

*Name of the Bank has changed from IDFC Bank Limited to IDFC FIRST Bank Limited w.e.f. January 12, 2019 by virtue of "Certificate of Incorporation pursuant to change of name" issued by the Registrar of Companies, Chennai.

Memorandum and Articles of Association



***IDFC FIRST BANK LIMITED**



सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
Block No. 6, B' Wing, 2nd Floor Shastri Bhawan 26, Chennai, Tamil Nadu, India, 600034

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

Corporate Identification Number (CIN): L65110TN2014PLC097792

I hereby certify that the name of the company has been changed from IDFC BANK LIMITED to IDFC FIRST BANK LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name IDFC BANK LIMITED.

Given under my hand at Chennai this Twelfth day of January two thousand nineteen.



B SRIKUMAR
Deputy RoC
Registrar of Companies
RoC - Chennai

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

IDFC FIRST BANK LIMITED

KRM Tower, 7th Floor, No. 1,, Harrington Road, Chetpet,, Chennai, Chennai, Tamil Nadu, India,
600031





GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Chennai
Block No. 6 , B' Wing, 2nd Floor , Shastri Bhawan 26 , Haddows Road

Certificate of Incorporation

[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and rule 8 of the Companies (Incorporation) Rules, 2014]

I hereby certify that IDFC BANK LIMITED is incorporated on this Twenty First day of October Two Thousand Fourteen under the Companies Act, 2013 and that the company is limited by shares.

The CIN of the company is U65110TN2014PLC097792.

Given under my hand at Chennai this Twenty First day of October Two Thousand Fourteen.

V ELANGO VAN
Deputy Registrar of Companies
Tamil Nadu

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

IDFC BANK LIMITED
KRM Tower, 8th Floor, No. 1,, Harrington Road, Chetpet,
Chennai - 600031,
Tamil Nadu, INDIA



Memorandum of Association



IDFC FIRST BANK LIMITED

MEMORANDUM OF ASSOCIATION OF IDFC FIRST BANK LIMITED

(Incorporated under the Companies Act, 2013)
(Company limited by shares)

- I. The name of the Company is “IDFC FIRST BANK LIMITED”.
- II. The Registered Office of the Company will be situated in the State of Tamil Nadu.
- III.(A) **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To carry on the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
 2. To establish and carry on the business of banking in any part of India or outside India.
 3. In addition to the business of banking, to carry on the business of –
 - (a) borrowing, raising, or taking up of money;
 - (b) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner, either upon or without security;
 - (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scripts and other instruments and securities whether transferable or negotiable or not;
 - (d) granting and issuing of letters of credit, traveller's cheques and circular notes;
 - (e) buying, selling and dealing in bullion and specie;
 - (f) buying and selling of foreign exchange including foreign bank notes;
 - (g) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
 - (h) purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others;
 - (i) negotiating of loans and advances;
 - (j) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;
 - (k) providing of safe deposit vaults;
 - (l) collecting and transmitting of money and securities;
 - (m) acting as agents for any Government or local authority or any other person or persons;
 - (n) 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 a managing agent or secretary and treasurer of a company;
 - (o) contracting for public and private loans and negotiating and issuing the same;

- (p) effecting, insuring, guaranteeing, underwriting, participating in managing 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;
 - (q) carrying on and transacting every kind of guarantee and indemnity business;
 - (r) managing, selling and realizing any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;
 - (s) acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;
 - (t) granting pensions and allowances and making payments towards insurance;
 - (u) acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;
 - (v) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;
 - (w) any other forms of business which the Central Government, pursuant to clause (o) of sub-section (1) of Section 6 of the Banking Regulation Act, 1949, may by notification in the Official Gazette, specify as a form of business in which it would be lawful for a banking company to engage.
4. To carry on the business of merchant banking, investment banking, portfolio investment management, corporate consultants and advisors.
 5. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.
 6. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the company, both present and future wherever situated or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.
 7. To carry on the business of financing, leasing (operating and financial), hire purchase, all forms of securitization, asset reconstruction or recovery, dealer inventory financing, factoring of receivables, instalment sale and/or deferred sale relating to goods or material, including machinery, plant, equipment, ships, vehicles, aircraft, rolling stock, factories, inventory, debtors, furniture, apparatus, appliances and other movable and immovable property, and to arrange or syndicate leasing, hire purchase, installment sale or deferred sale businesses.
 8. To act as escrow agents and trustees, and issuing and paying agents, including for trust and retention accounts.
 9. To develop and promote new financing or banking instruments of all kinds whether for the capital market, money market or otherwise and to render all kinds of fee-based financial services.
 10. To solicit and procure insurance business, mutual fund and alternatives fund business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.

III.(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III. (A) ARE:

11. To do any other form of business which the Government of India may specify as a form of business in which it is lawful for a banking company to engage.
12. To borrow or raise money or secure loans or credits for the purpose of the Company under contracts or under promissory notes, bills of exchange, hundies and other negotiable or transferable instruments, or issue convertible or non-convertible, secured or unsecured debentures, debenture stock, bonds and alternative to secured obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise, and to charge or secure the same by trust deed or otherwise on the whole or any part of the undertaking of the company or upon any specific property, movable and immovable, and rights, both present and future, of the Company as may be authorized by law or otherwise however.
13. To carry on the activities of bill discounting, re-discounting, dealing in commercial paper, treasury bills, certificate of deposits and other financial instruments.
14. To promote, effect, insure, guarantee, underwrite, participate in, manage and carry out any issue whether, public or private of company, corporation, association or Central or State Government, municipality or of the other loans or of shares, stocks, debentures or debenture stock and to lend monies for the purpose of any such issue and to act as an Issue House, Share Registrars, Share Transfer Agent, Investment and Share Consultant, Custodian, Share Depository Agent and as Manager or any such issue.
15. To acquire by purchase, lease, exchange, hire, concession, grant or otherwise, either absolutely or conditionally and either alone or jointly with others, any movable or immovable property of any description, any patents, trade marks, concessions, privileges and any other rights for the objects and business of the Company or which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realisation of any securities held by the Company or to prevent or diminish any apprehended loss or liability or which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims and to pay for all such property and rights purchased or acquired by the Company in any manner including by shares, debentures, debenture stock or bonds or other securities held by or of the Company or otherwise and to manage, sell, develop, improve, exchange, let or lease, or otherwise dispose of or turn to account all such property and rights purchased or acquired by the Company and to acquire and hold and generally deal with in any manner whatsoever all or any property and right, movable and immovable and any right, title or interest therein which may form part of the security for any loans or advances made by the Company or which may be connected with any such security and all at such time or times and in such manner and for such consideration as may be deemed proper or expedient.
16. To acquire and undertake the whole or any part of the business of any person or any Company with all or some of the assets and liabilities and to hold and purchase shares, stocks, debentures or other rights of any Company carrying on business which the Company is authorised to carry on or which is incidental or ancillary to it or which may conveniently be carried on by the Company or to manage the same on special contract or as mortgagee or in any manner whatsoever.
17. To carry on the business of assisting industrial, infrastructure and commercial enterprises in general by –
 - i. assisting in the creation, expansion and modernisation of such enterprises;
 - ii. encouraging and promoting the participation of capital, both internal and external in such enterprises; and in particular by providing finance in the form of long, medium or short term loans or equity participations;
 - iii. sponsoring and underwriting new issues of shares and securities;

- iv. guaranteeing loans from other investment sources;
 - v. making funds available for re-investment by revolving investments as rapidly as prudent;
 - vi. performing and undertaking activities pertaining to leasing, giving on hire or hire-purchase, bill marketing, factoring and related fields.
18. To undertake the agency of other Indian banks and of foreign banks and other financial institutions and to manage the issue of a loan for a corporation or company, firm or association whether incorporated or not, or of foreign Government.
 19. To acquire, receive, hold, hold in trust as trustee, agent or nominee of any person, corporation, Company, any real or personal property, rights or interest acquired by or belonging to the Company or on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
 20. To sell, improve, manage, develop, exchange, lease, sub-lease, mortgage, dispose of, acquire, turn to account, purchase or otherwise deal with all and hold, use, deal or trade in, whether with a view to profit or otherwise and by any means whatsoever property and rights of all kinds whether movable or immovable, legal or equitable and wheresoever situate, including but without prejudice to the generality of the foregoing, lands, buildings, easements, mortgages, product, plant, machinery, stock-in-trade tools, vehicles, aircraft, vessels, chattels, materials, concessions, options, contracts, book debts, business concerns and undertakings, claims, privileges and choses in action of all kinds to carry on and promote such business or activity and either to retain the property acquired or to turn to account for the Company's business.
 21. To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds of foreign currencies, foreign currency options, forward covers, swaps of all kinds and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or association of persons whether incorporated or not, all kinds of transactions in foreign currencies.
 22. To issue debit or credit cards, charge cards or smart cards or co-branded cards and extend any other credits to customer or any other persons for any purpose permissible for the company to carry on under law.
 23. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation, promotion and registration of the company or the issue of its capital including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities, of the Company, or other pre-incorporation expenses.
 24. To set up or participate as a payment gateway for effective payment against services and trade transactions carried out by internet sites and portals, to act as enablers for settlement of e-commerce or any other type of transactions for corporates, individuals or any other entities and to act as digital signature verification authority under the Information Technology Act 2000.
 25. To establish maintain and operate automated teller machines, or any other electronic and telecommunication devices for carrying on any of the banking businesses including, but not limited to internet banking, telephone banking, utility bills payment for electricity, telephone, mobile phones, and any other activity that would require the company's banking expertise.
 26. To acquire by purchase, lease or otherwise any premises for the construction and/or establishment of a safe deposit vault or vaults and to maintain therein fireproof and burglar proof strong rooms, safes and other receptacles for deeds, securities, documents, money, jewellery and valuables of all kinds.
 27. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or Directors of the Company or the dependents of such persons and to grant pensions, gratuities and allowances and superannuation and other benefits

or ensure payment of any of them by taking insurance or any other promises and assurances as the Company may undertake and subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

28. To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privilege which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easement, machinery, plant or any other property or assets.
29. To invest and deal with money in such manner as may, from time to time, be thought fit subject to the provisions of the Companies Act, 2013.
30. To remunerate any person for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares, debenture or bonds in the Company's capital or any debentures or other securities issued by the Company.
31. To adopt such means of making known and advertising the business and productions and services of the Company as may be expedient.
32. To apply for, promote and obtain any order, regulation, or other authorization or enactment which may directly or indirectly benefit the Company.
33. To procure recognition of the Company in any country or place outside India.
34. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchase or otherwise acquired by the Company or any services rendered to the Company.
35. To take or hold mortgages, liens, and charges to secure payment of the purchase price or any unpaid balance of the purchase price, or any part of the Company's property of any kind sold by the Company, or any money due to the Company from buyer or any other person.
36. To undertake and execute trust and the administration of estates as executor or trustee or otherwise, including to protect the interest of the Company.
37. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay for the services rendered for the formation and registration of this company and for the promotion of any other company by it subject to the provisions of the Companies Act, 2013 and the Banking Regulation Act, 1949.
38. To establish and maintain branches, offices and agencies, either through a subsidiary company or companies or otherwise at any place or places in India or other parts of the world for the conduct of the business of the company for the purposes of enabling the company to carry on its business more efficiently and to exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies and other parts of the world and to discontinue and reconstitute any such offices, branches or agencies.
39. To insure any of the properties, undertakings contracts, risks or obligations of the Company in any manner whatsoever.
40. To aid and support any person, association, body or movement, whose object is solution, settlement or surmounting an industrial or labour problems or the promotion of trade or business of the Company or for the promotion of science and technology, cultural activities, sports, environment, rural development and other social and welfare activities.
41. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the directors may consider to be the social and moral responsibility of the Company to the Public or any section of the public as also any activity which the Directors consider likely to

promote national welfare or the social, economic or moral upliftment of the public or any section of the public and in such manner and by such means as the Directors may think fit; and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity by the publication of any books, literature, newspapers, or other media, or by organising lectures or seminars likely to advance these objects or by giving merit awards or giving scholarships, loans or any other assistance to deserving students or any other scholars or persons to enable them to prosecute their studies or academic pursuits or research, and by establishing, conducting or assisting any foundations, institutions, funds or trusts, having any one or more of the aforesaid objects by giving donations or otherwise in any other manner; and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institution or public trust as the Directors may approve.

42. To carry out any type of Corporate Social Responsibility activities.
43. To establish or support associations, institutions, schools, hospitals, guesthouses clubs, funds and trusts which may be considered beneficial to any employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.
44. To refer any questions, disputes or differences arising between the Company and any other person (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon each case and to institute legal proceedings or defend any proceedings and to appoint advocates, consultants or advisors in this behalf.
45. To enter into negotiations or collaborations, technical, financial or otherwise with any person or government for obtaining any grant, license or on other terms and other rights and benefits, and to obtain technical information, know-how and expert advice for providing or rendering services which the Company is authorised to provide or render.
46. To create any depreciation fund, reserve fund, sinking fund, redemption fund, insurance fund, or any special or other reserve or fund, whether for redemption of debentures or debentures-stock, for dividends, for equalizing dividends or for repairing improving, extending and maintaining any part of the property of the Company.
47. To train or pay for training in India or abroad of any of the Company's employees or offices or any candidate in the interest of or furtherance of the Company's objects.
48. To establish research and development centers for the business of the Company.
49. To engage in acquiring and undertaking whole or any part of the business of any person or Company carrying business which this Company is authorized to carry on.
50. To take or otherwise acquire, hold and sell shares of any other Company as may be authorized.
51. To promote or finance or assist in promoting or financing any business, undertaking or industry either existing or new and associate with them either through the instrumentality of syndicates or otherwise in conformity with the relevant laws governing banks.
52. To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the Reserve Bank of India and to enter into all administrative or other arrangements for undertaking such functions with the Reserve Bank of India.
53. To carry on the business of giving services to industrial enterprises for transfer of shares, debentures, bonds, stocks and various financial instruments and any other

kind of securities issued by such enterprises in general by acting as registrars to the Issue and Registrars for issue of shares, debentures, bonds, stock and all kinds of securities and instruments and for fixed deposits and encouraging and promoting the participation of private capital, both internal and external, in such enterprises and private ownership of industrial investments and the expansion of investment markets and to render custodial and depository services in respect of any type of securities and to do all such things as may be advised, remitted and required for related activities.

54. To amalgamate or merge with, or absorb or takeover any company or companies or any body corporate, having objects altogether or in part similar those of this company, or to sell, exchange, lease, under-lease, surrender, abandon, amalgamate, merge, demerge, slump-sale, sub-divide, mortgage or otherwise deal with, either absolutely, conditionally or for any limited interest, all or any part of the undertaking(s), property rights or privileges of the Company, as a going concern or otherwise, to / with any public body, corporation, company, society or association, or to any person or persons, whether or not having similar objects as of this Company, for such consideration as the Company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture-stock, securities or property of any other company and to do all such incidental acts, deeds and things as may be necessary to give effect to the amalgamation, merger, absorption, acquisition, takeover, demerger, slump-sale or any other arrangement, as the case may be.
55. To apply for, provide information and guidance on governmental policies, directives, instructions, regulations, ordinances or other authorisations or enactments of the Central or any State Government or any other similar Semi-Government authorities or agencies which may be required for enabling the Company to establish an undertaking or to bring into effect any modification / diversification in any of the Company's business or constitution and to challenge any of the government bills, statutes, rules, regulations, guidelines, proceedings or applications which are likely to prejudice the Company's business or interests.
56. To study such Governmental policies, regulations, ordinances and advise the governmental authorities in formulating incentives schemes to attract industries and investments.
57. To establish and maintain agencies at any place or place in India or other parts of the world for the conduct of the business of the Company or for the purpose of enabling the Company to carry on its business more efficiently; and to discontinue and reconstitute any such branches or agencies.
58. To enter into partnership or into any arrangement for joint ventures in business for sharing profits, union of interest, lease, licence or otherwise, reciprocal concessions or co-operate with any person, firm, company or body corporate.
59. To invest in and deal with monies and funds belonging or entrusted to the Company, not immediately required, and in such other investment and in such manner as may from time to time be determined and to vary such investments and transactions and to lend monies on such terms, with or without security, as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons.
60. To open, maintain, operate and close account or accounts with any bank or banks or other financial Institutions in India or abroad and to pay or earn interest and to withdraw money from such account or accounts and to make, draw, co-accept, endorse, execute, discount or negotiate and issue cheques, promissory notes, hundies, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments.
61. To indemnify Officers, Directors, Promoters, Employees and Servants of the Company against, proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done, for and in the interests of the Company or for any loss or damages or misfortune which happens in execution of the duties of their office or in relation thereto.

62. To apply for and become member of any business, commercial/trade/industrial association, clearing house, society, company, professional body, stock exchange, depository and promote measures for the protection and/or promotion of companies trade, industry and persons engaged therein.
63. To carry on the business of financial services.
64. To appoint or nominate Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
65. To carry on the business of providing and managing venture capital, seed capital, risk capital, private equity, hedge funds or any other kinds of funds.
66. To act as a representative/correspondent bank for other banks in India or abroad.
67. To do all or any of the Objects set out herein as are incidental or as may be thought conducive to the promotion or advancement of the business of the Company or attainment of the Objects of the Company or any of them in India or elsewhere either as principal, agent, trustee, contractor, carrier, broker, underwriter, issuer, factor and either alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise and to carry on businesses which may seem to the Company capable of being conveniently carried on or which are calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- ★ V. The Authorized Share Capital of the Company is ₹ 14,000,00,00,000/- (Rupees Fourteen thousand crores only) comprising of 1,270,00,00,000 (One thousand two hundred and seventy crores) Equity Shares of ₹ 10/- each and 1,30,00,00,000 (One hundred and thirty crore) Preference Shares of ₹ 10/- each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise.

- ★ The Authorised Share Capital of the Bank i.e. ₹ 14000 crore comprising of 1296.20 crore equity shares of ₹ 10 each and 10.38 crore preference shares of ₹ 100 each has been reclassified to 1270 crore equity shares of ₹ 10 each and 130 crore preference shares of ₹ 10 each pursuant to approval of the Members by way of Postal Ballot on May 17, 2025.

