as defined hereunder), and the subsequent transfer of the Transferred Undertaking (as defined hereunder) from the Amalgamated Company to, and vesting thereof in the Transferee Company, as a ‘going concern’ on a slump sale basis, by way of a composite scheme of arrangement under Sections 230 to 232 of the Act.
5. In furtherance of the Implementation Agreement and the understanding between the parties thereto, this Scheme (as defined hereunder) provides, *inter alia*, for:
- (i) the amalgamation of the Amalgamating Company with the Amalgamated Company, by way of merger by absorption and dissolution of the Amalgamating Company without winding up and the consequent issuance of IBL Shares (as defined hereunder) by the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio (as defined hereunder) (“Amalgamation”);
 - (ii) the Preferential Allotment (as defined hereunder) by the Amalgamated Company of the Warrants to the IBL Promoters;
 - (iii) pursuant to the Amalgamation, the transfer of the Transferred Undertaking, as a going concern, on a slump sale basis, from the Amalgamated Company to the Transferee Company in exchange for the Slump Exchange Shares (as defined hereunder) to be issued by the Transferee Company to the Amalgamated Company (“Slump Exchange”);
 - (iv) the grant of Special Incentive IBL Options (as defined hereunder) to specified BFIL Employees (as defined hereunder) transferred to the Amalgamated Company or the Transferee Company pursuant to the Scheme; and
 - (v) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Amalgamated Company,
- pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder). The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.
6. The Amalgamation of the Amalgamating Company into the Amalgamated Company shall be in full compliance with the provisions of Section 2(1B) of the IT Act such that:
- (i) all the properties of the Amalgamating Company, immediately before the Amalgamation, shall become the properties of the Amalgamated Company, by virtue of the Amalgamation;
 - (ii) all the liabilities of the Amalgamating Company, immediately before the Amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of the Amalgamation; and



- (iii) all shareholders holding shares in the Amalgamating Company, will become shareholders of the Amalgamated Company by virtue of the Amalgamation.
7. The Transferred Undertaking constitutes an 'undertaking' as defined under Section 2(19AA) of the IT Act.
- C. **Rationale for the Scheme**
8. The Amalgamation and the Slump Exchange pursuant to this Scheme would, *inter alia*, have the following benefits:
- (i) the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;
- (ii) the Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception in relation to the Amalgamation;
- (iii) the Amalgamating Company has a commercially established model in the microfinance segment. The Amalgamation pursuant to the Scheme shall provide the Amalgamated Company access to the Amalgamating Company's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India;
- (iv) the Amalgamation would offer the Amalgamated Company a deeper reach in the low income segment, and also increase the access of the Amalgamating Company's customer base to the Amalgamated Company's wide array of products and services;
- (v) the Amalgamated Company can, pursuant to the Amalgamation, leverage the Amalgamating Company's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both the Amalgamating Company and the Amalgamated Company;
- (vi) the Preferential Allotment shall result in bolstering the capital base and balance sheet of the Amalgamated Company and shall provide growth capital for the future growth of the Amalgamated Company; and
- (vii) the Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Amalgamated Company with access to dedicated business correspondent services through the Transferee Company which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Amalgamated Company in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Amalgamated Company, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, *inter alia*, prohibit a banking company from carrying on the business correspondent business directly.
9. This Scheme is divided into the following parts:
- (i) Part I, which deals with the introduction and definitions, and sets out the share capital of the Amalgamating Company, Amalgamated Company and the Transferee Company;

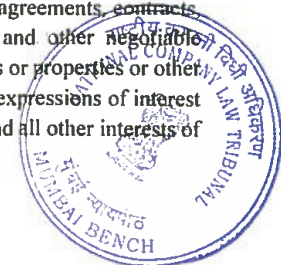


- (ii) Part II, which deals with the Amalgamation;
- (iii) Part III, which deals with the Preferential Allotment;
- (iv) Part IV, which deals with the Slump Exchange;
- (v) Part V, which deals with the grant of the Special Incentive IBL Options; and
- (vi) Part VI, which deals with the general terms and conditions applicable to the Scheme.

10. Definitions

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

- (A) "1956 Act" means the Companies Act, 1956, as amended from time to time;
- (B) "Act" means the Companies Act, 2013 and the rules framed there under, to the extent notified, or any modifications or re-enactments or amendments thereof from time to time;
- (C) "Amalgamated Company" means have the meaning ascribed to it in Clause 2 of this Scheme;
- (D) "Amalgamated Company Options" shall have the meaning ascribed to it in Clause 18(iii) below;
- (E) "Amalgamating Company" shall have the meaning ascribed to it in Clause 1 above;
- (F) "Amalgamating Undertaking" means all the undertakings and entire business of the Amalgamating Company (including the BC Business), as a going concern, and shall include (without limitation):
 - (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Amalgamating Company, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;
 - (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, authorities, consents, deposits, privileges, exemptions including tax exemptions available to the Amalgamating Company, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, any MAT credit entitlement, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of



every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;

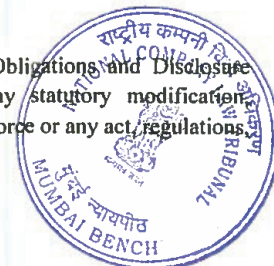
- (iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamating Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
 - (iv) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Amalgamating Company;
 - (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Amalgamating Company;
 - (vi) all present, and contingent future liabilities of the Amalgamating Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and
 - (vii) the BFIL Employees and the Employee Benefit Funds of the Amalgamating Company.
- (G) “**Amalgamation**” shall have the meaning ascribed to it in Clause 5(i) above;
- (H) “**Appointed Date**” shall mean the opening of business on January 01, 2018;
- (I) “**Approved BFIL ESOP Pool**” shall mean a pool of stock options of BFIL, that BFIL is entitled to grant under and in accordance with the BFIL ESOP Plans and the SEBI SBEB Regulations at any time during the period from the Exclusivity Agreement Date upto the Effective Date, which shall comprise of:
- (i) 35, 14, 276 (thirty five lakhs fourteen thousand two hundred and seventy six) stock options; and
 - (ii) Such further number of stock options, which become available for grant, pursuant to the termination, forfeiture or lapse of the stock options previously granted, in accordance with the applicable BFIL ESOP Plans and the SEBI SBEB Regulations.
- (J) “**BC Business**” means the non-financial, non-lending activities carried on by BFIL which comprise origination, servicing and collection of loans as a business correspondent for IBL as well as provision of certain other products and services;
- (K) “**BC Business Employees**” shall mean all BFIL Employees;
- (L) “**BFIL Employees**” shall mean all the employees of BFIL as on the Effective Date;
- (M) “**BFIL ESOP Plans**” shall mean, collectively, ESOP 1, ESOP 2, ESOP 3, and ESOP 4;