Prior Amendments:

- a. The Authorised Share Capital of the Bank was increased from ₹ 7538 crore to ₹ 22905.10 crore, pursuant to the Composite Scheme of Amalgamation among IDFC Financial Holding Company Limited, IDFC Limited and IDFC FIRST Bank Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approved by the Hon'ble National Company Law Tribunal, Chennai Bench, vide Order dated September 25, 2024 and effectiveness of the Scheme from October 01, 2024.
- b. The Authorised Share Capital of the Bank was increased from ₹ 5363 crore to ₹ 7538 crore pursuant to approval of the Members by way of Postal Ballot on June 03, 2020.
- c. The Authorised Share Capital of the Bank was increased from ₹ 5000 crore to ₹ 5363 crore pursuant to the Composite Scheme of Amalgamation of Capital First Limited and Capital First Home Finance Limited and Capital First Securities Limited with IDFC FIRST Bank Limited effective December 18, 2018.
- d. The Authorised Share Capital of the Bank has been reduced from ₹ 22905.10 crore to ₹ 14000 crore, pursuant to approval of the Members by way of Postal Ballot on March 19, 2025.

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

Sl. No.	Name, Father's Name, Address and Occupation of the Subscribers	Number of equity shares taken by each Subscriber	Signature of the Subscribers	Signature, Name, Address and Occupation of witness
1	IDFC Limited - through Rajiv B. Lall KRM Tower, 8th Floor, No.1, Harrington Road, Chetpet, Chennai 600031 Indian Company	49940 (Forty nine thousand nine hundred and forty)	Authorised vide Board Resolution dated July 29, 2014 For IDFC Limited Sd/- Rajiv B. Lall Authorised Signatory	Witness to Subscribers 1 to 7 (Both Inclusive) I witness to subscribers, who have subscribed and signed in my presence; further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in. Mumbai 18/10/2014 Sd/- ARVIND BHANDARI, S/O SATYANARAIN BHANDARI 33 - VAIKUNTH SOCIETY, LALLUBHAI PARK ROAD, ANDHERI (WEST), MUMBAI-400058 SERVICE
2	Mahendra N. Shah S/o. Shri Narandas H. Shah 1801, Tower 1 (Terra Tower) Planet Godrej, Simplex Mill Compound, Keshavrao Khadye Marg, Mahalaxmi (E), Mumbai - 400011 Service	10 (Ten)	Sd/-	
3	Sunil Kakar S/o. Shri Sohan Lal Kakar 47th Floor, D 4707-08, Ashok Towers, Dr. SS Rao Road, Parel, Mumbai - 400012 Service	10 (Ten)	Sd/-	
4	Vikram Limaye S/o. Shri Mukund Limaye 18 Shreenivas, Flat No.501, 5th Floor, Shivaji Park, D.V. Deshpande Marg, Dadar (West), Mumbai-400028 Service	10 (Ten)	Sd/-	
5	Rajeev Uberoi S/o. Shri Balkrishnan Uberoi Vaibhav Apartment 18-A, 18th Floor, B D Road, Breach Candy, Mumbai - 400026 Service	10 (Ten)	Sd/-	
6	Bipin Gemani S/o. Shri Narandas Gemani 102 Satyanarayan Bhavan, 7/1 R.G. Thadani Marg, Worli Sea Face, Mumbai - 400 018. Service	10 (Ten)	Sd/-	
7	Ketan Kulkarni S/o. Shri Sachchidanand Kulkarni Building No.13, Flat No. 603, Millennium Park, Hari Om Nagar, Mulund (East), Mumbai - 400081 Service	10 (Ten)	Sd/-	
	TOTAL	50,000 (Fifty thousand)		

Place: Mumbai
Date: 18/10/2014

Articles of Association



IDFC FIRST BANK LIMITED

*Article 1 (a) has been altered at the Annual General Meeting held on July 31, 2018

ARTICLES OF ASSOCIATION
OF
IDFC FIRST BANK LIMITED

(Incorporated under the Companies Act, 2013)
(Company limited by Shares)

Table ‘F’

- *1 (a) The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not, except in respect of such matters for which no provisions exist in these Articles, apply to this Company.

Table ‘F’
- (b) The regulations for the management of the Company and for the observance by the members thereto and their representatives shall, subject to any exercise of the statutory power of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

Company to be governed by these Articles
- (c) The provisions of the Banking Regulation Act, 1949 and Guidelines for Licensing of New Banks in the Private Sector issued by the Reserve Bank of India on February 22, 2013 shall have effect notwithstanding anything to the contrary contained in the Memorandum and Articles of Association of the Company.

The Banking Act and RBI Licensing Guidelines to override

Interpretation

2 (1) In these Articles -

- (a) The marginal notes of these Articles shall not affect their interpretation.

Marginal notes not to affect interpretation
- (b) “the Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

“Act”
- (c) “the Banking Act” means the Banking Regulation Act, 1949 and would include any statutory modifications or re-enactment thereof for the time being in force.

“The Banking Act”
- (d) “Articles” means these Articles of Association of the Company or as altered from time to time.

“the Articles”
- (e) “Board of Directors” or “Board”, means the collective body of the directors of the Company.

“the Board of Directors” or “the Board”
- (f) “Company” means IDFC FIRST BANK LIMITED.

“the Company”
- (g) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

“the Rules”
- (h) “Seal” means the common seal of the Company.

“the Seal”

- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. **“Number” and “Gender”**
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules or the Banking Act as the case may be. **Expressions in the Articles to bear the same meaning as in the Act**

Share capital and variation of rights

- 3 The Authorised Capital of the Company will be as stated in Clause V of the Memorandum of Association, with power to increase or reduce the said Capital and to issue any part of its Capital with or without any priority or special privilege subject to the restrictions, if any, in the Banking Regulation Act, 1949, the Companies Act, 2013, and these Articles. **Authorised capital is that mentioned in the Memorandum**
- 4 Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who 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 and at such time as they may from time to time think fit. **Shares under control of Board**
- 5 Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. **Directors may allot shares otherwise than for cash**
- 6 The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules, Banking Regulation Act, 1949 and other applicable laws: **Kinds of share capital**
- (a) Equity share capital
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules and
 - (b) Preference share capital
- 7 (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - **Issue of certificate**
- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. **Certificate to bear seal**

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| <p>(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> | <p>One certificate for shares held jointly</p> |
| <p>8 A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.</p> | <p>Option to receive share certificate or hold shares with depository</p> |
| <p>9 If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.</p> | <p>Issue of new certificate in place of one defaced, lost, or destroyed</p> |
| <p>10 The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.</p> | <p>Provisions as to issue of certificates to apply mutatis mutandis to debentures etc.</p> |
| <p>11 (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.</p> | <p>Power to pay commission in connection with securities issued</p> |
| <p>(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Banking Regulation Act, 1949, the Act and the Rules.</p> | <p>Rate of commission in accordance with Rules</p> |
| <p>(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in other.</p> | <p>Mode of payment of commission</p> |
| <p>12 (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.</p> | <p>Variation of members' rights</p> |
| <p>(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.</p> | <p>Provisions as to general meetings to apply mutatis mutandis to each meeting</p> |

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| <p>13 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.</p> | <p>Issue of further shares not to affect rights of existing members</p> |
| <p>14 Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p> | <p>Power to issue redeemable preference shares</p> |
| <p>15 (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -</p> <p>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</p> <p>(b) employees under any scheme of employees' stock option; or</p> <p>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> | <p>Further issue of share capital</p> |
| <p>(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of public offer, preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> | <p>Mode of further issue of shares</p> |

Foreign shareholding in the Company

- 16 The aggregate foreign shareholding including by way of Foreign Institutional Investors (FIIs) / SEBI approved sub-accounts of FIIs, Foreign Direct Investment (FDI), Foreign Nationals, Non-resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Registered Foreign Portfolio Investors (FPI) in the Company shall not exceed 49 per cent of the paid-up voting equity capital of the Company for the first 5 years from the date of licensing of the Company. Also, the foreign shareholding in the Company shall be as per the directions of the Reserve Bank of India, from time to time, in respect of new banks set up under the Guidelines for Licensing of New Banks in the Private Sector issued on February 22, 2013.

Lien

- 17 (1) The Company shall have a first and paramount lien -
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the company. **Lien to extend to dividend, etc**
- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. **Waiver of lien in case of registration**
- 18 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: **As to enforcing lien by sale**
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
- 19 (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. **Validity of sale**
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. **Purchaser to be registered holder**
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. **Validity of Company's receipt**
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. **Purchaser not affected**
- 20 (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. **Application of proceeds of sale**
- (2) 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 person entitled to the shares at the date of the sale. **Payment of residual money**
- 21 In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. **Outsider's lien not to affect company's lien**

22	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to lien apply mutatis mutandis to debentures, etc.
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Calls on shares

23	(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls
	(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(3) A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
24	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	Call to take effect from the date of resolution
25	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
26	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	When interest on call or installment payable
	(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
27	(1) Any sum which 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 such sum becomes payable.	Sums deemed to be calls
	(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to 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.	Effect of non-payment of sums
28	The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board.	Payment in anticipation of calls may carry interest

* Article 34 has been altered at the Annual General Meeting held on July 31, 2018

Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

- 29

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

Instalments on shares to be duly paid
- 30

All calls shall be made on a uniform basis on all shares falling under the same class.

Calls on shares of same calls to be on uniform basis
- Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
- 31

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Partial payment not to be precluded forfeiture
- 32

The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Provisions as to calls apply mutatis mutandis to debentures, etc.

Transfer of shares

- 33

(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

Instrument of transfer to be executed by transferor and transferee

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- * 34

Pursuant to the provisions of Section 12B of the Banking Regulation Act, 1949, no person shall, except with the previous approval of the Reserve Bank of India, on an application being made, acquire or agree to acquire, directly or indirectly, by himself or acting in concert with any other person, shares / compulsorily convertible debentures of IDFC FIRST Bank Limited or voting rights therein, which acquisition taken together with the shares / compulsorily convertible debentures / voting rights, if any held by him or his relative or associate enterprise or person acting in concert with him, makes the person to hold in aggregate five per cent or more (or such per cent as the Reserve Bank of India may impose from time to time) of the paid-up share capital of IDFC FIRST Bank Limited or entitles him to exercise five per cent or more (or such per cent as the Reserve Bank of India may impose from time to time) of the voting rights in IDFC FIRST Bank Limited.

Acquisition of shares of the Company
- 35

The Board may, subject to the right of appeal conferred by the Act decline to register –

Board may refuse to register transfer

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a Lien.

- (c) any transfer of shares that will result in violation of foreign shareholding limit prescribed by Reserve Bank of India from time to time.
- 36 In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - **Board may decline to recognise instrument of transfer**
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
- 37 On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. **Transfers of shares when suspended**
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- 38 The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company. **Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.**

Transmission of shares

- 39 (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. **Title to shares on death of a member**
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. **Estate of deceased member liable**
- 40 (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – **Transmission clause**
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. **Board's right unaffected**

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| (3) | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. | Indemnity to the Company |
| 41 | (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | Right to election of holder of share |
| | (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| | (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. | Limitations applicable to notice |
| 42 | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: | Claimant to be entitled to same advantage |
| | <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> | |
| 43 | The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to transmission to apply mutatis mutandis to debentures, etc. |

Forfeiture of shares

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| 44 | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. | If call or instalment not paid notice must be given |
| 45 | The notice aforesaid shall: | Form of notice |
| | (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and | |

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 46 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. **If default in payment, shares to be forfeited**
- 47 Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. **Receipt of part amount or grant of indulgence not to affect forfeiture**
- 48 When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. **Entry of forfeiture in the register of members**
- 49 The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. **Effect of forfeiture**
- 50 (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. **Forfeited shares may be sold, etc.**
- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. **Cancellation of forfeiture**
- 51 (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. **Members still liable to pay money owing at a time of forfeiture**
- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. **Member still liable to pay money owing at time of forfeiture and interest**
- (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. **Cessation of liability**

52	(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has 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 share. (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (3) The transferee shall thereupon be registered as the holder of the share; and (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	Certificate of forfeiture Title of purchaser and transferee of forfeited shares Transferee to be registered as holder Transferee not affected
53	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sales
54	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
55	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
56	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
57	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.
Alteration of capital		
58	Subject to the provisions of the Act, the Company may, by ordinary resolution -	Power to alter share capital

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

59 Where shares are converted into stock:

Shares may be converted into stock

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

Right of stock holders

60 The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules -

Reduction of capital

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

Joint Holders

- 61

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- (a)

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

Joint holders
- (b)

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and 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.

Liability of joint holders
- (c)

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

Death of one or more joint holders
- (d)

Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.

Receipt of one sufficient
- (e)(i)

Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

Delivery of certificate and giving of notice to first named holder
- (ii)

Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint holders.

Vote of joint holders
- (f)

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names

Executors or administrators as joint holders
- Provisions as to joint-holders as to shares to apply mutatis mutandis to debentures, etc.

Capitalisation of profits

- 62 (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve - **Capitalisation**
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : **Sum how applied**
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 63 (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall - **Powers of the board for Capitalisation**
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power- **Board's power to issue fractional certificate/coupon etc.**
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on such members.

Agreement binding on members

Buy-back of shares

64 Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Buy-back of shares

Borrowing Powers

- 65 Subject to the relevant provisions of the Act and the Banking Act, the Board may from time to time, by a resolution passed at its meeting, 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 it thinks fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage or charge or other Security on the undertaking or the whole or any part of the property of the Company (both present and future).
- 66 Any bonds, debenture stock or other securities issued or to be issued by the Company 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 Company.
- 67 Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 68 The Board shall cause a proper register to be kept in accordance with the provisions of the Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to 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. Such sum as may be prescribed by the Act shall be payable by any person other than creditor or Member of the Company for each inspection of the Register of Charges.

General Meetings

- 69 All general meetings other than annual general meeting shall be called extraordinary general meeting.
- Extraordinary general meeting**
- 70 The Board may, whenever it thinks fit, call an extraordinary general meeting.
- Powers of board to call extraordinary general meeting**

Proceedings at general meetings

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| 71 | (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. | Presence of Quorum |
| | (2) No business shall be discussed or transacted at any general meeting except election of a Chairperson whilst the chair is vacant. | Businesses confined to election of Chairperson whilst chair vacant |
| | (3) The quorum for a general meeting shall be as provided in the Act. | Quorum for general meeting |
| 72 | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. | Chairperson of the meetings |
| 73 | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. | Directors to elect a Chairperson |
| 74 | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. | Members to elect a Chairperson |
| 75 | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. | Casting vote of Chairperson at general meeting |
| 76 | (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. | Minutes of proceeding of meetings and resolutions passed by postal ballot |
| | (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - | Certain matters not to be included in minutes |
| | (a) is, or could reasonably be regarded, as defamatory of any person; or | |
| | (b) is irrelevant or immaterial to the proceedings; or | |
| | (c) is detrimental to the interests of the Company | |
| | (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. | Discretion of Chairperson in relation to Minutes |
| | (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. | Minutes to be evidence |

77	(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection by any member, without charge, during 11.00 a.m to 1.00 p.m on all working days other than Saturdays. (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.	Inspection of minute books of general meeting Members may obtain copy of minutes
78	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	Powers to arrange security at meetings
Adjournment of meeting		
79	(1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairperson may adjourn the meeting on permission Businesses at adjourned meeting Notice of adjourned meeting Notice of adjourned meeting not required
Voting rights		
80	Subject to any rights or restrictions for the time being attached to any class or classes of shares – (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. Provided however that the voting rights shall be subject to the restrictions imposed under section 12 (2) of Banking Regulation Act, 1949, as amended from time to time.	Entitlement to vote on a show of hands and on poll
81	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
82	(1) The vote of the joint holders in any meeting of members shall be reckoned as given in article number 61(e)(i) above.	Vote of joint-holders

- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. **Seniority of names**
- 83 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 a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by guardian or any one of his guardian. **How member of unsound mind, minor etc. may vote**
- 84 Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. **Votes in respect of deceased or insolvent members, etc.**
- 85 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. **Business may proceed pending poll**
- 86 No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. **Restriction on voting rights**
- 87 A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. **Restriction on exercise of voting rights in other cases to be void**
- 88 Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. **Equal rights of members**
- 89 (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. **Objection regarding qualification to be raised only during the meeting**
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

- 90 (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. **Member may vote in person or otherwise**

	(2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
91	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of proxy
92	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 the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Proxy to be valid notwithstanding death of the principal
Board of Directors		
93	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Board Directors shall include persons with professional and other experience as required under the Banking Regulation Act, 1949.	Board of Directors
94	The persons hereinafter named shall be the first directors of the Company: 1.Dr. Rajiv Behari Lall 2.Mr. Vikram Mukund Limaye 3.Mr. Mahendra Narandas Shah	First Directors of the Company
95	A Director shall not be required to hold any shares to qualify him to act as a Director of the Company.	Qualification shares by Director
96	(1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Retirement of directors by rotation Same individual may be Chairperson and Managing Director/ Chief Executive Officer
97	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors

	(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require members' consent
	(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-	Travelling and other expenses
	(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or	
	(b) in connection with the business of the Company.	
98	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable instruments
99	(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of additional directors
	(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional director
100	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
	(2) An alternate director 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 if and when the Original Director returns to India.	Duration of office of alternate director
	(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment to be of Original Director
101	(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.	Appointment of director to fill a casual vacancy

	(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.	Duration of office of director appointed to fill casual vacancy
*101A	Notwithstanding anything contained in these Articles and subject to the applicable law, the Board shall have power to appoint a Director, nominated by Debenture Trustee(s) or investor(s), as applicable, on occurrence of any event specified under the applicable laws/ Rules, Regulations, Circulars, as amended from time to time, or by virtue of any Agreement, Deed, Indenture, etc.	Appointment of Nominee Director
Powers of Board		
102	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	General Powers of the company vested in Board
Proceedings of the Board		
103	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be Convened
	(2) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the board.	Who may summon Board Meeting
	(3) The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
	(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at board meetings
104	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board Meeting how decided
	(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Chairperson's casting vote
105	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 Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
106	(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the board

	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	Directors to elect a Chairperson
107	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	Delegation of powers
	(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to board regulations
	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at committee meetings
108	(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of the committee
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
109	(1) A Committee may meet and adjourn as it thinks fit.	Committee to meet
	(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	Questions at committee meetings how decided
	(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Chairperson's casting vote
110	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee to be valid notwithstanding defect in appointment
111	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by circulation

* Article 112 aa) has been inserted at the Annual General Meeting held on July 31, 2018
Articles 112 (b) and 112 (c) have been deleted at the Annual General Meeting held on July 31, 2018

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

- 112 a) The appointment or re-appointment or termination of **Chief Executive Officer, etc.** appointment of the Chairman, Managing Director, Whole-time Director, Manager or the Chief Executive Officer by whatever name called, shall be made by the Board for such term, at such remuneration and upon such conditions as it may think fit, after obtaining prior approval of the Reserve Bank of India under Section 35B of the Banking Act.
- *aa) Subject to the prior approval of the Reserve Bank of India, the Company may, in addition to the Managing Director, also appoint one or more Executive / Whole-time directors, by whatever name called.

Registers

- 113 The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m to 1.00 p.m on all working days, other than Saturdays, at the registered office of the Company by persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act, the Banking Act and Rules. **Statutory registers**
- 114 (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. **Foreign register**
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

The Seal

- 115 (1) The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board of Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board of Directors or a Committee of Board of Directors previously given. **The seal, its custody and use**

- (2) The Common Seal shall be affixed to every deed or other instrument to which it is required to be so affixed, in the presence of any one of the Director who shall sign the instrument to which the seal has been affixed and the instrument shall be countersigned by the Secretary or such other officer or person as the Board of Directors or a Committee of Board of Directors may authorise in this behalf.
- Affixation of seal**

Dividends and Reserve

- 116 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. Provided that the Company shall create the reserve fund in accordance with section 17 of the Banking Regulation Act, 1949 before declaration of dividend.
- Company in general meeting may declare dividends**
- 117 Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
- Interim dividends**
- 118 (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- Dividends only to be paid out of profits**
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- Carry forward of profits**
- 119 (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- Division of profits**
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- Payments in advance**
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares durin any portion or portions of the period in respect of which the dividend is paid;
- Dividends to be apportioned**
- but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

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| 120 | (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
| | (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. | Retention of dividends |
| 121 | (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint-holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| | (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| 122 | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 123 | Notice of any dividend that may have been declared shall be given to the persons entitled to the share therein in the manner mentioned in the Act | Notice of dividend to be given to members |
| 124 | No dividend shall bear interest against the Company. | No interest on dividends |

Accounts

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| 125 | The Company shall cause to be kept proper books of account with respect to:- | Books of Account |
| | (a) all sums of money received and expended by the Company and the matters in respect of which receipt and expenditure take place; | |
| | (b) all receipt and payments and deposits and other money received and loans and other facilities granted by the Company; | |
| | (c) the assets and liabilities of the Company | |
| 126 | The books of account shall be kept at the Registered Office of the Company or such other places as the Board of Directors think fit subject to Section 128 of the Act. | Books of Account to be kept at the Registered Office or such other place |

- 127 If the company shall have at a branch office, whether in or outside India, proper books of account relating to the transaction effected at that office shall be kept at that office and proper summarized returns, made up-to-date at intervals of not more than three month shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept. **Books of Accounts at Branch Office**
- 128 All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions. **Books of accounts to give fair and true view of the affairs of the Company and its branch office**
- 129 The Company shall comply with the provisions of section 207 of the Act and Section 35 of the Banking Regulation Act, 1949 in regard to the inspection of the books of accounts and other books and papers of the Company, by the Registrar of Companies or by such officer of the Government as may be authorised by the Central Government in this behalf, or by the officers of the Reserve Bank of India, as the case may be. **Inspection of the books of accounts and other books and papers of the Company**
- 130 (a) Subject to the provisions of section 129 of the Act, every Balance Sheet and Profit and Loss account of the Company, shall be in the form set out in Schedule III of the Banking Regulation Act, 1949, or as near thereto as circumstances admit and the requirements of the Companies Act, 2013, relating to the Financial Statements i.e. Balance Sheet and Profit and Loss Account, Cash Flow Statement, Statement of changes in equity (if applicable), any explanatory note annexed to, or forming part of, any document referred to earlier, of the Company, shall in so far as they are not inconsistent with the provisions of the Banking Regulation Act, 1949, apply to the Financial Statements, i.e. Balance Sheet and Profit and loss Account, etc. as the case may be of the Company.
- In case the Central Government by notification specifies some other form or forms in which the Balance Sheet and the Profit and Loss Account of the Company shall be drawn, then the Company shall adopt such form of the Balance Sheet and the Profit and Loss Account.
- (b) The Financial Statements, i.e. Balance Sheet and Profit and loss Account, etc. shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the Banking Regulation Act, 1949 and the Companies Act, 2013 and Rules thereunder and before they are submitted to the Auditors for their report thereon.
- 131 Financial Statements, i.e. Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of changes in equity, if applicable, and any explanatory note annexed to, or forming part of any document referred to hereinbefore and consolidated Financial Statements, if any, shall be signed in accordance with the Banking Regulation Act, 1949 and the Companies Act, 2013 and Rules thereunder. **Signing of Financial Statements**

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| 132 | (1) The books of account, books papers of the company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. | Inspection by Directors |
| | (2) The board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company or any of them, shall be open to the inspection of members not being directors. | Inspection by members |
| | (3) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the company in general meeting. | Restriction on inspection by members |

Audit

- | | | |
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| 133 | At least once in every year, the accounts of the Company shall be balanced and audited and the correctness of Financial Statements, i.e. Balance Sheet and Profit and loss Account, etc. shall be ascertained by one or more auditor or auditors to be appointed as required by the Banking Regulation Act, 1949, and the Companies Act, 2013. | Audit of Accounts |
| 134 | The Company shall comply with the provisions of Banking Regulation Act, 1949 and the Companies Act, 2013, in relation to the Audit of the accounts of its branches whether in India or outside India. | Audit of the accounts of its branches |

Winding up

- | | | |
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| 135 | For winding up of the Company the provisions contained in the Banking Regulation Act, 1949, shall apply and those contained in the Companies Act, 2013, shall apply to the extent to which they are not inconsistent with the Banking Regulation Act, 1949. | Banking Act and Companies Act to apply in case of winding up. |
| 136 | Subject to the applicable provisions of the Act, the Banking Act and the Rules made thereunder – | Winding up of Company |
| | (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. | |
| | (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. | |
| | (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. | |

Indemnity and Insurance

- 137 (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court or Tribunal.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Directors' and officers' right to indemnity

Insurance

General Power

- 138 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

General power

We, the several persons, whose names and addresses are hereunder subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association:

Sl. No.	Name, Father's Name, Address and Occupation of the Subscribers	Signature of the Subscribers	Signature, Name, Address and Occupation of witness
1	IDFC Limited - through Rajiv B. Lall KRM Tower, 8th Floor, No.1, Harrington Road, Chetpet, Chennai 600031 Indian Company	Authorised vide Board Resolution dated July 29, 2014 For IDFC Limited Sd/- Rajiv B. Lall Authorised Signatory	Witness to Subscribers 1 to 7 (Both Inclusive) I witness to subscribers, who have subscribed and signed in my presence; further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in. Mumbai 18/10/2014 Sd/- ARVIND BHANDARI, S/O SATYANARAIN BHANDARI 33 - VAIKUNTH SOCIETY, LALLUBHAI PARK ROAD, ANDHERI (WEST), MUMBAI-400058 SERVICE
2	Mahendra N. Shah S/o. Shri Narandas H. Shah 1801, Tower 1 (Terra Tower) Planet Godrej, Simplex Mill Compound, Keshavrao Khadye Marg, Mahalaxmi (E), Mumbai - 400011 Service	Sd/-	
3	Sunil Kakar S/o. Shri Sohan Lal Kakar 47th Floor, D 4707-08, Ashok Towers, Dr. SS Rao Road, Parel, Mumbai - 400012 Service	Sd/-	
4	Vikram Limaye S/o. Shri Mukund Limaye 18 Shreenivas, Flat No.501, 5th Floor, Shivaji Park, D.V. Deshpande Marg, Dadar (West), Mumbai-400028 Service	Sd/-	
5	Rajeev Uberoi S/o. Shri Balkrishnan Uberoi Vaibhav Apartment 18-A, 18th Floor, B D Road, Breach Candy, Mumbai - 400026 Service	Sd/-	
6	Bipin Gemani S/o. Shri Narandas Gemani 102 Satyanarayan Bhavan, 7/1 R.G. Thadani Marg, Worli Sea Face, Mumbai - 400 018. Service	Sd/-	
7	Ketan Kulkarni S/o. Shri Sachchidanand Kulkarni Building No.13, Flat No. 603, Millennium Park, Hari Om Nagar, Mulund (East), Mumbai - 400081 Service	Sd/-	

Place: Mumbai
Date: 18/10/2014

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Thursday, the 25th day of June, 2015

THE HON'BLE MRS. JUSTICE PUSHPA SATHYANARAYANA

COMP PETN NOS. 191 AND 192 OF 2015

In the matter of the Companies Act, 1956;

and

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

and

**In the matter of IDFC Limited (CIN No. L65191TN1997PLC037415),
a company incorporated under the Companies Act, 1956 and
having its Registered Office at KRM Tower, 8th Floor, No.1,
Harrington Road, Chetpet, Chennai-600 031,
Tamil Nadu, India.**

And

**In the matter of Scheme of Arrangement among IDFC Limited
(Petitioner/Transferor Company) and IDFC Bank Limited
(Transferee Company) and their respective Shareholders
and Creditors**

C.P. 191/2015:

**IDFC Limited (CIN No. L65191TN1997PLC037415)
a company incorporated under the Companies Act,
1956 and having its Registered Office at
KRM Tower, 8th Floor, No.1, Harrington Road,
Chetpet, Chennai-600 031,
Tamil Nadu, India.**

**.. Petitioner/
Transferor Company**

The Company Petitioner praying this Court

**a) That the Scheme of Arrangement among IDFC Limited
and IDFC Bank Limited and their respective Shareholders and
Creditors, be sanctioned by this Hon'ble Court, so as to be
binding on all the shareholders and creditors of the
Petitioner/Transferor Company and on the Transferee Company;**

**b) That direction from this Hon'ble Court to file the
sanction order of this Hon'ble Court to the Scheme with the
Registrar of Companies, Tamil Nadu within 30 days of final
approval from the Reserve Bank of India for undertaking
banking operations under the Banking Regulations Act, 1949;**

Cn 00841

C.P.192/2015:

IDFC Bank Limited (CIN No.U65110TN2014PLC097792)
a company incorporated under the Companies Act,
2013 and having its Registered Office at
KRM Tower, 8th Floor, No.1, Harrington Road,
Chetpet, Chennai-600 031,
Tamil Nadu, India.

.. Petitioner/
Transferee Company

The Company Petitioner praying this Court

a) That the Scheme of Arrangement among IDFC Limited and IDFC Bank Limited and their respective Shareholders and Creditors, be sanctioned by this Hon'ble Court, so as to be binding on all the shareholders and creditors of the Petitioner/Transferee Company and on the Transferor Company. That for a direction from this Hon'ble Court to the Scheme with the Registrar of Companies, Tamil Nadu within 30 days of the receipt of final approval from the Reserve Bank of India for undertaking banking operations under the Banking Regulations Act, 1949;

These Company Petitions coming on this day before this Court for hearing in the presence of Mr.P.Chidambaram Senior Counsel for M/s.Sathish Parasaran, Advocate for the petitioners herein and of Mr.M.Gopikrishnan, Central Government Standing Counsel appearing for Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and upon reading the order dated 20/2/2015 made in CP.No.169/2015, whereby the said company viz., IDFC Limited the petitioner company in CP.No.191/2015 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed scheme of the Arrangement, and the advertisement having been made in one issue of English Daily News paper viz., "The Hindu Business Line" dated 13/3/2015 and in one issue of Tamil Daily News paper viz.,

Cn 00841

"Makkal Kural" dated 13/3/2015 (both Chennai edition) each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and the report as the Scheme of Arrangement has been filed and upon reading the Company Petitions 191&192/2015 and the affidavit of B.K.Bansal, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai and the advertisement of the Company Petitions having been made in one issue of English Daily News Paper viz., "Hindu Business Line" dated 21/5/2015 and in one issue of Tamil Daily News Paper viz. "Makkal Kural" dated 21/5/2015 (both Chennai Edition) and this having dispensed with the convening, holding and conducting of meeting of the secured creditors, and equity shareholders of the applicant companies by an order dated 20/2/2015 made in CA.No.170&172/2015 and this court dispensed with the requirement of the procedure under Sec 101(2) of the Companies Act 1956 by an order dated 20/2/2015 made in CA.No.171/2015 and the learned Senior Counsel appearing for the petitioners submitted that pursuant to Section 80CCF of the Income Tax Act, a retail tax payer could invest upto a maximum of Rs.20,000/- and the LTIBs were issued for a period of ten years with a lock-in period of five years and in the Scheme of Arrangement, bonds are also transferable and pursuant to the Demerger process, the LTIBs being part of the Financial Undertaking being transferred to the resulting Company, viz., IDFC Bank, as per the RBI New Banking Guidelines, it has become statutory to convert the secured bonds to unsecured bonds. Learned Senior Counsel also brought to the notice of this Court that the demerged Company has been regularly paying interest to the Bond Holders and also undertakes that it will continue to pay the same. With regard to the non-possibility of transfer of bonds as per the letter dated 23.02.2015 issued by the Department of Financial Services, learned Senior Counsel submitted that it is suffice if the Reserve Bank of India

does not raise any objection. During the course of argument, learned Senior Counsel relied on the communication dated May 30, 2014 issued by the Reserve Bank of India wherein it has advised that it has no objection to the IDFC Limited pursuing the option regarding demerger of the lending business of IDFC into the proposed IDFC Bank Limited subject to compliance with the relevant regulations, provisions of the Companies Act, 2013 and necessary approval from Department of Non-Banking Supervision, RBI. Further, the Reserve Bank of India, by its subsequent letter dated February 02, 2015, has communicated the demerged Company that it has no objection to the proposal of conversion of secured bonds to unsecured bonds. As regards the capital gains, the submission of the learned Senior Counsel would be to the effect that the conversion of LTIBs will not attract capital gains because the original issuer is substituted and that the bonds once redeemed, will get their face value as the interest is paid periodically. In case where a person sells the bonds in the secondary or capital market, according to the learned Senior Counsel, it could only be for a price marginally high and that the same will not attract Section 2(47) of the Income Tax Act and this court having observed that since consent affidavits of the equity shareholders as well as No Objection Certificate from the secured creditors and the Board Resolution of the demerged Company have been filed, and this Court on 28.4.2015, issued notice in the present petitions, to the Regional Director, Southern Region, Department of Corporate Affairs and the Registrar of Companies. Further more, a notice under Section 80CCF of the Income Tax Act has also been issued to the Long Term Infrastructure Bondholders inviting their intention with regard to the Scheme of Arrangement. It is seen that no objection has been raised by any one of the bondholder and the Regional Director, Ministry of Corporate Affairs has filed his affidavit dated 20th May, 2015 without any

objection to the Scheme to the effect that the demerged Company is regular in filing their statutory returns and the first balance sheet of the resulting Company is not yet due besides stating that neither prosecution is filed nor any complaint is pending against the demerged and resulting Companies and that no inspection has been conducted in respect of the Companies. With respect to transfer of LTIBs stated in the letter dated 17.4.2015 by the Ministry of Finance, Government of India and also stated in the objection letters received from some of the bondholders of the LTIBs, the demerged Company has filed an affidavit dated 20th June, 2015 before this Court to the following effect:-

- "(a) That the Scheme does not in any manner affect the terms of the LTIBs with respect to the maturity date, buy-back date, interest rate or the redemption / maturity amount payable.
- (b) That the networth of the Financing Undertaking (as defined in the Scheme) to be demerged into IDFC Bank Ltd., the resulting Company, will be to the tune of approximately Rs. 6500 Crores on the Effective Date of the Scheme. Further, after the investment by IDFC Financial Holding company Ltd., the Non-Operating Financial Holding Company (NOFHC), the total networth of IDFC Bank Limited would be approximately Rs.13,825 Crores, which would be more than sufficient to meet any liability that may arise on account of the repayment of LTIBs.
- (c) That the networth of the Residual Undertaking (as defined in the Scheme) remaining with IDFC Ltd., the Petitioner / Transferor Company, even if taken on a stand alone basis, would be to the tune of approximately Rs.10,154 Crores."

and there is no objectionable feature in the Scheme of Arrangement (Demerger) detrimental to the (bondholders) employees of the Demerged company or of the Resulting company. The said Scheme is not violative of any statutory provisions. The Scheme is fair, just, sound and is not against any public policy or interest. No proceedings are pending under Sections 231 to 237 of the Companies Act. All the statutory provisions have been complied with and this court doth hereby sanction the Scheme of Arrangement (Demerger) between the Demerged Company with the Resulting Company and their respective shareholders and creditors and with the Registrar of Companies, Tamil Nadu, within 30 days of the receipt of final approval from the Reserve Bank of India for undertaking banking operations under the Banking Regulations Act 1949 and this court doth further order as follows:

(1) That, the Petitioner Companies herein, do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days of the receipt of final approval from the Reserve Bank of India for undertaking banking operations under the Banking Regulations Act 1949.

(2) That, the parties to the Scheme of Arrangement (Demerger) or any other person interested shall be at liberty to apply to this Court for directions that may be necessary in regard for carrying out this Scheme of Arrangement (Demerger) annexed herewith.

(3) That the learned Central Government Standing Counsel be and hereby is entitled to a fee of Rs.5,000/- (Rupees Five Thousand only) from the resulting company.

ANNEXURE:

Cn 008416

①

SCHEME OF ARRANGEMENT

AMONG

IDFC LIMITED

as the Transferor Company

AND

IDFC BANK LIMITED

as the Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956)



Part I: Introductions and Definitions

1. OVERVIEW AND OBJECTS OF THIS SCHEME

1.1 Overview

1.1.1 IDFC Limited is a company incorporated under the Companies Act, 1956 having its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031 ("Transferor Company"). The Transferor Company is regulated by the Reserve Bank of India ("RBI") as an 'Infrastructure Finance Company - Non Banking Financial Company' and is a systemically important non-deposit taking non-banking finance company. The Transferor Company is primarily engaged in the business of providing end-to-end project financing and other financial services. The Transferor Company's businesses consists of the lending and financing business undertaking, including project finance (fund based and non-fund based), fixed income and treasury, along with various other activities such as institutional broking, investment banking, asset management and an infrastructure debt fund, which are undertaken through a number of subsidiaries. In addition, it holds windmill operations, investments in non-regulated business entities as well as certain strategic investments. The equity shares of the Transferor Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

IDFC Bank Limited is a company incorporated under the Companies Act, 2013 having its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031 ("Transferee Company"). The Transferee Company has been established as a public limited company to carry out the business of banking pursuant to an in-principle approval granted by the RBI on 9 April 2014 to the Transferor Company for setting up a new bank in the private sector ("RBI In-Principle Approval"). The Transferee Company is a wholly owned subsidiary of IDFC Financial Holding Company Limited having its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031 ("IDFC FHCL"), which in turn, is a wholly owned subsidiary of the Transferor Company.