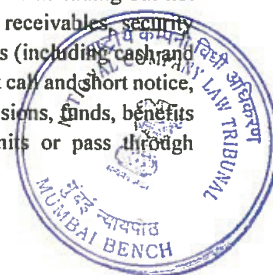
- (N) **“BFIL Options”** shall mean the stock options held by BFIL Employees under the BFIL ESOP Plans;
- (O) **“Board”** in relation to any company, means the board of directors of such company and shall include a duly authorised committee of the Board;
- (P) **“CCI”** means the Competition Commission of India, as established under the Competition Act, 2002;
- (Q) **“Effective Date”** means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived;
- References in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;
- (R) **“Eligible Employees”** shall mean the BFIL Employees holding any BFIL Options on the Effective Date;
- (S) **“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;
- (T) **“Encumbrance”** or **“Encumber”** means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use;
- (U) **ESOP 1”** shall mean the BFIL Employee Stock Option Plan 2008, as approved by the Board and shareholders of the Amalgamating Company;
- (V) **ESOP 2”** shall mean the BFIL Employees Stock Option Plan 2009, as approved by the Board and shareholders of the Amalgamating Company;
- (W) **ESOP 3”** shall mean the BFIL Employee Stock Option Plan 2010, as approved by the Board and shareholders of the Amalgamating Company;
- (X) **ESOP 4”** shall mean the BFIL Employee Stock Option Plan 2011, as approved by Board and shareholders of the Amalgamating Company;
- (Y) **“Exclusivity Agreement Date”** shall mean September 11, 2017 i.e. the date of execution of the confidentiality, exclusivity and standstill agreement between IBL and BFIL.
- (Z) **“Existing IBL ESOP Scheme”** shall mean the IBL Employees Stock Option Scheme 2007, as approved by the Board and shareholders of the IBL;
- (AA) **“Implementation Agreement”** shall have the meaning ascribed to it in Clause 4 above;
- (BB) **“Implementation Agreement Execution Date”** shall mean October 14, 2017;
- (CC) **“IBL”** shall have the meaning ascribed to it in Clause 2 above;
- (DD) **“IBL Promoters”** shall mean IHL and IL;



- (EE) “**IBL Shares**” means fully paid up equity shares of IBL, each having a face value of INR 10 (Rupees Ten only) and one vote per equity share;
- (FF) “**IIHL**” means IndusInd International Holdings Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;
- (GG) “**IL**” means IndusInd Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;
- (HH) “**IT Act**” shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- (II) “**NCLT**” shall mean the bench of the National Company Law Tribunal at Mumbai, Maharashtra and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act;
- (JJ) “**New IBL ESOP Scheme**” shall have the meaning ascribed to it in Clause 18(iii) below;
- (KK) “**Preferential Allotment**” shall have the meaning ascribed to it in Clause 42 hereof;
- (LL) “**RBI**” means the Reserve Bank of India;
- (MM) “**RBI Amalgamation Directions**” means the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated April 21, 2016 or any modifications or re-enactments or amendments thereof from time to time;
- (NN) “**Record Date**” shall mean the date fixed by the respective Board of the Amalgamating Company and Amalgamated Company for the purpose of determining the shareholders of the Amalgamating Company to whom equity shares of the Amalgamated Company shall be allotted pursuant to the Amalgamation under this Scheme;
- (OO) “**Regulatory Authority**” means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body, tax authorities or tribunal, including but not limited to the CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;
- (PP) “**Remaining Business**” means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of the Amalgamated Company, other than the Transferred Undertaking.
- (QQ) “**Schedules**” shall mean schedules to this Scheme;
- (RR) “**Scheme**” means this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;
- (SS) “**SEBI**” means the Securities and Exchange Board of India;
- (TT) “**SEBI ICDR Regulations**” means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- (UU) “**SEBI Listing Regulations**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;



- (VV) "SEBI Preferential Allotment Circular" means the SEBI Circular dated March 23, 2017, bearing reference number CFD/DIL3/CIR/2017/26, as amended or replaced from time to time;
- (WW) "SEBI SBEB Regulations" shall mean the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular dated June 16, 2015 bearing reference number CIR/CFD/POLICY CELL/2/2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations/circular;
- (XX) "SEBI Scheme Circular" means the SEBI Circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time;
- (YY) "Share Exchange Ratio" shall have the meaning ascribed to it in Clause 27 hereof;
- (ZZ) "Slump Exchange" shall have the meaning ascribed to it in Clause 5(iii) above;
- (AAA) "Slump Exchange Shares" shall have the mean ascribed to it in Clause 56 of this Scheme, and the term "Slump Exchange Share" shall be construed accordingly;
- (BBB) "Special Incentive Eligible Employees" shall have the meaning ascribed to it in Clause 68(i) hereof;
- (CCC) "Special Incentive IBL Option Grant Date" shall have the meaning ascribed to it in Clause 68(iii) hereof;
- (DDD) "Special Incentive IBL Options" shall have the meaning ascribed to it in Clause 68(i) hereof;
- (EEE) "Special Incentive IBL Options – Tranche 1" shall have the meaning ascribed to it in Clause 68(iv) hereof;
- (FFF) "Special Incentive IBL Options – Tranche 2" shall have the meaning ascribed to it in Clause 68(iv) hereof;
- (GGG) "Statutory Vesting Period" shall, in relation to the stock options granted by any listed company, mean a period of 1 (one) year from the date of grant of such stock options;
- (HHH) "Stock Exchanges" shall have the meaning ascribed to it in Clause 1 above;
- (III) "TCS" shall have the meaning ascribed to it in Clause 61 below;
- (JJJ) "TDS" shall have the meaning ascribed to it in Clause 61 below;
- (KKK) "Transferee Company" shall have the meaning ascribed to it in Clause 3 above;
- (LLL) "Transferred Undertaking" shall mean the undertaking of the Amalgamated Company in relation to the BC Business pursuant to the Amalgamation and includes (without limitation), *inter alia*:
- (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the BC Business, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables, security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through



certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches and centers), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the BC Business;

- (ii) all permits, registrations, rights, entitlements, licenses, claims, permissions, approvals, authorities, consents, deposits, privileges, exemptions including tax exemptions, any tax deducted in respect of any income received, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the BC Business;
 - (iii) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized by BFIL;
 - (iv) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamated Company or powers or authorities granted by or to it) of whatsoever nature along with the contractual rights and obligations exclusively relating to the BC Business, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
 - (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the BC Business;
 - (vi) all present, contingent and future liabilities appertaining or relating to the BC Business including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrues and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees or other instruments which may give rise to a contingent liability in whatever form) relating to the BC Business; and
 - (vii) the BFIL Employees and the Employee Benefit Funds in relation thereto;
- (MMM) "Transferred Undertaking Value" shall have the meaning ascribed to it in Clause 56 hereof;
- (NNN) "Trustee" shall have the meaning ascribed to it in Clause 28 hereof;
- (OOO) "Unallocated BFIL Options" shall mean such stock options of BFIL forming part of the Approved BFIL ESOP Pool that have not been granted to the eligible BFIL Employees on the Effective Date;



(PPP) "Warrant Price" shall have the meaning ascribed to it in Clause 42 hereof;

(QQQ) "Warrant Subscription Price" shall have the meaning ascribed to it in Clause 43 hereof;

(RRR) "Warrants" shall have the meaning ascribed to it in Clause 42 hereof;

11. Share Capital

(i) The share capital structure of the Amalgamating Company as on October 14, 2017 was as follows:

Particulars	Amount in Crores (in INR)
Authorised	
15,70,00,000 equity shares of INR 10/- each	INR 157,00,00,000/- (Rupees One Hundred and Fifty Seven Crores Only)
13,00,00,000 preference shares of INR 10/- each	INR 130,00,00,000/- (Rupees One Hundred and Thirty Crores Only)
Issued	
13,84,91,979 equity shares of INR 10/- each	INR 138,49,19,790/- (Rupees One Hundred Thirty Eight Crore Forty Nine Lakhs Nineteen Thousand Seven Hundred Ninety Only)
Subscribed and Paid-up	
13,84,91,979 equity shares of INR 10/- each	INR 138,49,19,790/- (Rupees One Hundred Thirty Eight Crore Forty Nine Lakhs Nineteen Thousand Seven Hundred Ninety Only)

The equity shares of the Amalgamating Company are listed on Stock Exchanges.

The Amalgamating Company has outstanding employee stock options under the BFIL ESOP Plans, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company.

(ii) The share capital structure of the Amalgamated Company as on October 14, 2017 was as follows:



Particulars	Amount in Crores (in INR)
Authorised 70,00,00,000 equity shares of INR 10/- each	INR 700,00,00,000/- (Rupees Seven Hundred Crores Only)
Issued 59,89,72,493 equity shares of INR 10/- each	INR Rs.598,97,24,930/- (Rupees Five Hundred and Ninety Eight Crores Ninety Seven Lakhs Twenty Four Thousand Nine Hundred and Thirty Only)
Subscribed and Paid-up 59,89,72,493 equity shares of INR 10/- each.	INR Rs.598,97,24,930/- (Rupees Five Hundred and Ninety Eight Crores Ninety Seven Lakhs Twenty Four Thousand Nine Hundred and Thirty Only)

The equity shares of the Amalgamated Company are listed on Stock Exchanges. The issued and paid-up share capital includes 6,46,81,564 (Six Crore Forty Six Lakhs Eighty One Thousand Five Hundred and Sixty Four) equity shares represented by 6,46,81,564 (Six Crore Forty Six Lakhs Eighty One Thousand Five Hundred and Sixty Four) global depository receipts as on October 14, 2017. The global depository receipts are listed on the Luxembourg Stock Exchange.

The Amalgamated Company has outstanding employee stock options under Existing IBL ESOP Scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

(iii) The share capital structure of the Transferee Company as on August 6, 2018 was as follows:

Particulars	Amount in Crores (in INR)
Authorised 5,00,00,000 equity shares of INR 10/- each	INR 50,00,00,000/- (Rupees Fifty Crore Only)
Issued 7 equity shares of INR 10/- each	INR 70/- (Rupees Seventy Only)
Subscribed and Paid-up 7 equity shares of INR 10/- each.	INR 70/- (Rupees Seventy Only)

The equity shares of the Transferee Company are not listed on any stock exchange in India.



PART II

AMALGAMATION OF THE AMALGAMATING COMPANY INTO THE AMALGAMATED COMPANY

SECTION 1 - TRANSFER AND VESTING OF THE AMALGAMATING UNDERTAKING

12. *Transfer*

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Amalgamating Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Amalgamated Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Amalgamated Company by virtue of and in the manner provided in the Scheme.

13. *Transfer of Assets*

(i) Without prejudice to the generality of Clause 12 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamating Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company shall, subject to the provisions of this Clause 13 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

(ii) In respect of such of the assets of the Amalgamating Company as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Amalgamating Company other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

(iv) All assets, rights, titles or interests acquired by the Amalgamating Company after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

14. *Contracts, Deeds, Licenses etc.*

(i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company is a party or to the benefit of



which the Amalgamating Company may be eligible or for the obligations of which the Amalgamating Company may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto.

- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamating Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to applicable law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Regulatory Authority as may be necessary in this behalf.
- (iv) Without prejudice to the provisions of Clauses 13 to 16, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.

15. *Transfer of Liabilities*

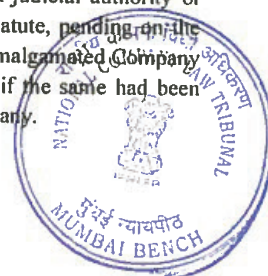
- (i) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, duties and obligations of the Amalgamating Company, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Amalgamated Company to the extent that they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any liability incurred on a date after the Appointed Date, with effect from such date) the debts, liabilities, loans, obligations and duties of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company and the Amalgamated Company shall meet, discharge and satisfy the same and further 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 or liabilities have arisen in order to give effect to the provisions of this Clause.
- (ii) Where any of the loans raised and used, debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date deemed to be transferred to the Amalgamated Company have been discharged by the Amalgamating Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.



- (iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the Amalgamating Company from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the loans, debts, liabilities, duties and obligations of the Amalgamated Company.
- (iv) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company and the Amalgamated Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Company.
- (v) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 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. Provided that if any of the assets of the Amalgamating Company which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (vi) The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- (vii) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- (viii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Amalgamated Company as part of the Scheme is modified by virtue of this Scheme.
- (ix) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

16. *Legal, taxation and other proceedings*

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Amalgamating Company, under any statute, pending on the Effective Date, shall be continued and enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Amalgamated Company.