1.1.3 IDFC FHCL has been incorporated by the Transferor Company in accordance with the conditions set out in paragraph 2(L) of the RBI Guidelines for Licensing of New Banks in the Private Sector dated 22 February 2013 ("RBI New Banking Guidelines"), which mandate that a non-operative financial holding company will, for a period of five years, need to hold a minimum of 40% of the shareholding of the bank, i.e., the Transferee Company. The RBI New Banking Guidelines specifically mandate that all new banks are to be set up through a non-operative financial holding company and will need to be categorically structured such that all businesses which a bank is permitted to carry out, will necessarily vest in the new bank and all other regulated financial services entities (regulated by the RBI or other financial sector regulators) will need to be held by such non-operative financial holding company. Accordingly, IDFC FHCL will hold for a period of five years a minimum of 40% of the shareholding of the Transferee Company, as well as exposure in the form of debentures, loans, advances and shares of the other regulated financial services entities being IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Securities Limited, IDFC Alternatives Limited, IDFC Trustee Company Limited, IDFC Finance Limited and IDFC Infra Debt Fund Limited



("IDFC FHCL Subsidiaries"), which acquisition of shares will occur on or prior to the Effective Date (as defined below).

- 1.1.4 Pursuant to the RBI New Banking Guidelines, the Transferor Company has been granted the RBI In-Principle Approval to enable it, as a promoter, to set up a new bank in the private sector, i.e., the Transferee Company. Hence, to fulfil the specific terms and conditions of the RBI In-Principle Approval and the conditions set out in the RBI New Banking Guidelines which requires the Transferor Company to transfer the relevant business activities (being the Financing Undertaking as more particularly defined below) to the proposed bank i.e., the Transferee Company, the Transferor Company proposes to realign its businesses to comply with the corporate structure requirements provided in paragraphs 2(C) of the RBI New Banking Guidelines and demerge its Financing Undertaking to the Transferee Company and, outside the purview and ambit of the Scheme, transfer the shares of its regulated financial services entities to IDFC FHCL.
- 1.1.5 This Scheme seeks to restructure and demerge the Financing Undertaking into the Transferee Company pursuant to the RBI In-Principle Approval granted to the Transferor Company.
- 1.1.6 Upon the demerger of the Financing Undertaking into the Transferee Company, pursuant to this Scheme becoming effective on the Effective Date, the Transferee Company will issue equity shares to the shareholders of the Transferor Company as of the Record Date (as defined below), in accordance with the Demerger Share Entitlement Ratio (as defined below) approved by the Board of Directors of each of the Transferor Company and the Transferee Company as set out in this Scheme.
- 1.1.7 The Residual Undertaking (as more particularly defined below), after the demerger of the Financing Undertaking and the transfer of the shares of the IDFC FHCL Subsidiaries shall be retained, managed and operated by the Transferor Company.
- 1.1.8 In addition, IDFC Alternatives Limited, IDFC Housing Finance Company Limited, IDFC Project Equity Company Limited and IDFC Primary Dealership Company Limited, which are direct and/or indirect subsidiaries of the Transferor Company are separately engaged in a scheme of amalgamation filed before the Hon'ble High Court of Bombay in the State of Maharashtra pursuant to which IDFC Housing Finance Company Limited, IDFC Project Equity Company Limited and IDFC Primary Dealership Company Limited will be merged into IDFC Alternatives Limited.
- 1.1.9 In addition, IDFC Asset Management Company Limited and IDFC Investment Advisors Company Limited, which are direct and/or indirect subsidiaries of the Transferor Company are separately engaged in a scheme of amalgamation filed before the Hon'ble High Court of Bombay in the State of Maharashtra pursuant to which IDFC Investment Advisors Company Limited will be merged into IDFC Asset Management Company Limited.
- 1.1.10 The demerger of the Financing Undertaking will be effective *inter alia* upon the receipt of the final approval of the RBI by the Transferee Company for commencing the banking business and the other conditions to effectiveness set out in Clause 5.8 of this Scheme. After the effectiveness of the Scheme, the listing of the securities of the Transferee Company with the NSE and the BSE (where the Transferor Company's



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shares are originally listed) will be undertaken. IDFC FHCL shall remain an unlisted company.

1.1.11 This Scheme is segregated into 5 parts:

- (i) Part-I sets forth the overview and objects of this Scheme;
- (ii) Part-II sets forth the capital structure of the Transferor Company and the Transferee Company;
- (iii) Part-III deals with the demerger of the Financing Undertaking into and with the Transferee Company, in accordance with Sections 391 to 394 of the Companies Act, 1956;
- (iv) Part-IV deals with the Residual Undertaking of the Transferor Company; and
- (v) Part-V deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

1.2 Brief overview of the Companies

1.2.1 IDFC Limited

- (i) The Transferor Company is a public limited company incorporated under the Companies Act, 1956 and has its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031.
- (ii) The Transferor Company is a public financial institution defined under Section 2(72) of the Companies Act, 2013 and is registered with the RBI as an 'Infrastructure Finance Company - Non Banking Finance Company' and is a systemically important non-deposit taking non-banking finance company.
- (iii) The objects of the Transferor Company as provided in its memorandum of association are, inter alia:
 - (a) to carry on the business of acting as a specialised financial institution for the purpose of developing and provision of wide range of financial products and services for the purpose of and in relation to the development and establishment of infrastructure projects and facilities in India, including without limitation provision of various kinds of guarantees and various kinds of credit enhancement and refinancing assurance including market making or provision of liquidity support of various kinds, development, encouragement and participation in securities market for infrastructure financing, development and implementation of various opportunities and schemes for domestic savers to participate in infrastructure development, mobilising capital from domestic and foreign investors including insurance and pension funds and from other financial investors and the management thereof;
 - (b) to carry on the business of arranging or providing financial assistance independently or in association with any person, Government or any other agencies, whether incorporated or not, in the form of lending or



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advancing money by way of a loan (including long term loan), working capital finance, overdraft, cash credit, refinance or in any other form, whether with or without security to institutions, banks, bodies corporate (whether or not incorporated), firms, associations authorities, bodies, trusts, agencies, societies or any other person or persons engaged in or in connection with either directly or indirectly and whether wholly or in part, for the purposes of infrastructure development work or providing infrastructure facility or engaged in infrastructure activities, which shall include work or facility or providing of services in relation to or in connection with setting up, development, construction, operation, maintenance, modernisation, expansion and improvement of any infrastructure project or facility including roads, highways, railways, airways, waterways, ports, transport systems, bridges, tele-communication and other communication systems, systems for generation or storage or transmission or distribution of power, irrigation and irrigation systems, sewerage, water supply, sanitation, health, tourism, education, oil & gas (excluding exploration), food and agriculture infrastructure and setting up of industrial areas;

- (c) to carry on the business of providing, whether in India or abroad, guarantees and counter guarantees, letters of credit, indemnities and other form of credit enhancements to companies engaged in development or financing of infrastructure work or activity, whether by way of personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the company, both present and future, wheresoever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interests or other moneys secured by or payable under contracts, obligations, debentures, bonds, debenture stocks, mortgages, charges, repayment of capital moneys and the payments of dividends in respect of stocks and shares or the performance of any other obligations by such companies;
- (d) to mobilise capital from financial investors and to manage the investment of such funds in infrastructure projects;
- (e) to carry on the business of negotiating loans and advances of all nature, to formulate schemes for the purpose of mobilisation of resources and extension of credit for infrastructure development projects and to act as underwriters to the issue of stocks, shares, bonds, debentures and security of every description of companies engaged wholly or in part in the development or financing of infrastructure development work or activity;
- (f) to promote the development of primary and secondary market for shares and securities of various kinds including equity, debt, quasi equity, subordinated debt, derivatives and such other securities as may be permissible, issued by companies engaged in infrastructure development work or projects and to provide assistance in placement of shares and securities by such companies with foreign and local investors, to subscribe to the shares and securities being issued by them



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and to generally do all activities and enter into all kinds of financial arrangements so as to enable mobilising of funds by such companies and ensuring liquidity for the investors investing in shares and securities issued by such companies;

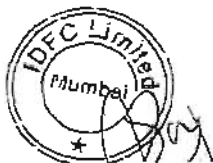
- (g) to carry on all or any of the business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, stores, procurers, carries and dealers in electricity, all forms of energy and any such products and by-products derived from such business including without limitation, steam, fuels, ash, conversion of ash into bricks and any product derived from or connected with any other form of energy, including, without limitation to conventional sources such as heat, thermal, hydel and/or from non-conventional sources such as tidal wave, wind, solar, geothermal, biological, biogas and CBM or any of the business of purchasers, creators, generators, manufacturers, producers, procurers, suppliers, distributors, converters, processors, developers, storers, carries and dealers in, design or otherwise acquire to use, sell or transfer or otherwise dispose of electricity, steam, oil, gas, hydro or tidal, water, wind, solar, hydrocarbon fuels, fuel handling equipments and machinery and fuel handling facilities thereto and any products or by-products derived from any such business (including without limitation distillate fuel oil and natural gas whether in liquified or vaporized form), or other energy of every kind and description and stoves, cookers, heaters, geysers, biogas, plants, gas and steam turbines, boilers, generators, alternators, diesel generating sets and other energy devices and appliances of every kind and description.
- (h) to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on Build, Operate and Transfer (BOT), or Build Own, Operate and Transfer (BOOT) or Build, Operate, Lease and Transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities in India or abroad, including but not limited to power, roads, bridges, airports, ports, waterways, rail system, highway projects, water supply projects, pipelines, sanitation and sewerage systems, telecommunication facilities, IT parks, urban infrastructure, housing projects, industrial parks, commercial real estate projects, tourism, healthcare, education, oil and gas, retail logistics, Special Economic Zone (SEZ), mining, warehouses, factories, godowns, water treatment systems, solid waste management systems, steel, cement, other works or convenience of public or private utility involving public or private financial participation, either directly or through any subsidiary or group company and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or either income from infrastructure projects undertaken by the Company either individually or as joint venture, with any other company/ firm/ individual/ consultant, whether in India or abroad;

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- (i) to carry on the business of arranging or providing financial assistance independently or in association with any person in India or abroad, Government or any other agencies, whether incorporated or not, in the form of lending or advancing money by way of a loan (including long term loan), working capital finance, overdraft, cash credit, refinancing, equity or quasi-equity financing or in any other form, whether with or without security to institutions, banks, bodies corporate (whether or not incorporated), firms, associations, authorities, bodies, trusts, agencies, societies or any other person or persons engaged in the business of infrastructure of any nature or kind whatsoever, including those referred to in the main Object Clause, retail business, media and entertainment business, equipment manufacturer of any kind, exploration of oil and gas, steel, cement, mining activities and in search, production, refining, processing etc. of coal, tin, ore, oil or other minerals ferrous and non ferrous or their products, co-products, by-products, alloy and derivatives thereof;
- (j) to carry on the business of arranging or providing financial assistance independently or in association with any person, Government or any other agencies in India or abroad, whether incorporated or not, in the form of lending or advancing money by way of loan (including long term loan), working capital finance, overdraft, cash credit, refinancing, equity or quasi-equity financing or in any other form, whether with or without security to institution, banks, bodies corporate (whether or not incorporated), firms, associations, authorities, bodies, trusts, agencies, societies or any other person or persons, engaged in the business to retail logistics, SEZ, media, broadcasting, telecasting, relaying, transmitting or distributing in any manner, any audio, video or other programmers or software, communication and dubbing, recording, selling the same in any form;
- (k) to act, whether in India or abroad, as Asset Management Company and/or trustees for any type of investment funds, mutual funds and for that purpose to set up, promote, sponsor, settle and execute trusts, devise and manage various schemes for raising funds in any manner from persons, bodies corporate, Trusts, Societies, Association of persons and to deploy, whether in India or abroad, funds raised and earn reasonable returns on their investments and to deal with, engage in any carry out all other functions, incidental thereto and such other activities as may be approved by the Securities and Exchange Board of India and/or other regulatory authorities and to undertake and carry on the functions, duties, activities and business of Asset Management Company and/or Trustees and to undertake and execute trusts of all kinds, whether public or private including declaring the company itself as an Asset Management Company and/ or Trustees in India or abroad and to carry out business of formulating, marketing, rising funds, plans and schemes, including mutual funds schemes and to arrange for the sale, redemption, cancellation, revocation of the unit and to distribute the proceeds thereof among the other unit holders or investors, beneficiaries or all person entitled to the same periodically or



otherwise in furtherance of any trust direction, discretion or other obligation or permission and generally to carry on what is usually known as trustee business and in particular and without limiting the generality of above, to act as Trustee; and

- (i) to carry on business of finance and investment broking, underwriting, sub-underwriting and as consultants for and to purchase, acquire, hold, sell, buy, invest, trade, exchange, deal, barter, borrow, lend, guarantee, give comfort for pledge, hypothecate, charge and deal in investment instrument of all kind and types whether securities or not including shares, stocks, debentures, bonds, cumulative convertible preference shares, certificates of deposit, commercial papers, participation certificates, other securities by original subscription, coupons, warrants option and such other derivatives and other mutual funds or any other securities issued by the Companies, Government, Corporation, Co-operatives, Firms, Trust, Societies, Authorities, whether situated in India or abroad and to carry on financial operations of all kinds including credit rating, bought-out deals placement of shares, hedging. Also, to carry on the business of portfolio management services, Merchant Bankers and Advisors on all aspects of Corporate Financial and Commercial matters, whether in India or abroad.

1.2.2 IDFC Bank Limited

- (i) The Transferee Company is a public limited company incorporated under the Companies Act, 2013 and has its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031.
- (ii) The Transferee Company is authorised to transact the business of banking under the Banking Regulation Act, 1949 and the RBI New Banking Guidelines, subject to the satisfaction of certain conditions prescribed by the RBI pursuant to the RBI In-Principle Approval and the obtaining of the final approval of the RBI for undertaking banking operations.
- (iii) The objects of the Transferee Company as provided in its memorandum of association are, inter alia:
- to carry on the business of banking that is to say accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise;
 - to establish and carry on the business of banking in any part of India or outside India;
 - In addition to the business of banking, to carry on the business of:



1. borrowing, raising, or taking up of money;
2. lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner, either upon or without security;
3. drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scripts and other instruments and securities whether transferable or negotiable or not;
4. granting and issuing of letters of credit, traveller's cheques and circular notes;
5. buying, selling and dealing in bullion and specie;
6. buying and selling of foreign exchange including foreign bank notes;
7. acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
8. purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others;
9. negotiating of loans and advances;
10. receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;
11. providing of safe deposit vaults;
12. collecting and transmitting of money and securities;
13. acting as agents for any Government or local authority or any other person or persons;
14. 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 a managing agent or secretary and treasurer of a company;
15. contracting for public and private loans and negotiating and issuing the same;
16. effecting, insuring, guaranteeing, underwriting, participating in managing 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;

17. carrying on and transacting every kind of guarantee and indemnity business;
18. managing, selling and realizing any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;
19. acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;
20. granting pensions and allowances and making payments towards insurance;
21. acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;
22. selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company; and
23. any other forms of business which the Central Government, pursuant to clause (c) of sub-section (1) of Section 6 of the Banking Regulation Act, 1949, may by notification in the Official Gazette, specify as a form of business in which it would be lawful for a banking company to engage.

- (iv) to carry on the business of merchant banking, investment banking, portfolio investment management, corporate consultants and advisors;
- (v) to carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services;
- (vi) to carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the company, both present and future wherever situated or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations;



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- (vii) to carry on the business of financing, leasing (operating and financial), hire purchase, all forms of securitization, asset reconstruction or recovery, dealer inventory financing, factoring of receivables, instalment sale and/or deferred sale relating to goods or material, including machinery, plant, equipment, ships, vehicles, aircraft, rolling stock, factories, inventory, debtors, furniture, apparatus, appliances and other movable and immovable property and to arrange or syndicate leasing, hire purchase, instalment sale or deferred sale businesses;
- (viii) to act as escrow agents and trustees and issuing and paying agents, including for trust and retention accounts;
- (ix) to develop and promote new financing or banking instruments of all kinds whether for the capital market, money market or otherwise and to render all kinds of fee-based financial services; and
- (x) to solicit and procure insurance business, mutual fund and alternatives fund business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.

1.3 Objects of this Scheme

1.3.1 Pursuant to the RBI New Banking Guidelines, all new banks are to be set up through a non-operative financial holding company and will need to be categorically structured such that all businesses which a bank is permitted to carry out, will necessarily vest in the new bank and all other regulated financial services entities (regulated by the RBI or other financial sector regulators) will need to be held by such non-operative financial holding company. Hence, to fulfil the specific terms and conditions of the RBI In-Principle Approval and the conditions set out in the RBI New Banking Guidelines which require the Transferor Company to transfer the relevant business activities (being the Financing Undertaking) to the proposed bank i.e., the Transferee Company, and given the current corporate structure of the Transferor Company, the Transferor Company proposes to realign its businesses to comply with the corporate structure requirements provided in paragraph 2(C) of the RBI New Banking Guidelines and demerge its Financing Undertaking to the Transferee Company.

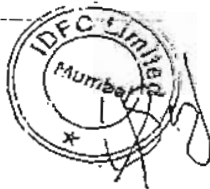
1.3.2 Accordingly, it would be in the best interests of the Transferor Company, the Transferee Company and their respective shareholders and creditors as the proposed demerger will provide greater financial strength and flexibility and access to greater funds and resources including diversifying the asset base and widening of the liability base, leveraging larger and diversified financial sector opportunities and providing a stable funding profile through retail funding, in the interests of maximising stakeholder value. As a result, the Transferor Company is proposing this Scheme under Section 391 to 394 of the 1956 Companies Act (as defined below).