- (ii) The Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against the Amalgamating Company referred to in Clause 16(i) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

17. *Employees*

- (i) Upon the coming into effect of this Scheme, all BFIL Employees shall become the employees of the Amalgamated 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 Amalgamating 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 BFIL Employees with the Amalgamating Company shall also be taken into account, and paid (as and when payable) by the Amalgamated Company.
- (ii) In so far as the Employee Benefit Funds created by the Amalgamating Company or in respect of which the Amalgamating Company makes contributions, for the BFIL Employees, all amounts standing to the credit of the BFIL 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 Amalgamated Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Amalgamated Company, or to the government provident fund in case of BFIL Employees who are not eligible to become members of the provident fund maintained by the Amalgamated Company.
- (iii) In relation to those BFIL Employees who are not covered under the provident fund trust of the Amalgamating Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Company is making contributions to the government provident fund, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such provident fund trust shall become those of the Amalgamated Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the BFIL Employees would be continued to be deposited in the existing Employee Benefit Funds of the Amalgamating Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Amalgamated Company, the existing trusts created for such funds by the Amalgamating Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of the Amalgamated Company, if it deems fit and subject to applicable law, shall be entitled to:

- (a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or
- (b) merge the pre-existing funds of the Amalgamating Company with other similar funds of the Amalgamated Company.

18. *Treatment of existing BFIL Options*

- (i) The Eligible Employees holding BFIL Options which have vested as of the Implementation Agreement Execution Date shall be entitled to exercise such BFIL Options as per the terms of grant under the BFIL ESOP Plans until the Effective Date. To the extent such Eligible Employees have not exercised their vested BFIL Options until the Effective Date, the Amalgamated Company shall issue equivalent stock options to such Eligible Employees



on the Effective Date on the basis of the Share Exchange Ratio.

(ii) Upon the effectiveness of the Scheme, the Amalgamated Company shall grant to the Eligible Employees, on the basis of the Share Exchange Ratio, 639 (Six Hundred and Thirty Nine) stock options of the Amalgamated Company in lieu of every 1,000 (One Thousand) BFIL Options held by them, which shall vest as follows:

(a) In case of Eligible Employees holding BFIL Options which have already vested or are to vest within a period of 12 (twelve) months from the Effective Date, the Amalgamated Company shall, subject to completion of the Statutory Vesting Period in relation to such BFIL Options, grant to such Eligible Employees stock options which shall vest immediately, on the Effective Date.

It is hereby clarified that the exercise date for the stock options granted by the Amalgamated Company pursuant to this clause shall continue to be as per the exercise date, determined with reference to the vesting date of the corresponding BFIL Options as originally stipulated under the relevant BFIL ESOP Plan.

(b) In case of:

(A) Eligible Employees holding BFIL Options which are to vest within a period of 12 (twelve) months from the Effective Date but where the Statutory Vesting Period has not elapsed; and

(B) Eligible Employees holding BFIL Options which are to vest after a period of 12 (twelve) months from the Effective Date,

the Amalgamated Company shall issue stock options to such Eligible Employees on the Effective Date which shall vest after the expiry of the residual vesting period of the corresponding BFIL Options. Provided that the grant of the stock options by the Amalgamated Company shall not be treated as a fresh grant and the period during which the corresponding BFIL Options were held by such Eligible Employees shall be adjusted against the Statutory Vesting Period.

(iii) The stock options issued by the Amalgamated Company to the Eligible Employees in terms of sub-clause (i) above are hereinafter referred to as the "Amalgamated Company Options" and shall be granted by the Amalgamated Company either under (a) the Existing IBL ESOP Scheme; or (b) a new employee stock option scheme to be created by it for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("New IBL ESOP Scheme"). The terms and conditions applicable to the Amalgamated Company Options shall be no less favourable than those provided under the BFIL ESOP Plans.

(iv) For the purposes of the grant of the Amalgamated Company Options, fractional entitlements, if any, arising pursuant to the application of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.

(v) The exercise price payable for each IBL Share issued pursuant to the exercise of the Amalgamated Company Options by the Eligible Employees shall be equal to the quotient of the exercise price payable for each Amalgamating Company share under the respective BFIL ESOP Plans divided by the Share Exchange Ratio (rounded up to the nearest integer).

(vi) The grant of the Amalgamated Company Options to the Eligible Employees pursuant to the provisions this Clause 18, shall be effected as an integral part of the Scheme and consent of the shareholders of the Amalgamating Company and the Amalgamated Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the BFIL ESOP Schemes and the grant of the Amalgamated Company Options, including without limitation, for the purposes of creating the New IBL ESOP Scheme, modifying the Existing IBL ESOP Scheme, modifying the exercise price and vesting period of the BFIL Options and all related matters. No further approval of the shareholders of the Amalgamated



Company would be required under Section 62 of the Act or the Companies (Share Capital and Debentures) Rules, 2014 and/or any other applicable law.

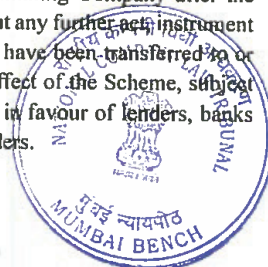
- (vii) Subject to applicable law, the entitlement of the Eligible Employees to the Amalgamated Company Options and the adjustments to be made in the exercise price of the Amalgamated Company Options shall be appropriately reflected in the accounts of the Amalgamated Company.
- (viii) The Board and the relevant committees of the Board of the Amalgamating Company and/or the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 18, in view of this Scheme and in accordance with the provisions of applicable laws including SEBI SBEB Regulations.

Section 2 – Taxation Matters

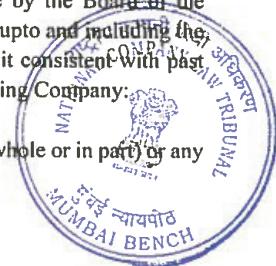
- 19. Upon the Scheme coming into effect, all taxes/cess/duties paid, payable, received or receivable by or on behalf of the Amalgamating Company, including all or any refunds, claims or entitlements as to minimum alternate tax credits, taxes paid in advance, and/or taxes deducted at source, including refunds or claims pending with the revenue authorities, if any, shall, for all purposes, be treated as the taxes/cess/duties, liabilities or refunds, minimum alternate tax paid by the Amalgamated Company, and the resulting entitlements for set-off and credits thereof as being of the Amalgamated Company.
- 20. All compliances with respect to taxes or any other applicable laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company shall be deemed to be advance tax paid by the Amalgamated Company, subject to provisions of Clause 60 of this Scheme.

Section 3 - Conduct of Business until the Effective Date

- 21. With effect from the Appointed Date and up to and including the Effective Date:
 - (i) the Amalgamating Company shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;
 - (ii) all profits and income accruing to the Amalgamating Company, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of the Amalgamating Company shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company; and
 - (iii) any of the rights, powers, authorities, privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and
 - (iv) all assets acquired and all liabilities incurred by the Amalgamating Company after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.



22. During the period between the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Company and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with applicable law.
23. The Amalgamating Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamated Company:
- (i) sell, transfer, alienate, charge, mortgage, or Encumber the Amalgamating Undertaking or any part thereof;
 - (ii) either incorporate a subsidiary or acquire an interest in an entity so as to constitute such entity as a subsidiary of the Amalgamating Company;
 - (iii) make any alteration to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, other than as may be required by law;
 - (iv) declare any dividend, announce any buy back of securities or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and/or convertible shares/debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner, other than:
 - (a) except as may be expressly required or permitted under this Scheme; or
 - (b) the granting of stock options from the Approved BFIL ESOP Pool; or
 - (c) the issuance of equity shares of BFIL pursuant to the exercise of any BFIL Options already granted under the BFIL ESOP Plans.
 - (v) make any material change to major internal policies, including material change in its financial, accounting and/ or tax policies, except to the extent required by any change in applicable law or accounting standards;
 - (vi) initiate any steps to liquidate, wind up or dissolve itself.
24. The Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamated Company and the Board of the Amalgamating Company and prior to the Effective Date subject to applicable law and the Act and in accordance with the Amalgamated Company's existing dividend policy as on the date of the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company.
25. 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 the Amalgamated Company to demand or to claim any dividends, which subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Amalgamated Company.
26. The Amalgamated Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamating Company:
- (i) sell, transfer, alienate, charge, mortgage, or Encumber its assets (in whole or in part) or any



part thereof exceeding 25 % (twenty five per. cent.) of its total assets;

- (ii) announce any buy-back or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and /or convertible shares / debentures or otherwise), decrease, reduction, re-classification, sub-division, consolidation, re-organization, or in any other manner, other than:
 - (a) raising capital or issuing securities to any person (s) aggregating to up to 10 % (ten per. cent.) of the paid up share capital of as on the Exclusivity Agreement Date;
 - (b) grant of stock options to its employees under the Existing IBL ESOP Plan; and
 - (c) issuance of IBL Shares pursuant to the exercise of the stock options that have been granted under the Existing IBL ESOP Plan.
- (iii) enter into or undertaken any amalgamation, merger, re-organization, or other similar or related action where IBL is not the surviving entity;
- (iv) initiate any steps to liquidate, wind-up or dissolve itself; and
- (v) make any alterations to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, which results in a Material Adverse Effect (as defined under the Implementation Agreement).

Section 4 - Issue of Shares for Amalgamation

27. Upon the Effective Date and in consideration of the transfer and vesting of the Amalgamating Undertaking in the Amalgamated Company pursuant to Part II of this Scheme, the Amalgamated Company shall, without any further act or deed, issue and allot to the shareholders of the Amalgamating Company whose names are recorded in the register of members as a member of the Amalgamating Company on the Record Date or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, 639 (Six Hundred and Thirty Nine) IBL Shares, credited as fully paid-up, for every 1,000 (One Thousand) equity shares of the face value of INR 10/- (Rupees Ten Only) each fully paid-up held by such member in the Amalgamating Company (the "Share Exchange Ratio").
28. If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Amalgamated Company in accordance with Clause 27 of this Scheme, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company in proportion to their respective fractional entitlements.
29. Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the IBL Shares issued to the members of the Amalgamating Company by the Amalgamated Company shall be issued in dematerialized form by the Amalgamated Company provided that the details of the depository accounts of the members of the Amalgamating Company are made available to the Amalgamated Company by the Amalgamating Company at least 10 (Ten) working days prior to the Effective Date. In the event



that such details are not available with the Amalgamated Company, it shall issue the IBL Shares to the members of the Amalgamating Company in physical form.

30. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.
31. Where IBL Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
32. The IBL Shares issued in terms of this Scheme shall, in compliance with applicable regulations, be listed and/or admitted to trading on the Stock Exchanges where the shares of the Amalgamated Company are listed and/ or admitted to trading. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant stock exchanges.
33. The IBL shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank *pari passu* in all respects and shall have the same rights attached to them the then existing equity shares of the Amalgamated Company.
34. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company as are subject to lock-in pursuant to applicable law, shall remain locked-in as required under applicable law.
35. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under applicable law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.
36. The IBL Shares issued pursuant to this Scheme have not been, and will not be registered under the United States Securities Act of 1933 in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the "Section 3(a)(10) Exemption"). The sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the IBL Shares issued pursuant to this Scheme for the Section 3(a)(10) Exemption. Further, for purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) of the Securities Act, each of the Amalgamating Company and the Amalgamated Company undertake that:
 - (i) shareholders of each of the Amalgamating Company, as against their equity shares in the Amalgamating Company, shall receive the equity shares of the Amalgamated Company and shall not receive cash or other consideration; and
 - (ii) the Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT

Section 5 – Changes to the share capital of the Amalgamated Company

37. *Increase of the authorised share capital*



- (i) As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Amalgamated Company shall automatically stand increased, without any further act, instrument or deed on the part of the Amalgamated Company, such that upon the effectiveness of the Scheme, the authorised share capital of the Amalgamated Company shall be INR 857,00,00,000 (Rupees Eight Hundred and Fifty Seven Crores only) comprising of 85,70,00,000 equity shares of INR 10 (Rupees Ten) each, without any further act, deed, resolution, instrument or writing. The capital clause of the Memorandum of Association of the Amalgamated Company shall, upon the coming into effect of this Scheme and without any further act, deed, instrument, resolution or writing be altered and modified as follows:

MEMORANDUM OF ASSOCIATION

"The Authorized Share Capital of the Company is INR 857,00,00,000 (Rupees Eight Hundred and Fifty Seven Crores only) divided into 85,70,00,000 equity shares of INR 10 (Rupees Ten) each ..."

- (ii) It is clarified that for the purposes of this Clause (ii) above, the consent of the members of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Amalgamated Company, and no further resolution under Section 13, Section 14, Section 61 or any other applicable provisions of the Act would be required to be separately passed. In accordance with Section 232 (3)(i) of the Act, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Amalgamating Company shall be utilized and applied to the increased authorised share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and/or fee by the Amalgamated Company for increase in the authorised share capital to that extent.

38. *Change in the issued, subscribed and paid-up share capital*

Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with the Scheme. It is clarified that no special resolution under Section 62 of the Companies Act, 2013 shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of IBL Shares to the members of the Amalgamating Company under this Scheme and for the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the IBL Shares to the members of the Amalgamating Company in terms of the Scheme.

Section 6 – Accounting Treatment

39. Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under section 133 of the Act, as applicable.
40. The goodwill or any other intangible assets if any, acquired on the Appointed Date, shall be set-off against the securities premium arising out of the business combination on the Appointed Date.