1.4 Definitions

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



- 1.4.1 "1956 Companies Act" means the Companies Act, 1956 and includes any statutory amendment or modification thereof, which has been partially repealed from time to time after the introduction of the 2013 Companies Act;
- 1.4.2 "2013 Companies Act" means the Companies Act, 2013 as notified, clarified and/or modified by rules and notifications issued by the Ministry of Corporate Affairs, from time to time;
- 1.4.3 "Appointed Date" shall mean the same date as the Effective Date;
- 1.4.4 "Board of Directors" in relation to the Transferor Company and the Transferee Company, means their respective board of directors and, unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- 1.4.5 "Company Court" with respect to the Transferor Company and the Transferee Company, means the High Court of Madras at Chennai, having jurisdiction over such companies for the purposes of this Scheme;
- 1.4.6 "Demerger Share Entitlement Ratio" shall have the meaning ascribed to such term in Clause 3.5.3;
- 1.4.7 "Effective Date" means the last of the dates on which the conditions set out in Clause 5.8 of the Scheme are satisfied or waived in accordance with this Scheme. References in this Scheme to "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme becomes effective" shall mean the Effective Date;
- 1.4.8 "Financing Undertaking" means, subject to any assets or liabilities transferred in the ordinary course of business, the leading and financing business undertaking of the Transferor Company including project finance (fund based and non-fund based), fixed income and treasury. Without prejudice to the generality of the foregoing, the Financing Undertaking shall comprise of:
- (i) all the licences, approvals and permits and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, including without limitation CENVAT credits, interest tax credits, wealth tax credits, income-tax credits, any other tax paid in advance or in excess or provisionally, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Financing Undertaking of the Transferor Company;
 - (ii) any and all assets and property relating to or arising from the activities and operations of the Financing Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer



software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for the Transferor Company as a whole or without reference to specific assets relating to the Financing Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company with respect to the Financing Undertaking and all other interests in connection with or relating to the Financing Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Financing Undertaking, plant, machinery, equipment, whether leased or otherwise;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Financing Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), commercial papers and such liabilities raised, incurred and utilised solely for the activities or business or operation of the Financing Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Financing Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Transferor Company directly or indirectly in connection with the Financing Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Transferor Company, if any, allocated to the Financing Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of Transferor Company immediately before giving effect to the Scheme;



- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to the Financing Undertaking including the investments, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Financing Undertaking or to which the Financing Undertaking may be entitled and the depository participant accounts of the Transferor Company pertaining to the Financing Undertaking, the details of which are set out at Schedule 1 (*Depository Participant Accounts*);
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, 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, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Financing Undertaking;
- (viii) all staff, workmen and employees of Transferor Company employed in connection with the Financing Undertaking, as on the Effective Date of the Scheme and including those employed at its offices and branches;
- (ix) any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them, pertaining to the Financing Undertaking; and
- (x) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Financing Undertaking,

it being clarified that the Financing Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Financing Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of the Transferor Company and the Transferee Company;

1.4.9 "Liabilities" shall have the meaning ascribed to such term in Clause 3.1.2(v);

1.4.10 "Net Assets" shall have the meaning ascribed to such term in Clause 3.7.2(i);

1.4.11 "RBI" means the Reserve Bank of India;



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- 1.4.12 "RBI New Banking Guidelines" means the Guidelines for Licensing of New Banks in the Private Sector dated 22 February 2013, issued by the RBI;
- 1.4.13 "Record Date" means the date to be fixed by the Board of Directors of the Transferor Company and the Transferee Company, for the purpose of issue of shares of the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme;
- 1.4.14 "Registrar of Companies" means the Registrar of Companies, Tamil Nadu at Chennai;
- 1.4.15 "Residual Undertaking" means all the undertakings, businesses, activities and operations of the Transferor Company other than the Financing Undertaking and including without limitation the windmill operations, the holding of shares in IDFC FHCL and in certain other entities, goodwill, intellectual property rights such as trade names, trademarks, service marks, copyrights, domain names, applications for trade names and copyrights;
- 1.4.16 "Scheme" means this scheme of arrangement, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Company Court and other relevant regulatory authorities including without limitation the Securities and Exchange Board of India, as may be required under the 1956 Companies Act and under all other applicable laws;
- 1.4.17 "Transferee Company" means IDFC Bank Limited, a company incorporated under the 2013 Companies Act, having its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031, which has been established to carry out the business of banking;
- 1.4.18 "Transferee Company Option Scheme" shall have the meaning ascribed to such term in Clause 3.1.6(v);
- 1.4.19 "Transferor Company Option Scheme" shall have the meaning ascribed to such term in Clause 3.1.6(v); and
- 1.4.20 "Transferor Company" means IDFC Limited, a company incorporated under the 1956 Companies Act, having its registered office at KRM Tower, 8th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031.

1.5 Interpretation

- 1.5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Companies Act, the 2013 Companies Act, the Banking Regulation Act, 1949, the Income Tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Company Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum

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or authority, as may be vested with any of the powers of the Company Court under Sections 391 to 394 of the 1956 Companies Act and/or rules made thereunder.

1.5.2 In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders; and
- (iv) words in the singular shall include the plural and vice versa.

1.5.3 Any references to sections of the 1956 Companies Act shall be deemed to include references to the equivalent provisions of the 2013 Companies Act if notified.



Part II: Capital Structure

2. Capital Structure

2.1 The capital structure of the Transferor Company as on 31 December 2014 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
4,000,000,000 equity shares of Rs. 10 each	40,000,000,000
100,000,000 preference shares of Rs. 100 each	10,000,000,000
Total	50,000,000,000
Issued, Subscribed and Paid-up Share Capital *	
1,591,004,169 equity shares of Rs. 10 each	15,910,041,690
Total	15,910,041,690

* Certain employee stock options granted to the employees of the Transferor Company which are vested may get exercised before the Effective Date. The details of the unexercised employee stock options (net of cancellation) by the employees of the Transferor Company as on 30 November 2014 are set out below:

Unexercised Employee Stock Options	Amount
34,096,414 options of Rs. 10 each	340,964,140
Total	340,964,140

2.2 The capital structure of Transferee Company as on 31 December 2014 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
5,000,000,000 equity shares of Rs. 10 each	50,000,000,000
Total	50,000,000,000
Issued, Subscribed and Paid-up Share Capital	
50,000 equity shares of Rs. 10 each	500,000
Total	500,000



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2.3 Between the date of filing of the Scheme and the Effective Date, the Transferee Company shall need to issue shares to IDFC FHCL to meet the capitalisation requirements set out in the RBI New Banking Guidelines and to comply with the terms and conditions of the RBI In-Principle Approval granted to the Transferor Company. Such issue of new shares shall be separately undertaken by the Transferee Company to IDFC FHCL, prior to the effectiveness of the Scheme and outside the purview and ambit of the Scheme, at an appropriate time as decided by the Board of Directors of the Transferee Company.



Part III: Demerger of the Financing Undertaking

3. DEMERGER OF THE FINANCING UNDERTAKING

3.1 Transfer and vesting of the Financing Undertaking from the Transferor Company to the Transferee Company

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Financing Undertaking shall stand transferred to and vest in the Transferee Company, as a going concern, without any further act or deed and shall be demerged from the Transferor Company together with all its properties, assets, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Section 391 to 394 of the 1956 Companies Act and all applicable provisions of law if any, in accordance with the provisions contained herein and related provisions contained in various other taxation laws in force in India on the Appointed Date including without limitation in relation to service tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

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

- (i) In respect of all such assets pertaining to the Financing Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plant, machinery and equipments, pursuant to this Scheme, shall stand vested in and/or be deemed to be vested in the Transferee Company wherever located and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties pertaining to the Financing Undertaking, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments and all the rights, title and interests if any, of the Financing Undertaking in any leasehold properties shall, pursuant to Section 394(2) of the 1956 Companies Act or the applicable



provisions of the 2013 Companies Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and/or be deemed to be demerged from the Transferor Company and transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the 1956 Companies Act or the applicable provisions of the 2013 Companies Act. It is further clarified that the depository participant accounts of the Transferor Company pertaining to the Financing Undertaking as set out at Schedule 1 (*Depository Participant Accounts*), shall be vested in and/or be deemed to have been vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the 1956 Companies Act or the applicable provisions of the 2013 Companies Act.

- (iii) All immovable properties of the Financing Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Financing Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Company Court and upon the Scheme becoming effective in accordance with the terms hereof.
- (iv) All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company for the purposes of the Financing Undertaking or any other person acting on behalf of or for the benefit of the Transferor Company pertaining to the Financing Undertaking for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Financing Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 394(2) of the 1956 Companies Act and 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. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company pertaining to the Financing Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme



by the Company Court and upon the Scheme becoming effective in accordance with the terms hereof.

- (v) All debts (including rupee and foreign currency loans, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Financing Undertaking (the "Liabilities")), liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company pertaining to the Financing Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All debentures, bonds, notes or other securities of the Transferor Company pertaining to the Financing Undertaking whether convertible into equity or otherwise, shall, pursuant to the provisions of Section 394(2) of the 1956 Companies Act, without any further act, instrument or deed become the securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall 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. Notwithstanding anything to the contrary contained herein, prior to the Effective Date, upon the secured creditors, bondholders and debenture holders of the Transferor Company having provided their consent to the modification of the security provided by the Transferor Company in relation to such secured indebtedness, bonds or debentures, such security provided by the Transferor Company shall stand cancelled upon the Effective Date. If the securities issued by the Transferor Company pertaining to the Financing Undertaking, including but not limited to debentures, bonds and infrastructure bonds, are listed on any stock exchange, the same shall, subject to applicable regulations and prior approval requirements, if any, be listed and/or admitted to trading on the relevant stock exchange(s) whether in India or abroad, where the securities were listed and/or admitted to trading on the same terms and conditions unless otherwise modified in accordance with the provisions hereof. In addition, the Board of Directors of the Transferee Company shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to list the various debentures, bonds and infrastructure bonds on the relevant exchanges. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (vi) All contracts, deeds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Financing Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to the Financing Undertaking, or to the benefit of which, the Financing Undertaking may be eligible and which are subsisting or having effect immediately before the



Effective Date, shall be and remain in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company.

- (vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Financing Undertaking, whether by or against the Transferor Company and pertaining to the Financing Undertaking, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Financing Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Financing Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company after the Effective Date. The Transferee Company shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
- (viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company and pertaining to the Financing Undertaking after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company.
- (ix) All the property, assets and liabilities of the Financing Undertaking shall be transferred by the Transferor Company to the Transferee Company at the values appearing in the books of account of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- (x) In case of such of the Liabilities or the documents governing such of the Liabilities where there is an obligation on the Transferor Company pertaining to the Financing Undertaking, to maintain any privilege or status specifically conferred by any statute or regulation, such obligation and related consequences thereof shall cease to be operative against the Transferee Company and the relevant terms of the documents governing such Liabilities shall, without any further act, instrument or deed, stand modified accordingly.
- (xi) All debentures or bonds of the Financing Undertaking shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding series of debentures or bonds of the Transferee Company.



- (xii) All registrations, goodwill and licenses, appertaining to the Financing Undertaking, if any, shall stand transferred to and vested in the Transferee Company. For avoidance of any doubt, all trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks of the Transferor Company, if any, shall continue to stand vested in the Residual Undertaking.
- (xiii) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company relating to the Financing Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Financing Undertaking, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.
- (xiv) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description whatsoever in relation to the Financing Undertaking, or to the benefit of which the Financing Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Financing Undertaking, the Transferee Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Company Court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (xv) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Financing Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1A), 180, 185, 186, 188 etc., of the 2013 Companies Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.
- (xvi) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Financing Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section



394(2) and other applicable provisions of the 1956 Companies Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

It being clarified that if any assets, estate, claim, right, title, interest in or authorities relating to such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Financing Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and pertains to the Financing Undertaking and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Transferee Company to which the Financing Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.

- 3.1.3 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Financing Undertaking to the Transferee Company by virtue of Part III of the 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 in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Financing Undertaking. The Transferee Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Financing Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Financing Undertaking to be carried out or performed.
- 3.1.4 The Transferor Company with effect from the date of filing of this Scheme and up to and including the Effective Date:
- (i) shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, 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 properties or assets or any part thereof, save and except in each case in the following circumstances:
 - (a) if the same is in its ordinary course of business; or
 - (b) if the same is expressly permitted by this Scheme; or



(c) if prior written consent of the Transferee Company has been obtained; and

- (ii) except by mutual consent of the Boards of Directors of the Transferor Company and the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Company and/or the Transferee Company pertaining to the Financing Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Company and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies), provided that the Transferor Company and the Transferee Company shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to issue employee stock options under any employee stock purchase scheme with respect to its respective employees.

3.1.5 Any claims, liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Financing Undertaking which relates to the period prior to the Appointed Date but arises at any time including after the Effective Date shall be deemed to be part of the Financing Undertaking and shall consequently be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Transferor Company pertaining to the Financing Undertaking (or any successor thereof), then the Transferee Company shall indemnify the Transferor Company (or any successor thereof) for any payments made in relation to the same.

3.1.6

- (i) The Transferee Company undertakes to engage, on and from the Effective Date, all such employees of the Transferor Company pertaining to the Financing Undertaking and who are in the employment of the Transferor Company as on the Effective Date, on similar terms and conditions to those on which they are engaged by the Transferor Company, with continuity of service and without any interruption of service as a result of this transfer.
- (ii) The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company with employees of the Transferor Company in relation to the Financing Undertaking. The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Transferor Company in relation to or in connection with the Financing Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

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- (iii) In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Transferor Company pertaining to the Financing Undertaking, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company in relation to the Financing Undertaking, in accordance with the provisions of applicable laws or otherwise. In addition such funds, gratuity or other schemes created or maintained by the Transferor Company for the employees of the Financing Undertaking, shall, subject to the necessary approvals and permissions, be transferred to the relevant funds and/or schemes as determined by the Transferee Company. If the Transferee Company, as on the Effective Date, does not have such funds or schemes to enable the transfer of contributions made by the Transferor Company with respect to the employees of the Financing Undertaking, the Transferee Company shall establish such funds and/or schemes to enable the transfer of the contributions made by the Transferor Company in relation to the employees of the Financing Undertaking. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Financing Undertaking for such purpose shall be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (iv) It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Financing Undertaking in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Financing Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- (v) With respect to the stock options granted by the Transferor Company under the employees stock options scheme of the Transferor Company (the "Transferor Company Option Scheme"), upon the coming into effect of the Scheme, the Transferee Company shall formulate a new employee stock option scheme by adopting an employees stock options scheme similar to or substantially similar to the Transferor Company Option Scheme ("Transferee Company Option Scheme").
- (vi) In respect of the stock options granted by the Transferor Company to the employees of: (i) the Transferor Company; or (ii) its subsidiaries, which have not vested or if vested, have not been exercised by the employees, such options shall, subject to the provisions of this Scheme, continue to be held by the relevant employees (irrespective of whether such employees continue to be employees of the Transferor Company or are being transferred with the Financial Undertaking of the Transferor Company to the Transferee Company or are employees of the Transferor Company's subsidiaries) and governed by



the Transferor Company Option Scheme. Upon the effectiveness of the Scheme, the employees that are being transferred with the Financial Undertaking to the Transferee Company, as well as all remaining employees of the Transferor Company or their respective subsidiaries, who have been granted options under the Transferor Company Option Scheme, which have not been exercised, as of the Record Date, shall be granted 1 (one) stock option by the Transferee Company under the new Transferee Company Option Scheme for every 1 (one) stock option held in the Transferor Company by such employee, whether such stock option is vested or not.

- (vii) On the Effective Date, the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended to-date, shall apply, to the extent applicable, to the stock options granted by the Transferee Company under the Transferee Company Option Scheme in pursuance of this Scheme with effect from the date on which the equity shares of the Transferee Company are first listed on the NSE and the BSE in accordance with the provisions of the Scheme.
- (viii) The price of the options to be granted by the Transferee Company under the Transferee Company Option Scheme shall be determined by multiplying the existing grant price of the existing option granted by the Transferor Company under the Transferor Company Option Scheme by the proportion that the net worth of the Financing Undertaking bears to the total net book value of the Transferor Company immediately prior to the effectiveness of the Scheme. The balance differential in the grant price shall become the grant price of the stock options issued by the Transferor Company under the Transferor Company Option Scheme.
- (ix) While granting stock options, the Transferee Company shall, subject to applicable laws, take into account the period during which the employees held stock options granted by the Transferor Company prior to the issuance of the stock options by the Transferee Company, for determining of minimum vesting period required for stock options granted by the Transferee Company.
- (x) The approval granted to the Scheme by the shareholders, the RBI, the Securities and Exchange Board of India and/or any other regulatory authority shall be deemed to be approval granted to any modifications made to the Transferor Company Option Scheme by the Transferor Company and approval granted to the Transferee Company Option Scheme to be adopted by the Transferee Company, respectively.

- 3.2 Upon this Scheme becoming effective and subject to the receipt of requisite consents of the secured creditors, bond holders and debenture holders in favour of whom the Transferor Company has created security, the security provided by the Transferor Company pertaining to such financial indebtedness, bonds and debentures pertaining to the Financing Undertaking shall stand cancelled and shall have no effect. For this purpose, no further consent from the existing secured creditors/other security holders shall be required and sanction of this Scheme shall be considered as a specific consent towards the same.



- 3.3 The Transferor Company and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Financing Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Company Court, and upon this Scheme becoming effective in accordance with the provisions of the 1956 Companies Act, and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with the relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.4 Conduct of Business

3.4.1

- (i) With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Financing Undertaking.
- (ii) For the purpose of giving effect to the order passed under Sections 391 to 394 and other applicable provisions of the 1956 Companies Act in respect of this Scheme by the Company Court, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Financing Undertaking, in accordance with the provisions of Sections 391 to 394 of the 1956 Companies Act. The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Company Court.
- (iii) Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company pertaining to the Financing Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- (iv) With effect from the Appointed Date, all profits accruing to the Financing Undertaking and all taxes thereof or losses arising or incurred by it relating to the Financing Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Transferee Company.
- (v) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company pertaining to the Financing Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting



and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the 1956 Companies Act and the 2013 Companies Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Transferee Company.

3.5 Consideration

- 3.5.1 Upon this Scheme coming into effect and upon vesting of the Financing Undertaking in the Transferee Company, the Transferor Company shall provide to the Transferee Company, the list of equity shareholders of the Transferor Company as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Transferee Company in terms of this Scheme.
- 3.5.2 Upon this Scheme coming into effect, the shareholders of the Transferor Company as of the Record Date shall be entitled to receive equity shares of the Transferee Company as detailed in this Clause 3.5 of Part III of this Scheme.
- 3.5.3 The Boards of Directors of the Transferor Company and the Transferee Company have determined to issue 47% of the equity shares of the Transferee Company to the shareholders of the Transferor Company based on their independent judgment given the fact the demerger is within the group companies. Accordingly, the Transferee Company shall, without any further act or deed, issue and allot to the shareholders of the Transferor Company whose name is recorded in the register of members of the Transferor Company (including employees, who have become shareholders by exercising their options, which have vested in accordance with the Transferor Company Option Scheme) on the Record Date, equity shares of the Transferee Company in the ratio of one (1) equity share having a face value of Rs. 10 each of the Transferee Company for every one (1) equity share having a face value of Rs. 10 each of the Transferor Company, each equity share being fully paid-up (the "Demerger Share Entitlement Ratio").
- 3.5.4 The Transferor Company and the Transferee Company had engaged SSPA & Co., as the chartered accountants to provide a valuation report. In connection with such engagement, SSPA & Co., has issued a valuation report dated 30 October 2014.
- 3.5.5 The Transferor Company had engaged JM Financial Institutional Securities Limited as the merchant bankers to provide a fairness opinion on the Demerger Share Entitlement Ratio adopted under the Scheme. In connection with such engagement, JM Financial Institutional Securities Limited has issued a fairness opinion dated 30 October 2014.