1. SECTION 7 – DISSOLUTION

41. Upon the coming into effect of the Scheme, the Amalgamating Company shall stand dissolved without winding up.

PART III – PREFERENTIAL ALLOTMENT

Section 1 - Issue and allotment of Warrants by the Amalgamated Company on a preferential basis



42. Subject to the effectiveness of the Scheme and upon the allotment of the IBL Shares pursuant to the Amalgamation in accordance with Clause 27 of this Scheme, the Amalgamated Company shall, pursuant to this Scheme and as an integral part hereof, issue and allot to the IBL Promoters on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) share warrants ("Warrants"), each convertible into 1 (one) IBL Share, such that upon exercise of all the Warrants, and together with the IBL Shares already held by them, the IBL Promoters shall hold in the aggregate up to 15 % (fifteen per cent.) of the total expanded issued and paid up equity share capital of the Amalgamated Company on a fully diluted basis (such allotment, the "Preferential Allotment"). The "relevant date" for the Preferential Allotment is October 14, 2017, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular ("Warrant Price"), and is Rs. 1,709 (Rupees One Thousand Seven Hundred and Nine) per Warrant.
43. In accordance with the provisions of the SEBI ICDR Regulations:
- (i) the IBL Promoters shall pay an amount equivalent to 25% (twenty five per cent.) of the Warrant Price (the "Warrant Subscription Price") for subscription to the Warrants on the Effective Date;
 - (ii) the option against the Warrants shall be exercised by the IBL Promoters within 18 (eighteen) months from the date of their allotment ("Warrant Exercise Period"), at the option of the IBL Promoters;
 - (iii) The balance 75% (seventy five per cent.) of the Warrant Price shall be paid by the IBL Promoters upon exercise of the option against the Warrants;
 - (iv) In the event any IBL Promoter does not exercise its option against the Warrants within the Warrant Exercise Period, the total Warrant Subscription Price paid by such IBL Promoter shall be forfeited by the Amalgamated Company and the Warrants shall lapse, to the extent that the option attached to such Warrants has not been exercised; and
 - (v) The IBL Shares allotted pursuant to the exercise of the option against the Warrants shall be subject to a lock-in for such period as specified under SEBI ICDR Regulations.
44. It is hereby clarified that for the purposes of Clause 42, the consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the issuance and allotment of the Warrants of the Amalgamated Company to the IBL Promoters and no further resolutions, approvals or authorization of the shareholders of the Amalgamated Company under Sections 42 and 62(1)(c) of the Act and/or any other applicable law would be separately required subject to the provisions of the SEBI Scheme Circular.

PART IV – SLUMP EXCHANGE OF THE TRANSFERRED UNDERTAKING

Section 1 - Transfer and Vesting of the Transferred Undertaking

45. Subject to effectiveness of Part II of the Scheme and with effect from the Appointed Date, the Transferred Undertaking shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern on a slump exchange basis, in accordance with this Part of the Scheme, in lieu of which the Slump Exchange Shares shall be issued by the Transferee Company to the Amalgamated Company. All references to the term 'Amalgamated Company' in this Part IV of the Scheme shall mean the Amalgamated Company after giving effect to the Amalgamation of the Amalgamating Company into the Amalgamated Company with effect from the Appointed Date.

46. *Transfer of Assets*

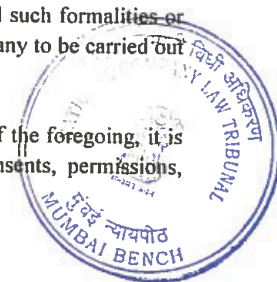


- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferred Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause 46 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.
- (ii) In respect of such of the assets of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, payment or by endorsement and delivery, the same may be so transferred, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.
- (iii) In respect of such of the assets belonging to the Transferred Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

All assets, right, title or interest acquired after the Appointed Date but prior to the Effective Date in relation to the Transferred Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

47. *Contracts, Deeds, Licenses etc.*

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible or for the obligations of which the Amalgamated Company may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if the Transferee Company had been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamated Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part IV of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamated Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamated Company to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions,



licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Regulatory Authority as may be necessary in this behalf.

48. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferred Undertaking cannot be transferred to the Transferee Company for any reason whatsoever, the Amalgamated Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, insofar as it is permissible so to do, till such time as the transfer is effected.

49. *Transfer of Liabilities*

(i) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, duties and obligations relating to the Transferred Undertaking as on the Appointed Date including (i) all liabilities which arose out of the activities or operations of the Transferred Undertaking; and (ii) any specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Undertaking, shall without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Transferee Company:

(ii) Where any of the loans raised and used, debts, liabilities, duties and obligations as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Amalgamated Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

(iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created for the operations of the Transferred Undertaking from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.

(iv) In so far as the existing Encumbrances in respect of the liabilities pertaining to the Transferred Undertaking are concerned, or those, if any, created after the Appointed Date in accordance with this Scheme over the assets comprised in the Transferred Undertaking transferred to the Transferee Company by virtue of this Scheme, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over such assets comprised in the Transferred Undertaking which have been Encumbered in relation to the aforesaid liabilities. Provided that if any of the assets comprised in the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

(v) For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrances over such assets in relation to the



liabilities of the Transferred Undertaking transferred to the Transferee Company in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. 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. Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities pertaining to the Remaining Business, shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.

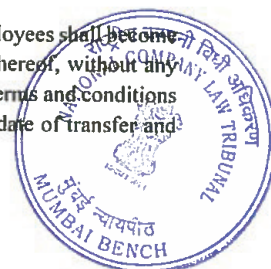
- (vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company and the Transferee Company shall execute any instrument/s and/or document/s with such other party, as may be required, and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- (vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

50. *Legal, taxation and other proceedings*

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings including claims, disputes, causes of action, litigation, etc., whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Amalgamated Company and relating to the Transferred Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date.
- (ii) The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Amalgamated Company referred to in sub-clause (i) above transferred to its name on and after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company as the case may be, to the exclusion of the Amalgamated Company.
- (iii) Notwithstanding the above, in case the proceedings referred to in sub-clause (i) above cannot be transferred for any reason, or the transfer takes time, till such transfer the Amalgamated Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Amalgamated Company against all liabilities and obligations incurred by the Amalgamated Company in respect thereof.

51. *Employees*

- (i) Pursuant to completion of Part IV of this Scheme, all BC Business 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 prior to the date of transfer and



without any interruption of service as a result of the transfer of the Transferred Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such BC Business Employees with the Amalgamated Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

- (ii) All amounts standing to the credit of the BC Business Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds which stand to the credit of the BC Business Employees 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, or to the government provident fund in case of BC Business Employees who are not eligible to become members of the provident fund maintained by the Transferee Company. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, the Transferee Company shall make the necessary contributions for such BC Business Employees in relation to the Employee Benefit Funds.
- (iii) In relation to those BC Business Employees who are not covered under the provident fund trust of the Amalgamated Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamated Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Amalgamated Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, by laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamated Company in relation to such provident fund trust shall become those of the Transferee Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the BC Business Employees would be continued to be deposited in the existing Employee Benefit Funds of the Amalgamated Company.

52. *Treatment of the Amalgamated Company Options / Special Incentive IBL Options*

Upon Part IV of the Scheme becoming effective, the employees of the Amalgamated Company (irrespective of whether they continue to be employees of the Amalgamated Company or are transferred to the Transferee Company) holding any options (whether vested or unvested) under the Existing IBL ESOP Scheme or under the New IBL ESOP Scheme, shall continue to hold such options on the respective terms and conditions as has been prior to the coming into effect of Part IV of the Scheme.

Section 2 – Remaining Business

53. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Amalgamated Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.
54. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamated Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Amalgamated Company in respect of the Remaining Business) shall be continued and enforced by or against the Amalgamated Company after the Effective Date, which shall keep the Transferee Company fully indemnified in that behalf.
55. With effect from the Appointed Date and up to and including the Effective Date:
 - (i) the Amalgamated Company shall carry on and shall be deemed to have been carrying on



all business and activities relating to the Remaining Business for and on its own behalf;

- (ii) all profits accruing to the Amalgamated Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Amalgamated Company; and
- (iii) all assets and properties acquired by the Amalgamated Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Amalgamated Company.

Section 3 - Slump Exchange

- 56. The Transferred Undertaking shall be transferred from the Amalgamated Company to the Transferee Company at its value appearing in the books as on the Appointed Date, i.e. Rs. 43,70,35,000 (Rupees Forty Three Crore Seventy Lakhs and Thirty Five Thousand) ("Transferred Undertaking Value"). Accordingly, upon this Part IV becoming effective, in consideration of the transfer and vesting of the Transferred Undertaking to the Transferee Company on the Effective Date, or on such later date as the Amalgamated Company may consent to in writing, the Amalgamated Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Amalgamated Company 4,37,03,500 (Four Crore Thirty Seven Lakhs Three Thousand and Five Hundred) equity shares at their face value, credited as fully paid up, which shall be equivalent in value to the Transferred Undertaking Value ("Slump Exchange Shares").
- 57. The Slump Exchange Shares shall rank *pari passu* in all respects, with the existing equity shares in the Transferee Company. The shares issued to the Amalgamated Company by the Transferee Company pursuant to Clause 56 above, shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the Amalgamated Company to the Transferee Company. The approval and consent to this Scheme by the shareholders of the Transferee Company pursuant to Sections 230 to 232 of the Act, shall be deemed to mean that such shareholders have also accorded their consent for the issuance of shares by the Transferee Company to the Amalgamated Company pursuant to this Scheme, and other provisions of the Act, as may be applicable.

Section 4 – Taxation Matters

- 58. Liabilities, if any, on account of income-tax in relation to the transfer of the Transferred Undertaking shall be on account of the Amalgamated Company.
- 59. Any liabilities on account of income-tax in relation to the Amalgamated Company in relation to the Transferred Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability/ refunds/ credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Amalgamated Company.
- 60. Any tax deduction made by the Amalgamated Company from amounts paid to the Transferred Undertaking of Amalgamating Company between the Appointed Date and the Effective Date shall be deemed to have been made by the Amalgamated Company towards income of Transferee Company. All indirect tax refund, rebate, credit, payment, setoff or deductions shall be deemed to have been on account of or paid by the Transferee Company.
- 61. Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall be permitted to revise its income-tax returns, Tax Deducted at Source ("TDS") returns and Tax Collected at Source ("TCS") returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

Upon the Scheme coming into effect and with effect from the Appointed Date, the Amalgamated Company shall be permitted to revise its income-tax returns, TDS returns, TCS returns and other direct and indirect tax returns, and claim refunds/credits pertaining to the Remaining Business



pursuant to the provisions of the Scheme.

62. *Increase in authorised capital of the Transferee Company*

- (i) Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand increased from INR 50,00,00,000 (Rupees Fifty Crore) to INR 60,00,00,000 (Rupees Sixty Crore).
- (ii) The capital clause of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:

"V. The authorised share capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 6,00,00,000 (Six Crore) equity shares of Rs. 10 (Rupees Ten) each ..."

- (iii) It is hereby clarified that for the purpose of this Clause 62, that the consent of the shareholders of the Transferee Company shall be sufficient for the purposes of effecting the above amendment in the authorized share capital of the Transferee Company, and shall be deemed to include consent under any other provision of the Act that may be applicable, and that no further resolution under any provisions of the Act would be separately required. Notwithstanding anything contained in Clause 73 of this Scheme, the Transferee Company shall discharge the applicable filing fees and stamp duty in relation to the increase of the authorized share capital of the Transferee Company.

Section 6 – Accounting Treatment

The Slump Exchange of the Transferred Undertaking by the Amalgamated Company to the Transferee Company in exchange for Slump Exchange Shares shall be accounted as follows upon the Scheme becoming effective:

63. *In the books of the Amalgamated Company*

- (i) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking in the books of the Amalgamated Company shall stand closed upon the transfer of the Transferred Undertaking to the Transferee Company.
- (ii) Any difference arising on account of excess of the net assets transferred over the Transferred Undertaking Value detailed under Clause 56 or vice versa shall be recognized in the statement of profit and loss/ general reserve/ capital reserve/ investment in subsidiary as per the relevant accounting principles.

64. *In the books of the Transferee Company*

- (i) The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities of the Amalgamated Company pertaining to the Transferred Undertaking vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Amalgamated Company.
- (ii) The Transferee Company shall credit to its equity share capital account the aggregate face value of the Slump Exchange Shares, issued and allotted by it to the Amalgamated Company pursuant to Clause 56 of this Scheme.
- (iii) The difference arising pursuant to the Scheme shall be transferred to goodwill/ capital reserve/ other equity.

Section 7 – Change of Name of the Transferee Company

65. Subject to Applicable Law, as a part of the Scheme and upon its effectiveness, the name of the Transferee Company shall be changed to "Bharat Financial Inclusion Limited" being the name of



the Amalgamating Company. The Transferee Company shall take all necessary steps to give effect to such change of name.

66. From the Effective Date till the time necessary formalities relating to the change of name is completed, the Transferee Company shall be eligible to use its present name 'IndusInd Financial Inclusion Limited' to ensure continuity of its operations.
67. The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.