3.6 Issuance mechanics and other provisions

- 3.6.1 The equity shares to be issued and allotted by the Transferee Company in terms of Clause 3.5 of Part III of this Scheme shall be subject to the provisions of the memorandum of association and the articles of association of the Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company.



- 3.6.2 All Certificates for the new shares held in physical form shall be sent by the Transferee Company to the shareholders of Transferor Company as on the Record Date at their respective registered addresses as appearing in the register of members of Transferor Company (or in the case of joint holders to the address of such joint holder whose name stands first in such register of members in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transmission.
- 3.6.3 All equity shareholders of the Transferor Company holding equity shares in the Transferor Company in dematerialised form, as on the Record Date, shall be issued fresh equity shares in the Transferee Company in dematerialised form. All equity shareholders of the Transferor Company holding equity shares in the Transferor Company in physical form, as on the Record Date, shall be issued fresh equity shares in the Transferee Company in physical form.
- 3.6.4 For the purpose of the allotment of equity shares in the Transferee Company pursuant to Clause 3.5 above, in case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such members but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated respectively by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to the respective fractional entitlements in the Transferee Company.
- 3.6.5 On the approval of the Scheme by the members of the Transferee Company pursuant to Section 391 of the 1956 Companies Act, it shall be deemed that the members have accorded their consent under Section 62(1A) of the 2013 Companies Act, or any other applicable provision of the 2013 Companies Act as may be applicable. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the Securities and Exchange Board of India and the NSE and the BSE, for the issue and allotment by the Transferee Company of equity shares of Transferee Company to the members of Transferor Company pursuant to the Scheme.
- 3.6.6 All equity shares of the Transferee Company issued in terms of this Scheme or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the NSE and the BSE and on such other recognised stock exchange(s) in India, and/or admitted to trading if any, as may be decided by the Board of Directors of the Transferee Company.
- 3.6.7 In the event of there being any pending and valid 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, as the case may be, 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 Company or Transferee Company, as the case may be, in respect of such shares.



3.6.8 Unless otherwise determined by the Board of Directors, or any committee thereof, of the Transferor Company and the Board of Directors, or any committee thereof, of the Transferee Company, allotment of shares in terms of this Scheme shall be completed within forty five (45) days from the Effective Date.

3.6.9 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is given by the designated stock exchange.

3.6.10 There shall be no change in the shareholding pattern or control of the Transferee Company between the Record Date and the date of listing of equity shares of the Transferee Company which may affect the status of the NSE's and the BSE's approval.

3.7 Accounting Treatment

3.7.1 Upon the coming into effect of the Scheme, the Transferor Company shall give effect to the following accounting treatment as at the Appointed Date:

- (i) The Transferor Company shall reduce the book value of assets (net of diminution/depreciation, if any) and liabilities relating to the Financing Undertaking transferred to the Transferee Company.
- (ii) The credit balance in the debenture redemption reserve of the Transferor Company shall be transferred and credited to the general reserve account of the Transferor Company.
- (iii) The Transferor Company shall reduce the stock option outstanding reserves, to reflect the adjustment in Clause 3.1.6, in the proportion that the net book value of the Financing Undertaking bears to the net worth of the Transferor Company.
- (iv) The excess of book value of the assets transferred (net of diminution/depreciation, if any) over the book value of the liabilities of the Financing Undertaking transferred to the Transferee Company, shall be debited proportionately to all reserves and surpluses (including the securities premium account) other than the statutory reserves created under Section 45IC of the Reserve Bank of India Act, 1934, under Section 36(1)(viii) of the Income Tax Act, 1961 and the stock option outstanding reserve as adjusted under sub-clause (iii) above, of the Transferor Company.

3.7.2 The Transferee Company shall give effect to the following accounting treatment as at the Appointed Date:

- (i) The Transferee Company shall record the assets and liabilities (the difference between the assets and liabilities hereinafter being referred to as the "Net Assets") vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Financing Undertaking of the Transferor Company, at the close of business of the day immediately preceding the Appointed Date.



- (ii) The Transferee Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Transferor Company pursuant to this Scheme.
 - (iii) The excess of the Net Assets over the face value of new equity shares allotted in accordance with the Scheme shall be credited to the respective reserves and surpluses (including the securities premium account), in the same proportion as debited in the books of the Transferor Company pursuant to Clause 3.7.1 (iv) above. All cost, charges, fees and taxes including duties (including stamp duty and/or transfer charges, if any, applicable in relation to the Scheme) shall be debited to opening reserves (other than securities premium account and stock option outstanding reserve) of the Transferee Company.
 - (iv) The Transferee Company shall credit an amount equivalent to the amount debited by the Transferor Company pursuant to Clause 3.7.1(iii) above, to its stock option outstanding reserve.
- 3.7.3 In case the Transferee Company is required to follow accounting policies that are different from that of the Transferor Company for any regulatory reasons, the effect of the difference in the accounting policies between the Transferor Company and the Transferee Company, will be quantified and adjusted in the opening reserve (other than the securities premium account and stock option outstanding reserve), to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 3.7.4 Notwithstanding the above, the Board of Directors of the Transferee Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed accounting standards notified by the National Advisory Committee on Accounting Standards and applicable generally accepted accounting principles.
- 3.8 Utilisation and reduction of securities premium account of the Transferor Company
- 3.8.1 The application and consequential reduction of the securities premium account, in accordance with Clause 3.7.1 above, shall be effected as an integral part of the Scheme and the order of the Company Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the 1956 Companies Act (or the relevant provisions of the 2013 Companies Act) confirming the reduction in the securities premium account of the Transferor Company. The proposed reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Transferor Company shall not be required to add the phrase "and reduced" as a suffix to the name.
- 3.8.2 The approval granted by the shareholders and creditors of the Transferor Company to this Scheme shall be deemed to be approval for the purposes of Sections 100-104 of the 1956 Companies Act. The Transferor Company shall not be obliged to call for a separate meeting of its shareholders/creditors for obtaining their approval sanctioning the reduction of securities premium account under this Scheme.



Part IV: Residual Undertaking of the Transferor Company

4. RESIDUAL UNDERTAKING OF THE TRANSFEROR COMPANY

4.1 Residual Undertaking

- 4.1.1 The Residual Undertaking and all assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 4.1.2 All legal, taxation or other proceedings by or against the Transferor Company under any statute, or quasi-judicial authority or tribunal, whether pending on the date of filing of this Scheme or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Residual Undertaking) shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company if proceedings are taken up against the Transferee Company in respect of the matters referred to in this Clause, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.



Part V

5. MISCELLANEOUS AND GENERAL PROVISIONS

5.1 Provisions Applicable to Part III

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

- (i) the transfer of the Financing Undertaking to the Transferee Company pursuant to Part-III of this Scheme; and
- (ii) the issue and allotment of fully paid-up equity shares of the Transferee Company to the shareholders of the Transferor Company as of the Record Date.

5.2 Compliance with Laws

5.2.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 391 to 394 of the 1956 Companies Act, for the purpose of demerger of the Financing Undertaking to the Transferee Company.

5.2.2 This Scheme has been drawn up to comply with the conditions relating to "demerger" as specified under the tax laws, including Section 2(19AA) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

5.2.3 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise their financial statements. The order of the Company Court sanctioning the Scheme shall be deemed to be an order of the National Company Law Tribunal permitting the Transferor Company and the Transferee Company to revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Transferor Company and the Transferee Company.

5.3 Consequential Matters Relating to Tax

5.3.1 Upon the Scheme coming into effect, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated tax loss, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation, minimum



alternate tax credit, if any, of the Financing Undertaking as on the Appointed Date, respectively shall, for all purposes, be treated as accumulated tax losses, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation and minimum alternate tax credits of the Transferee Company.

- 5.3.2 Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Financing Undertaking under applicable laws, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 5.3.3 Upon the Scheme becoming effective, any TDS certificates issued by the Transferor Company to, or for the benefit of, the Financing Undertaking under the Income Tax Act, 1961 with respect to the inter se transactions would be available to the Transferee Company to seek refund of from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company pertaining to the Financing Undertaking on transactions other than inter se transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Financing Undertaking on inter se transactions will be treated as advance tax deposited by the Transferee Company.
- 5.3.4 The Transferee Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst the Financing Undertaking and the Transferee Company.
- 5.3.5 The obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company pertaining to the Financing Undertaking under the Income Tax Act, 1961, service tax laws, central sales tax, state value added tax or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Transferee Company.
- 5.3.6 Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income-tax returns, withholding tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Financing Undertaking and the Transferee Company and to claim refunds, advance tax and withholding tax credits, benefit of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 5.3.7 In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs/capital goods/input services lying in the accounts of the Transferor Company pertaining to the Financing Undertaking shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilised credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilised credits against the excise duty/service tax payable by it. Without prejudice to the generality of the foregoing, all benefits, incentives, losses, credits (including without limitation income tax, tax on book



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profits, wealth tax, service tax, excise tax, custom duty and value added tax), to which the Financing Undertaking of the Transferor Company is entitled to in terms of applicable law, shall be available to and vest in the Transferee Company.

5.4 Dividends

5.4.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

(i) The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

(ii) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the 2013 Companies Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company respectively and subject to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

5.5 Interpretation

5.5.1 This Scheme shall become effective and the provisions of this Scheme shall be applicable and come into operation from the Effective Date.

5.5.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the applicable law shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall vest with the Board of Directors of the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interests of the Transferor Company and the Transferee Company and their respective shareholders.

5.6 Applications to Court

5.6.1 The Transferor Company and the Transferee Company shall as may be required make necessary applications and/or petitions to the Company Court under Sections 391 to 394 of the 1956 Companies Act and other provisions of the Companies (Court) Rules, 1959 along with the applicable provisions of the 2013 Companies Act seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the Company Court and all matters ancillary or incidental thereto.



5.6.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company respectively (wherever required), the Transferor Company and the Transferee Company shall, with all reasonable dispatch, file respective petitions before the Company Court for sanction of this Scheme under Sections 391 to 394 and other provisions of the Companies (Court) Rules, 1959 along with applicable provisions of the 2013 Companies Act and for such other order or orders, as the Company Court may deem fit for putting this Scheme into effect.

5.6.3 Upon this Scheme becoming effective, the shareholders of the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the 1956 Companies Act and 2013 Companies Act for giving effect to the provisions contained in this Scheme.

5.7 Modification or Amendments to the Scheme

5.7.1

- (i) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a committee appointed by them in this behalf, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which either the boards of directors of the Transferor Company or the Transferee Company, as the case may be, deem fit, or which the Company Court and/or any other authority may deem fit to approve or impose.
- (ii) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof 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 to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (iii) The Transferor Company and the Transferee Company, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Company Court or any other authority is not on terms acceptable to them.
- (iv) Except as otherwise expressly provided in this Scheme, the Transferor Company and the Transferee Company shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme. Upon this Scheme becoming effective all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval



and/or implementing of this Scheme (save as expressly otherwise agreed) by the Transferor Company shall be borne solely by the Transferee Company.

- (v) In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Company and the Transferee Company and their respective shareholders and the terms and conditions of this Scheme, the latter shall prevail.
- (vi) If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Transferor Company and the Transferee Company, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected, or being unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or unenforceable under present or future laws.
- (vii) Any issue as to whether any asset, liability, employee or litigation pertains to the Financing Undertaking or not shall be decided by the Board of Directors of the Transferee Company either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of the Transferor Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Transferor Company).

5.8 Effectiveness of the Scheme

5.8.1 Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates (the "Effective Date"):

- (i) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under the 1956 Companies Act, 2013 Companies Act and the requisite orders of the Company Court being obtained;
- (ii) the Transferee Company obtaining final approval from the RBI for undertaking banking operations under the Banking Regulation Act 1949, including in relation to the capitalisation of the Transferee Company, if required and such other approvals from the RBI as the Board of Directors of the Transferor Company and the Transferee Company may decide to seek as a condition to the effectiveness of the Scheme;



- (iii) receipt of consent of the Securities and Exchange Board of India in relation to capitalisation of the Transferee Company between the date of sanction of this Scheme by the Company Court and the date of the drawn up order in relation to the Scheme;
- (iv) receipt of such other sanctions and approvals including sanction of any governmental authority (including the Securities and Exchange Board of India) or stock exchanges as may be required by law in respect of the Scheme being obtained; and
- (v) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies

5.9 Miscellaneous Provisions

5.9.1 In the event of this Scheme failing to take effect finally by 31 March 2016 or by such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each company shall bear its own costs or shall bear costs as may be mutually agreed.

5.9.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

5.10 Saving of Concluded Transactions

The transfer and vesting of the assets, liabilities and obligations of the Financing Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date and the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

5.11 Residual

5.11.1 Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, cash and deposits relating to the Financing Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Financing Undertaking in the name of the Transferor Company to the extent necessary.

5.11.2 Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Financing Undertaking until the transfer of the rights and obligations of the Transferor Company pertaining to the Financing Undertaking to the Transferee Company under this Scheme is formally accepted by the parties concerned.



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Schedule 1
Depository Participant Accounts

Particulars	CDSL	CDSL	CDSL
DP ID	16013900	16010100	16010100
Client ID	00003783	00254967	00109226
DP Name	DEUTSCHE BANK A.G.	Stock Holding Corp of India	Stock Holding Corp of India
Beneficiary Name	IDFC	IDFC	IDFC

Particulars	NSDL	NSDL	NSDL
DP ID	IN300167	IN301330	IN301330
Client ID	10010559	18708113	18708101
DP Name	DEUTSCHE BANK A.G.	Stock Holding Corp of India	Stock Holding Corp of India
Beneficiary Name	IDFC	IDFC	IDFC



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WITNESS, The Hon'ble Thiru SANJAY KISHAN KAUL,
Chief Justice of Madras High Court, aforesaid this the 25th
day of June, 2015.

Sd/-

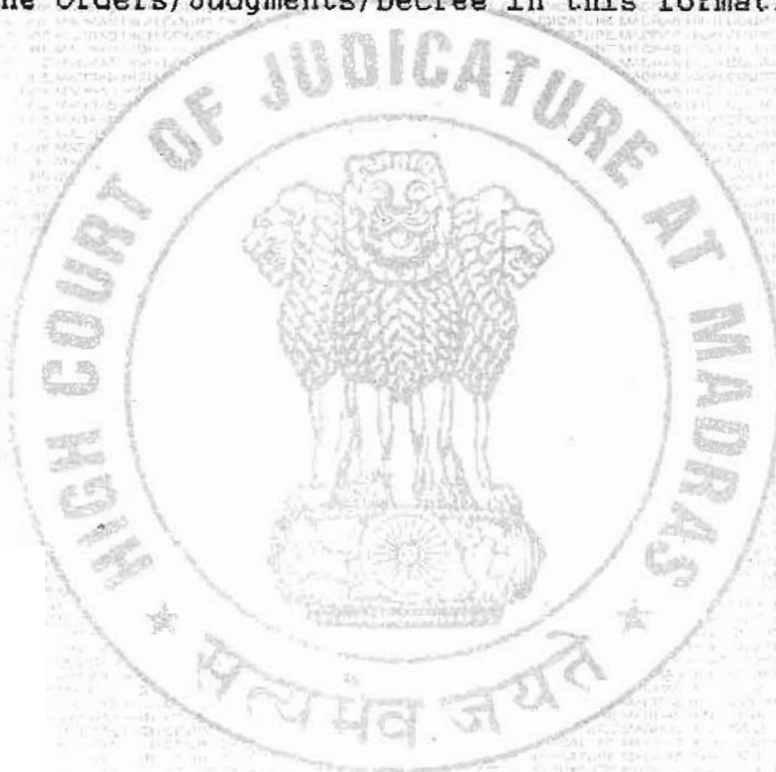
DEPUTY REGISTRAR (O.S.).

//CERTIFIED TO BE A TRUE COPY//

DATED THIS THE 3rd DAY OF July 2015.

COURT OFFICER.

From 25th September 2008 the Registry is issuing certified
copies of the Orders/Judgments/Decree in this format.



Cn 00841

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130/16/2015

COMP. PETN. NOS. 191 AND 192
OF 2015

ORDER DATED: 25.06.2015

THE HON'BLE MRS. JUSTICE
PUSHPA SATHYANARAYANA

FOR APPROVAL ON: 01/07/2015

APPROVED ON: 01/07/2015

COPY TO:-

1. The Regional Director,
Southern Region,
5th Floor, Ministry of
Corporate Affairs,
No.26, Haddows Road,
Chennai-6.
2. The Registrar of
Companies, II Floor,
No.26, Haddows Road,
Chennai-6.

Cn 008417

1501 1501

HIGH COURT, MADRAS	
ORIGINAL SIDE	
C.A. No.	7960/15
Applied	25/6/15
Stamp called for	11/7/15
Stamps put in	11/7/15
Ready	21/2/15
	 CO. (O.S.)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI**

CP/219/(IB)/2018
In
CA/132/CAA/2018

Under Section 230 to 232 of the Companies Act 2013

In the matter of Scheme of Amalgamation

Between

M/s. Capital First Limited

(Transferor Company-1)

And

M/s. Capital First Home Finance Limited

(Transferor Company-2)

And

M/s. Capital First Securities Limited

(Transferor Company-3)

With

M/s. IDFC Bank Limited

(Transferee Company)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order delivered on 12th December, 2018

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (J)

For the Petitioner(s): Mr. H. Karthik Seshadari, Counsel

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (J)

1. Under Consideration is a Company Petition CP.No.219/(IB)/2018 filed under Section 230 to 232 of the Companies Act, 2013 r/w the Companies (Compromises,



Arrangements and Amalgamations) Rules, 2016 and National Company Law Tribunal Rules, 2016. The instant Petition pertains to the proposed Scheme of Amalgamation by virtue of which M/s. Capital First Limited (hereinafter referred to as **'Transferor Company-1'**), M/s. Capital First Home Finance Limited (hereinafter referred to as **'Transferor Company-2'**) and M/s. Capital First Securities Limited (hereinafter referred to as **'Transferor Company-3'**) are proposed to be amalgamated and vested with M/s. IDFC Bank Limited (hereinafter referred to as **'Transferee Company'**) as a going concern.

2. The Transferor Company-1 viz., M/s. Capital First Limited, is a public limited company, incorporated on 18.10.2005 under the provisions of the Companies Act, 1956, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai-400013. The Transferor Company-2 viz., M/s. Capital First Home Finance Limited is a private limited Company incorporated on 23.12.2010, having its registered office at One Indiabulls Centre, Tower 2A & 2B,



10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai-400013 . The Transferor Company-3 viz., M/s. Capital First Securities Limited is also a private limited Company incorporated on 05.04.2007, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai-400093 . The Transferee Company viz. M/s. IDFC Bank Limited, was incorporated on 21.10.2014 under the Companies Act 2013, and has its registered office at KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai-600031.

3. The main objects of the Transferor Company-1 is to carry on business of Investment/Finance Company in all its branches, while the Transferor Company 2 is engaged in providing long term finance to any person or persons, company or corporation, society or association and the Transferor Company-3 aims to do the business of wealth manager by distribution of Mutual Funds and other products. The object of the Transferee Company is to carry on the business of banking in any part of India or outside



India. All the Transferor Companies are falling within the jurisdiction of NCLT Mumbai. The Transferee Company is falling within the jurisdiction of this Bench.

4. This Bench vide its Order date 19.07.2018, in CA/132/CAA/2018, directed with the convening and holding of the meeting of Shareholders and creditors of the Transferee Company. The Transferee Company complied with all the Orders passed by this Bench.

5. The Counsel appearing for the Petitioner Company submitted the reasons and circumstances leading to and justifying the proposed Scheme of amalgamation, which make it beneficial for the Companies concerned, including their members and creditors. He submits that the Transferee Company has successfully acquired a banking license and hence, can form the basis to raise resources and deposits from the public at competitive rates. Further, the Amalgamation through this Scheme shall result in bolstering the capital base and balance sheet and shall provide growth capital for the future growth of the Transferee Company.



6. The Scheme provides that the whole of the undertaking of the Transferor Companies comprising of all its assets and liabilities shall be transferred to the transferee company as a going concern.
7. The Regional Director, Southern Region (for short, 'RD') in his Affidavit dated 15.11.2018 submitted that all the three Transferor Companies are having their registered office in Mumbai and the Transferee Company only is having its registered office in Chennai within the Jurisdiction of the National Company Law Tribunal Bench at Chennai. The RD further submitted that as per the report of RoC, Chennai, Transferee Company is regular in filing its statutory returns. There is no prosecution filed, no complaints pending and no inspection/investigation has been conducted against the Transferee Company.
8. The RD has submitted that clause 16 of Part C and clause 26 of Part D of the Scheme of the Companies provides for the protection of the interest of the employees of the Transferor company-1 to 3.



9. The RD has also submitted that as per clause 31 Part E of the Scheme, the authorised capital of the Transferor Companies will be merged with the authorised capital of the Transferee Company. The RD suggested that the Transferee Company may be directed to file the amended MOA and AOA with the ROC, Chennai for his records. The RD has further submitted that as per clause (1) to Sub-Section (3) of Section 232 of the Companies Act 2013, the Transferee Company has to pay the fees, if any, for the enhanced authorised capital subsequent to the amalgamation after setting off the fees paid by the Transferor Companies.

10. Further, a 'No objection' letter dated 04.06.2018 by RBI has been placed on record conveying no objection on voluntary amalgamation of the Transferor and Transferee Companies.



11. There is no additional requirement for any modification and the said Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and

not violative of any provisions of law. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013. Taking into consideration the above facts, the Company Petition is allowed and the Scheme of Amalgamation annexed with the Petition is hereby sanctioned, which shall be binding on the shareholders, creditors and employees of the Companies. The appointed date of the Scheme is 01.10.2018.

12. While approving the Scheme as above, it is clarified that this Order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law. The Transferee Company is directed to file the amended MoA and AoA with the RoC, Chennai, for records, and pay the fee, if any, on its enhanced authorised capital, as may be applicable.



13. The Companies to the said Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.

14. A certified copy of this Order shall be filed with the concerned Registrar of Companies within 30 days of the receipt of the Order.

15. The Transferor Companies shall be dissolved without winding up from the date of the filing of the certified copy of this Order with the concerned Registrar of Companies.

16. Upon receiving the certified copy of this Order, the RoC, Chennai, may seek all documents relating to the Transferor Companies from the concerned RoC, so that the files relating to the Transferor Companies could get consolidated with the files and records of the Transferee Company.

17. The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and



Amalgamations) Rules, 2016 notified on 14th December, 2016.

18. Accordingly, the Scheme stands sanctioned and CP/219/(IB)/2018 stands disposed of.

Ch. Mohd Sharief Tariq
(CH. MOHD SHARIEF TARIQ)
MEMBER (JUDICIAL)

SHREYA



Certified to be True Copy

G. Jayaraman
ASST. REGISTRAR / DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI - 600 001.

**COMPOSITE SCHEME OF AMALGAMATION
OF**

**CAPITAL FIRST LIMITED
(Amalgamating Company 1)**

AND

**CAPITAL FIRST HOME FINANCE LIMITED
(Amalgamating Company 2)**

AND

**CAPITAL FIRST SECURITIES LIMITED
(Amalgamating Company 3)**

WITH

**IDFC BANK LIMITED
(Amalgamated Company)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



PART A

GENERAL

1. DESCRIPTION OF THE COMPANIES

- 1.1 IDFC Bank Limited is a public limited company, incorporated under the Companies Act (as defined hereinafter), having its registered office at KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031 (hereinafter referred to as the "Amalgamated Company"). The Amalgamated Company is licensed as a banking company under the provisions of the Banking Regulation Act, 1949 ("BR Act"). The equity shares of the Amalgamated Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). The Amalgamated Company is primarily engaged in the business of providing banking services in India.
- 1.2 Capital First Limited is a public limited company, incorporated under the provisions of the Companies Act, 1956 ("1956 Act"), having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 1"). The Amalgamating Company 1 is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges. The Amalgamating Company 1 is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.
- 1.3 Capital First Home Finance Limited is a public limited company, incorporated under the provisions of the 1956 Act, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 2"). Amalgamating Company 2 is registered with the National Housing Bank ("NHB") as a housing finance company. The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.
- 1.4 Capital First Securities Limited is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri(E), Mumbai - 400093 (hereinafter referred to as the "Amalgamating Company 3"). The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. Amalgamating Company 3 is also the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ("CFCL") and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date (as defined hereinafter) and consequently, CFCL is not a part of the Amalgamation (as defined hereinafter).
2. This Scheme is presented for the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively the "Amalgamating Companies") with the Amalgamated Company and the consequent dissolution of the Amalgamating Companies without winding up and the issuance of New Equity Shares (as defined hereinafter) to the shareholders of the Amalgamating Company 1 in accordance with the Share Exchange Ratio (as defined hereinafter), pursuant to Sections 230 - 232, and other relevant provisions of the Companies Act, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter) ("Amalgamation").
- #### 3. BACKGROUND AND RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT
- 3.1 The Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:
- (a) the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and 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, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;



- (b) the Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;
- (c) the Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and Infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;
- (d) the Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;
- (e) the Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;
- (f) the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;
- (g) the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;
- (h) in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;
- (i) the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;
- (j) Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, has assets under management of approximately Rs. 13,29,90,00,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;



As of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and

- (i) the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.
- 3.2 Accordingly, to achieve the abovementioned benefits, the Boards (as defined hereinafter) of each of the Amalgamating Companies and the Amalgamated Company has decided to make requisite applications and / or petitions before the Tribunals / Governmental Authority (as defined hereinafter) as the case may be, as applicable under Sections 230 to 232 of the Companies Act and other applicable provisions of this Scheme.
4. This Scheme is divided into the following parts:
- 4.1 Part A, which deals with the general description of the Amalgamation, the background and the rationale for the Scheme.
- 4.2 Part B, which deals with the introduction and definitions, and sets out the share capital of the respective Amalgamating Companies and the Amalgamated Company.
- 4.3 Part C, which deals with the amalgamation of the Amalgamating Company 1 with the Amalgamated Company.
- 4.4 Part D, which deals with the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company.
- 4.5 Part E, which deals with the general terms and conditions applicable to this Scheme.
- The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART B

DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

- 5.1 In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively against them:
- (a) "1956 Act" shall have the meaning set forth in Clause 1.2;
- (b) "Amalgamation" shall have the meaning set forth in Clause 2;
- (c) "Amalgamated Company" shall have the meaning set forth in Clause 1.1;
- (d) "Amalgamating Company 1 ESOP Plans" means collectively the ESOP 1, ESOP 2, ESOP 3, ESOP 4, ESOP 5, ESOP 6, ESOP 7, ESOP 8 and ESOP 9;
- (e) "Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of Rs. 10 (Rupees Ten) and one vote per equity share;
- (f) "Amalgamating Companies" shall have the meaning set forth in Clause 2, and "Amalgamating Company" shall mean any one of them, as the case may be;
- (g) "Amalgamating Company 1" shall have the meaning set forth in Clause 1.2;
- (h) "Amalgamating Company 2" shall have the meaning set forth in Clause 1.3;
- (i) "Amalgamating Company 3" shall have the meaning set forth in Clause 1.4;
- (j) "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and / or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;



- (k) "Appointed Date" means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative;
- (l) "Board" in relation to each of the Amalgamating Companies and the Amalgamated Company, as the case may be, means the board of directors of such company;
- (m) "BR Act" shall have the meaning set forth in Clause 1.1;
- (n) "CCI" means the Competition Commission of India;
- (o) "CCI Approval" means the approval granted by the CCI to the Amalgamation in accordance with the provisions of the Competition Act, 2002, and the relevant rules and regulations thereunder;
- (p) "CFCL" shall have the meaning set forth in Clause 1.4;
- (q) "Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment or amendments thereof for the time being in force;
- (r) "Effective Date" means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;
- (s) "Eligible Employees" means the employees of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3, who are entitled to the Amalgamating Company 1 ESOP Plans established by the Amalgamating Company 1, to whom, as on the Effective Date, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not;
- (t) "Employees" means all the employees of the respective Amalgamating Companies (as may be applicable) as on the Effective Date;
- (u) "Encumbrance" or "Encumbered" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, 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) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;
- (v) "ESOP 1" means the Amalgamating Company 1 employee stock option plan 2007, as approved by the Board and shareholders of the Amalgamating Company 1;
- (w) "ESOP 2" means the Amalgamating Company 1 employee stock option plan 2008, as approved by the Board and shareholders of the Amalgamating Company 1;
- (x) "ESOP 3" means the Amalgamating Company 1 employee stock option plan 2009, as approved by the Board and shareholders of the Amalgamating Company 1;
- (y) "ESOP 4" means the Amalgamating Company 1 employee stock option plan 2011, as approved by the Board and shareholders of the Amalgamating Company 1;
- (z) "ESOP 5" means the Amalgamating Company 1 employee stock option plan 2012, as approved by the Board and shareholders of the Amalgamating Company 1;
- (aa) "ESOP 6" means the Amalgamating Company 1 employee stock option plan 2014, as approved by the Board and shareholders of the Amalgamating Company 1;
- (bb) "ESOP 7" means the Amalgamating Company 1 employee stock option plan 2016, as approved by the Board and shareholders of the Amalgamating Company 1;



- (cc) "ESOP 8" means the Amalgamating Company 1 employee stock option plan 2017, as approved by the Board and shareholders of the Amalgamating Company 1;
- (dd) "ESOP 9" means the Amalgamating Company 1 CMD employee stock option plan 2017, as approved by the Board of the Amalgamating Company 1 and subject to the approval of the shareholders of the Amalgamating Company 1;
- (ee) "Existing Employees Stock Option Plan" means the Amalgamated Company employee stock option scheme 2015 established by the Amalgamated Company as per the SEBI (Share Based Employee Benefits) Regulations, 2014;
- (ff) "Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction or any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to Applicable Law, including the RBI, SEBI (as defined hereinafter) and the CCI;
- (gg) "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- (hh) "Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of a Amalgamating Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), and undertakings of a Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge;
- (ii) "LODR" means the SEBI (Listing Obligations and Disclosure Requirement) 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;
- (jj) "New Equity Shares" shall have the meaning set forth in Clause 11.1;
- (kk) "NHB" means the National Housing Bank;
- (ll) "NHB Control Directions" means the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, dated February 9, 2017;
- (mm) "Person" means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his / her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- (nn) "Proceedings" shall have the meaning set forth in Clause 15;
- (oo) "Record Date" means the date to be fixed by the Boards of the Amalgamated Company in consultation with the Amalgamating Company 1 for the purpose of determining the equity shareholders (members) of the Amalgamating Company 1, to whom Amalgamated Company Shares will be allotted pursuant to this Scheme;
- (pp) "Registrar of Companies" means the Registrar of Companies, Mumbai and / or the Registrar of Companies, Chennai, Tamil Nadu, having jurisdiction over the Amalgamated Company and the Amalgamating Companies, as may be applicable;
- (qq) "RBI" shall have the meaning set forth in Clause 1.2;



- (rr) "RBI Amalgamation Directions" means the RBI Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016;
- (ss) "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions;
- (tt) "Scheme" means this composite scheme of amalgamation, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, in its present form (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time in accordance with the terms hereof and with appropriate approvals including approvals of the shareholders / creditors and sanctions from the Tribunals or any Governmental Authority as may be required under the Companies Act and under all Applicable Laws;
- (uu) "SEBI" means the Securities and Exchange Board of India;
- (vv) "SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by the SEBI Circular dated January 3, 2018, and includes any amendments and clarifications thereto issued by SEBI from time to time;
- (ww) "Share Exchange Ratio" shall have the meaning set forth in Clause 11.1 hereof;
- (xx) "Stock Exchanges" shall have the meaning set forth in Clause 1.1;
- (yy) "Stock Exchange Approval" means the no-objection / observation letter obtained by the Amalgamating Company 1 and the Amalgamated Company from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the LODR and the SEBI Circular;
- (zz) "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; and (b) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;
- (aaa) "Tax Authority" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for Tax;
- (bbb) "Transferee Stock Option Plan" shall have the meaning set forth in Clause 17.1;
- (ccc) "Tribunal(s)" means the National Company Law Tribunal, Mumbai Bench, and/or National Company Law Tribunal, Chennai Bench 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 Companies Act; and
- (ddd) "Undertaking" means the entire business of each of the respective Amalgamating Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, Liabilities, duties, obligations and Employees as on the Appointed Date including, but not in any way limited to, the following:
- (i) All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits



under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self assessment tax, withholding tax credits, any tax refunds and credits, minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits (including claims for carried forward tax losses and unabsorbed tax depreciation) advantages, privileges, exemptions, credits, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating 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 Amalgamating Company;

- (ii) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and / or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;
- (iii) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Amalgamating Company's business activities and operations.
- (iv) Amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (v) Right to any claim not preferred or made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, tax holidays, credits, etc. under the Income Tax Act, sales tax, value added tax, service tax, custom duties and goods and service tax or any other or like benefits under the said, acts or under and in accordance with any law or act, in India.

(vi)

All debts (secured and unsecured), loans (whether denominated in Indian rupees or a foreign currency), deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Liabilities including tax liabilities, contingent liabilities, debentures, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising,



raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Amalgamation and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;

- (vii) All other obligations of whatsoever kind, including Liabilities of the Amalgamating Company with regard to their Employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and / or permits; and

- (viii) All Employees as on the Effective Date.

- 5.2 All terms and words used but 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 Companies Act, and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 5.3 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 5.4 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 5.5 Any reference to any statute or statutory provision shall include:
- all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.
- 5.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.
- 5.7 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.
- 5.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.



- 5.9 Words directly or indirectly mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.

5.10 The words "include" and "including" are to be construed without limitation.

5.11 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

5.12 Any reference to the Preamble, Recital, Clause or Schedule shall be a reference to the Preamble to, or Recital, Clause or Schedule of this Scheme.

6. DATE OF TAKING EFFECT OF THE SCHEME

6.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various Parts of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part C of the Scheme (relating to amalgamation of Amalgamating Company 1 into Amalgamated Company) shall be deemed to have taken effect, prior to Part D of the Scheme;

(b) Subsequently, Part D of the Scheme (relating to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company) shall be deemed to have taken effect, after Part C of the Scheme.

6.2 The amalgamation of Amalgamating Companies with Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7. SHARE CAPITAL

7.1 Amalgamated Company

(a) The share capital structure of the Amalgamated Company as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
5,00,00,00,000 equity shares of Rs. 10 each		50,00,00,00,000
Total		50,00,00,00,000
Issued Share Capital		Amount in Rupees
3,40,26,76,128 equity shares of Rs. 10 each		34,02,67,61,280
Total		34,02,67,61,280
Subscribed and Paid Up Share Capital		Amount in Rupees
3,40,26,76,128 equity shares of Rs. 10 each		34,02,67,61,280
Total		34,02,67,61,280

(b) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.

(c) The Amalgamated Company has outstanding employee stock options under its existing employee stock option scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

7.2 Amalgamating Company 1

(a) The share capital structure of the Amalgamating Company 1 as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
11,30,00,00,000 equity shares of Rs. 10 each		1,13,00,00,00,000
Total		1,13,00,00,00,000



Issued Share Capital		Amount in Rupees
9,88,90,084 equity shares of Rs. 10 each		98,89,00,840
Total		98,89,00,840
Subscribed and Paid Up Share Capital		Amount in Rupees
9,88,90,084 equity shares of Rs. 10 each		98,89,00,840
Total		98,89,00,840

- (b) The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges.
- (c) The Amalgamating Company 1 has outstanding employee stock options under its existing employee stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1 and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1.