PART V – GRANT OF SPECIAL INCENTIVE OPTIONS

68. *Grant of Special Incentive IBL Options*

- (i) Upon Part II of this Scheme becoming effective, the Amalgamated Company shall, in order to ensure continuity and retention of the BFIL Employees with IBL, create a New IBL ESOP Scheme in terms of which IBL shall grant to specified BFIL Employees (“**Special Incentive Eligible Employees**”), stock options of the Amalgamated Company as a special incentive (collectively referred to as “**Special Incentive IBL Options**”).
- (ii) The total number of Special Incentive IBL Options shall be such that, upon conversion, the holders thereof would be entitled to such number of IBL shares as are equivalent in value to BFIL shares that would have been held by them upon grant and conversion of an aggregate of: (a) the Unallocated BFIL Options; and (b) an additional 35,00,000 (thirty five lakh) BFIL Options on terms that are no less favourable than those of the Unallocated BFIL Options, as determined in accordance with the Share Exchange Ratio. The Special Incentive IBL Options shall vest in the manner set out in sub-clause (iv) below.
- (iii) All the Special Incentive IBL Options shall be granted on a date within 30 (thirty) days of the Effective Date (“**Special Incentive IBL Option Grant Date**”). The BFIL Employees who shall constitute the Special Incentive Eligible Employees, the quantum of the Special Incentive IBL Options to be granted to each Special Incentive Eligible Employee, and other terms and conditions in relation to the Special Incentive IBL Options shall be determined by the nomination and remuneration committee of the Board of IBL, on the basis of recommendations received from the BFIL senior management (as defined in the Implementation Agreement).
- (iv) The Special Incentive IBL Options shall vest in the following manner:
- (a) 50 % (fifty per. cent.) of the Special Incentive IBL Options (“**Special Incentive IBL Options – Tranche 1**”) shall have a staggered vesting period of 3 (three) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 1 shall vest on each of the first anniversary, the second anniversary and the third anniversary of the Special Incentive IBL Options Grant Date;
- (b) 50 % (fifty per. cent.) of the Special Incentive IBL Options (“**Special Incentive IBL Options – Tranche 2**”) shall have a staggered vesting period of 4 (four) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 2 shall vest on each of the second anniversary, the third anniversary and the fourth anniversary of the Special Incentive IBL Options Grant Date.
- (v) For the purposes of the grant of the Special Incentive IBL Options, fractional entitlements, if any, arising pursuant to the application of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.
- (vi) The grant of the Special Incentive IBL Options to the Special Incentive Eligible Employees pursuant to the provisions this Clause 68, shall be effected as an integral part of the Scheme and consent of the shareholders of the Amalgamated Company to the Scheme shall be



deemed to be their consent in relation to all matters pertaining to the grant of the Special Incentive IBL Options, including without limitation, for the purposes of creating the New IBL ESOP Scheme and all related matters. No further approval of the shareholders of the Amalgamated Company would be required under Section 62 of the Act or the Companies (Share Capital and Debentures) Rules, 2014 and/or any other applicable law.

- (vii) Subject to applicable law, the entitlement of the Special Incentive Eligible Employees to the Special Incentive IBL Options shall be appropriately reflected in the accounts of the Amalgamated Company.
- (viii) The Board and the relevant committees of the Board of the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 68, in view of this Scheme and in accordance with the provisions of applicable laws including the SEBI SBEB Regulations.

PART VI – GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II, Part III, Part IV and Part V of the Scheme.

- 69. The Amalgamating Company, IBL and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act.
- 70. The Amalgamating Company (by its Board), IBL (by its Board) and the Transferee Company (by its Board), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:
 - (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment which the Boards of the Amalgamating Company, IBL and the Transferee Company may jointly and mutually agree in writing, consider necessary or desirable and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.
 - (ii) any modification to this Scheme by the NCLT shall not be binding on the Amalgamating Company, IBL or the Transferee Company except where its prior consent has been obtained.
 - (iii) give such directions (acting jointly) as may be mutually agreed in writing by the Amalgamating Company, IBL and the Transferee Company as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law).
 - (iv) in their full and absolute discretion and by mutual agreement in writing by the Amalgamating Company, IBL and the Transferee Company modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.
 - (v) determine jointly by mutual agreement in writing by the Amalgamating Company, IBL and the Transferee Company any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Transferred Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

71. *Severability*



If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement between the Amalgamating Company, IBL and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

72. The coming into effect of this Scheme is conditional upon and subject to:

- (i) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot/ e-voting, as applicable) and creditors (where applicable) of the Amalgamating Company, IBL and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT.
- (ii) this Scheme having been approved by a majority of the public shareholders of IBL (passed through postal ballot/ e-voting, as applicable) in accordance with the requirements set out in the SEBI Scheme Circular;
- (iii) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;
- (iv) the certified copies of the order of the NCLT approving this Scheme being filed with the Registrar of Companies, Maharashtra;
- (v) receipt of the approvals of the RBI for the Amalgamation and the issuance of the IBL Shares to the shareholders of BFIL, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking, in terms of this Scheme;
- (vi) the Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, to the Amalgamated Company and the Amalgamating Company including comments/ approval after sanction of the Scheme by NCLT, as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;
- (vii) receipt of the approval from the CCI under the Competition Act, 2002 for the Amalgamation and the Slump Exchange (if necessary);
- (viii) any other approval as may be required for the Amalgamation and the issuance of the IBL Shares to the shareholders of Amalgamating Company, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Regulatory Authority on or after the Implementation Agreement Execution Date or interpretation of any existing law, rule or regulation on or after the relevant date; and
- (ix) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (ii) to (vii) are satisfied.

73. Each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the NCLT. Provided that, all costs and expenses in relation to registration, stamping, regulatory approvals and all other costs in respect of this Scheme shall be borne in the manner agreed in the Implementation Agreement.

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R. A. Patel

By:
Assistant Registrar

National Company Law Tribunal, Mumbai Bench



**BEFORE THE NATIONAL COMPANY LAW
TRIBUNAL, MUMBAI
COMPANY SCHEME PETITION NO. 4648 OF 2018
CONNECTED WITH
COMPANY SCHEME APPLICATION NOS. 921, 922
AND 923 OF 2018**

In the matter of Companies Act, 2013;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited, IndusInd Bank Limited and IndusInd Financial Inclusion Limited and their respective shareholders and creditors.

Bharat Financial Inclusion Limited
IndusInd Bank Limited
IndusInd Financial
Inclusion Limited ... Petitioner Companies.



**CERTIFIED COPIES OF THE ORDER DATED 10TH
JUNE, 2019 ALONG WITH SANCTIONED SCHEME**

Cyril Amarchand Mangaldas
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013
Advocates for the Petitioner Companies