7.3 Amalgamating Company 2

- (a) The share capital structure of the Amalgamating Company 2 as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
15,00,00,000 equity shares of Rs. 10 each		1,50,00,00,000
Total		1,50,00,00,000
Issued Share Capital		Amount in Rupees
13,77,33,079 equity shares of Rs. 10 each		1,37,73,30,790
Total		1,37,73,30,790
Subscribed and Paid Up Share Capital		Amount in Rupees
13,77,33,079 equity shares of Rs. 10 each		1,37,73,30,790
Total		1,37,73,30,790

- (b) As on December 31, 2017, the Amalgamating Company 2 has no outstanding stock options exercisable into equity shares;

7.4 Amalgamating Company 3

- (a) The share capital structure of the Amalgamating Company 3 as on December 31, 2017 is as under:

Authorized Share Capital		Amount in Rupees
6,20,00,000 equity shares of Rs. 10 each		62,00,00,000
38,00,000 preference shares of Rs. 100 each		38,00,00,000
Total		1,00,00,00,000
Issued Share Capital		Amount in Rupees
5,53,55,600 equity shares of Rs. 10 each		55,35,56,000
12,00,000 preference shares of Rs. 100 each		12,00,00,000
Total		67,35,56,000
Subscribed and Paid Up Share Capital		Amount in Rupees
5,53,55,600 equity shares of Rs. 10 each		55,35,56,000
12,00,000 preference shares of Rs. 100 each		12,00,00,000
Total		67,35,56,000

- (b) As on December 31, 2017, the Amalgamating Company 3 has no outstanding stock options exercisable into equity shares.

8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY



Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, (i) the Amalgamating Company 1, and (ii) the Amalgamating Company 2 and Amalgamating Company 3, shall stand amalgamated into the Amalgamated Company and their respective Undertaking shall, pursuant to the sanction of the Scheme by the Tribunals and pursuant to the provisions of Sections 230 to 252 and other applicable provisions, if any, of the Companies Act, be and stand

transferred to and vested in and / or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

PART C

AMALGAMATION OF THE AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9. TRANSFER AND VESTING OF ASSETS OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

- 9.1 Without prejudice to the generality of Clause 8 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 Undertaking of the Amalgamating Company 1, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company 1 shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies 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 estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.
- 9.2 In respect of such of the assets of the Amalgamating Company 1 as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 1, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.
- 9.3 In respect of such of the assets belonging to the Amalgamating Company 1 other than those mentioned in Clause 9.2 above, the same shall, as more particularly provided in Clause 8 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 Section 230 to 232 of the Companies Act.
- 9.4 All assets, rights, titles or interests acquired by the Amalgamating Company 1 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 coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

10. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

- 10.1 Upon coming into effect of this Scheme, all Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of the Amalgamating Company 1, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 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 Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.



- 10.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 1 as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 1 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.
- 10.3 Upon the coming into effect of the Scheme, all Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 1 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 Liabilities, loans, duties and obligations of the Amalgamated Company.
- 10.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, 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 contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 1 and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either Amalgamating Company 1 and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.
- 10.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 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 1 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.
- 10.6 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 1 transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- 10.7 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.
- 10.8 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 shall be modified by virtue of this Scheme.
- 10.9 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.

11. CONSIDERATION

- 11.1 Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the whole of the Undertaking of Amalgamating Company 1 in the Amalgamated Company pursuant to Part C of this Scheme, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of Amalgamating



Company 1 whose names are recorded in the register of members as a member of the Amalgamating Company 1 on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Amalgamated Company) 139 (One Hundred and Thirty Nine) Amalgamated Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of Rs. 10 (Rupees Ten) each fully paid-up held by such member in the Amalgamating Company 1 ("Share Exchange Ratio"). The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company 1 in accordance with this Clause 11.1 shall be hereinafter referred to as "New Equity Shares". The New Equity Shares to be issued and allotted by the Amalgamated Company shall be subject to adjustments to take into account any corporate actions mutually agreed between Amalgamating Company 1 and the Amalgamated Company prior to the Effective Date.

- 11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company 1, 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 1 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.
- 11.3 Where New Equity Shares of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Amalgamating Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
- 11.4 The New Equity Shares of Amalgamated Company allotted and issued in terms of Clause 11.1 above, shall be listed and / or admitted to trading on the relevant Stock Exchanges, where the equity shares of Amalgamated Company are listed and / or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the relevant Stock Exchanges.
- 11.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company 1 whose names appear on the register of members as a member of the Amalgamating Company 1 on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company 1 in the records of the depositories / register of members, as the case may be, as on the Record Date, the equity shares of Amalgamating Company 1, 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 the Record Date. Wherever applicable, Amalgamated Company may, instead of requiring the surrender of the share certificates of Amalgamating Company 1, directly issue and dispatch the new share certificates of Amalgamated Company in lieu thereof.
- 11.6 The New Equity Shares of Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company 1 as provided in sub-Clause 11.1 above shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank *pari-passu* in all respects with Amalgamated Company Shares after the Effective Date including in respect of dividend, if any, that may be declared by Amalgamated Company on or after the Effective Date.



11.7 The issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid

down under the Companies Act and any other applicable provisions of the Companies Act, and such other statutes and regulations as may be applicable were duly complied with.

11.8 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 11.1 above, 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 New 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 1 in proportion to their respective fractional entitlements.

11.9 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 New Equity Shares issued to the members of the Amalgamating Company 1 by the Amalgamated Company shall be in issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company 1 are made available to the Amalgamated Company by the Amalgamating Company 1 at least 2 (Two) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the New Equity Shares to the members of the Amalgamating Company 1 in physical form.

11.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1 as are subject to lock-in pursuant to Applicable Law, shall remain locked-in as required under Applicable Law.

11.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1, 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.

12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 1 with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

13. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

13.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible or for the obligations of which the Amalgamating Company 1 may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect 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 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company 1 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 1 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 C of this Scheme, be deemed to be authorized to execute any such writings on behalf of any of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

- 13.3 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, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 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 Governmental Authority as may be necessary in this behalf.
- 13.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 1 in any properties including leasehold/licensed properties of the Amalgamating Company 1, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.
- 13.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 1 and the Amalgamated Company, that have not been completed, shall stand cancelled.

14. TAXATION MATTERS

- 14.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 1, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 1, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.
- 14.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 14.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 1, 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 the payments made to the Amalgamating Company 1 shall be deemed to be advance tax paid by the Amalgamated Company.



15. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Amalgamating Company 1 in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 1 or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 1, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 1.

16. EMPLOYEES OF AMALGAMATING COMPANY 1

16.1 All Employees of the Amalgamating Company 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 1 immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 1 shall also be taken into account by the Amalgamated Company.

16.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

16.3 It is provided that as far as the provident fund, gratuity fund and pension and / or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 1 in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 1 for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 1 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 1 and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

17. EMPLOYEE STOCK OPTION PLAN

17.1 In respect of stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 either under its Existing Employees Stock Option Plan or a revised stock option plan for the employees of the Amalgamated Company and the Eligible Employees or under a separate employee stock option plan created by the Amalgamated Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("Transferee Stock Option Plan").

- 17.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plans shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by an Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.
- 17.3 The grant of options to the Eligible Employees pursuant to Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.
- 17.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.
- 17.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, 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 of the Scheme.

PART D

AMALGAMATION OF THE AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18. **TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY**
- 18.1 Without prejudice to the generality of Clause 8 above, upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 2 and Amalgamating 3, respectively, of whatsoever nature and wherever situate, whether or not included in the respective books of Amalgamating Company 2 and Amalgamating 3, respectively, shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies 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



estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

18.2 In respect of such of the assets of Amalgamating Company 2 and Amalgamating Company 3, respectively, as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 2 and Amalgamating Company 3, respectively, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.

18.3 In respect of such of the assets belonging to the Amalgamating Company 2 and Amalgamating Company 3, respectively, other than those mentioned in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 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 Section 230 to 232 of the Companies Act.

18.4 All assets, rights, titles or interests acquired by the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

19. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

19.1 Upon coming into effect of this Scheme, all the Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of Amalgamating Company 2 and the undertaking of Amalgamating Company 3, respectively, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 2 and Amalgamated Company 3, respectively, 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 Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

19.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 2 and Amalgamating Company 3 respectively, 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.

19.3 Upon the coming into effect of the Scheme, all the Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 Liabilities, loans, duties and obligations of the Amalgamated Company.



19.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, 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 contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 2 and Amalgamating Company 3 respectively, and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.

- 19.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, 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 2 and Amalgamating Company 3 respectively, 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.
- 19.6 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 respective assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- 19.7 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.
- 19.8 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 shall be modified by virtue of this Scheme.
- 19.9 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.

20. CONSIDERATION

No consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company, and the securities held by the Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively, (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Amalgamating Company 1 with the Amalgamated Company) shall stand cancelled without any further act, application or deed. As the Amalgamating Company 2 and Amalgamating Company 3 are wholly-owned subsidiaries of the Amalgamated Company, no consideration shall be payable pursuant to the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3, respectively, into the Amalgamated Company, and the securities held by the Amalgamated Company in Amalgamating Company 2 and Amalgamating Company 3, shall stand cancelled without any further act, application or deed.

21. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 2 and Amalgamating Company 3, respectively, with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.



22. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

- 22.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or to the benefit of which Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be eligible or for the obligations of which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect 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 2 and Amalgamating Company 3, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.
- 22.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of each of the Amalgamating Company 2 and Amalgamating Company 3 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and the Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and the Amalgamating Company 3 to be carried out or performed.
- 22.3 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, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 Governmental Authority as may be necessary in this behalf.
- 22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 2 and Amalgamating Company 3 in any properties including leasehold/licensed properties of the Amalgamating Company 2 and Amalgamating Company 3, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.
- 22.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 2 and the Amalgamating Company 3, respectively, with the Amalgamated Company, that have not been completed, shall stand cancelled.

23. TAXATION MATTERS

- 23.1 Upon the Scheme coming into effect, all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 2 and Amalgamating Company 3, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax



depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 2 and Amalgamating Company 3, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

23.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

23.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 2 and Amalgamating Company 3, respectively, shall be deemed to be advance tax paid by the Amalgamated Company.

24. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other Proceedings by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 2 and Amalgamated Company 3.

25. EMPLOYEES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3

25.1 All Employees of the Amalgamating Company 2 and Amalgamating Company 3, respectively, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 2 and Amalgamating Company 3, respectively, immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 2 and Amalgamating Company 3, respectively, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 2 and Amalgamating Company 3 shall also be taken into account by the Amalgamated Company.

25.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

25.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 2 and Amalgamated Company 3, respectively, in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 2 and Amalgamated Company 3, respectively, for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the



obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 2 and Amalgamating Company 3 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 2 and Amalgamating Company 3, respectively, and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

26. EMPLOYEE STOCK OPTION PLAN

- 26.1 In respect of stock options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to such Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 under the Transferee Stock Option Plan.
- 26.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to such Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by such Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to such Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.
- 26.3 The grant of options to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 pursuant to Clause 26.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and / or modifying the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and / or modifying the exercise price of the stock options under the Transferee Stock Option Plan and / or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.
- 26.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by such Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.



- 26.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, 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 of the Scheme.

PART E

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

27. APPROVAL OF MEMBERS OF THE AMALGAMATING COMPANIES AND AMALGAMATED COMPANY

Each of the Amalgamating Companies and the Amalgamated Company undertake that the approval of the members of each of the Amalgamating Companies and the Amalgamated Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting as may be applicable under the Companies Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme including valuation report obtained by the Amalgamating Company 1 and the Amalgamated Company from Walker Chandlok & Co. LLP and S. R. Batliboi & Co. LLP and fairness opinion obtained from JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited, respectively, the complaints report and the observation letters received from the Stock Exchanges and such other documents / information as prescribed under the SEBI Circular.

28. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 28.1 The Amalgamating Companies and the Amalgamated Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Companies 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.

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

- (a) each of the Amalgamating Companies 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;
- (b) all profits and income accruing to each of the Amalgamating Companies, 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 each of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;
- (c) any of the rights, powers, authorities, privileges exercised by each of the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies 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 each of the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and
- (d) all assets acquired and all Liabilities incurred by each of the Amalgamating Companies 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.



29. DIVIDENDS

- 29.1 The Amalgamated Company and each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim or final, to their shareholders, as per their respective dividend policies consistent with past practice in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamating Companies and the Amalgamated Company and prior to the Effective Date.
- 29.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 29.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Amalgamating Companies and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

30. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of each of the Amalgamating Companies pursuant to this Scheme, and the continuance of Proceedings under Clauses 15 and 24 above shall not affect any transaction or Proceedings already concluded by any of the Amalgamating Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto, as if done and executed on its behalf.

31. COMBINATION OF AUTHORISED CAPITAL

- 31.1 Upon this Scheme becoming effective, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of each of the Amalgamating Companies amounting to Rs. 363,00,00,000 (Rupees Three Hundred and Sixty Three Crores Only) and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 232 or any other applicable provisions of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of each of the Amalgamating Companies shall be utilized and applied to the increased authorized 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 authorized share capital to that extent.

- 31.2 Pursuant to the Scheme becoming effective and consequent upon the Amalgamation of the Amalgamating Companies into the Amalgamated Company, the authorized share capital of the Amalgamated Company will be as under:

AUTHORISED SHARE CAPITAL:	(Rs.)
5,32,50,00,000 equity shares of Rs. 10 each	53,25,00,00,000
38,00,000 preference shares of Rs. 100 each	38,00,00,000
Total	53,63,00,00,000

- 31.3 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the memorandum and articles of association of the Amalgamated Company as may be required under the Companies Act, and Clause V of the memorandum of association of the Amalgamated Company shall stand substituted by virtue of the Scheme to be read as follows:

*The Authorized Share Capital of the Company is Rs. 53,63,00,00,000 (Rupees Five Thousand Three Hundred and Sixty Three Crore only) divided into 5,32,50,00,000 (Five Hundred and Thirty Two Crore Fifty Lakh) Equity Shares of Rs. 10 (Rupees Ten) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of Rs. 100 (Rupees One

Hundred) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

- 31.4 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, shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of the New Equity Shares to the members of the Amalgamating Company 1 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 New Equity Shares to the members of the Amalgamating Company 1 in terms of the Scheme.

32. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, each of the Amalgamating Companies shall stand dissolved without being wound-up. On and with effect from the Effective Date, the name of the Amalgamating Companies shall be struck off from the records of the appropriate Registrar of Companies. The Amalgamated Company shall make necessary filings in this regard.

33. APPLICATIONS / PETITIONS TO THE TRIBUNALS AND APPROVALS

- 33.1 Each of the Amalgamating Companies and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the respective Tribunals, for sanction of this Scheme and for dissolution of Amalgamating Companies.
- 33.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking and to carry on the business of each of the Amalgamating Companies.

34. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 34.1 The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other Person or Persons, as the respective Boards may authorize, including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.
- 34.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Amalgamating Companies and / or the Amalgamated Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.



35. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

36. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the receipt of the following approvals:

- (a) the RBI Approval;
- (b) the Stock Exchanges Approval;
- (c) the CCI Approval;
- (d) NHB approval for change in control / management of Amalgamating Company 2 in terms of the NHB Control Directions;
- (e) approval from SEBI, the Stock Exchanges and / or National Securities Depository Limited, as may be required;
- (f) receipt of approval from the RBI under Section 12B of the BR Act, New Bank Guidelines and the RBI Master Directions – Ownership in Private Sector Banks, Directions 2016, for the parent company of the Amalgamating Company 1 to be allotted 5% or more shares in the Amalgamated Company pursuant to the Transaction;
- (g) this Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant Tribunals;
- (h) the Scheme having been approved by the relevant Tribunals and the Amalgamating Companies and the Amalgamated Company having received a certified true copy of order of the Tribunals approving the Scheme;
- (i) certified copies of the order of the Tribunals approving the Scheme being filed with the Registrar of Companies;
- (j) due compliance with any condition(s) stipulated by the RBI and / or any other relevant Governmental Authority prior to the effectiveness of the Amalgamation;
- (k) divestment by the Amalgamating Company 3 of its entire shareholding in CFCL; and
- (l) such other conditions as may be mutually agreed between the Amalgamating Company 1 and the Amalgamated Company.

37. EFFECT OF NON-SATISFACTION OF THE CONDITIONS / NON RECEIPT OF APPROVALS / SANCTIONS

37.1 In the event of any of the said approvals referred to in Clause 36 above not being obtained and / or complied with and / or satisfied and / or this Scheme not being sanctioned by the respective Tribunal and / or order or orders not being passed as aforesaid before the expiry of 15 (Fifteen) months from the date of approval of the Scheme by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Amalgamating Company 1 and the Amalgamated Company shall proceed in such manner as may be mutually agreed between them.

37.2 If any provision of this Scheme hereof is invalid, ruled illegal by either Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme.

Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Amalgamating Companies or the Amalgamated Company, then in such case the Amalgamating Companies and the Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

37.3 If any proposed modification / amendment to this Scheme under Clause 34.1, materially adversely affects the interest of any of the Amalgamating Companies or the Amalgamated Company, then such modification / amendment shall not be binding on such affected party, and such party shall have the right to withdraw the Scheme.

37.4 The Amalgamating Companies and the Amalgamated Company, acting through their respective Boards, may mutually agree in writing to withdraw this Scheme from the Tribunals.

38. COSTS AND EXPENSES

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of the Amalgamating Companies and the Amalgamated Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Amalgamating Companies and the Amalgamated Company, till the Effective Date.



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH

COMPANY PETITION NO. 3925 OF 2018

CONNECTED WITH

C.A (C.A.A) NO. 726 OF 2018

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 and other
applicable provisions of the Companies Act,
2013 read with the Companies (Compromises,
Arrangements and Amalgamations) Rules,
2016

AND

In the matter of Scheme of Arrangement for
Amalgamation of Capital First Limited
(Amalgamating Company 1) and Capital First
Home Finance Limited (Amalgamating
Company 2) and Capital First Securities
Limited (Amalgamating Company 3) with
IDFC Bank Limited (Amalgamated Company)
and their respective Shareholders and Creditors

Capital First Limited)
CIN L29120MH2005PLC156795, a Company)
incorporated under the Companies Act, 1956,)
having its Registered Office at One Indiabulls)



Centre, Tower 2A & 2B, 10th Floor, Senapati)

Bapat Marg, Lower Parel (West), Mumbai -)

400013.)

... Petitioner /

Amalgamating Company 1

Capital First Home Finance Limited)

CIN U65192MH2010PLC211307, A Company)

incorporated under the Companies Act, 1956,)

having its Registered Office at One Indiabulls)

Centre, Tower 2A & 2B, 10th Floor, Senapati)

Bapat Marg, Lower Parel (West), Mumbai -)

400013.)

... Petitioner /

Amalgamating Company 2

Capital First Securities Limited)

CIN U66010MH2007PLC169687, A Company)

incorporated under the Companies Act, 1956,)

having its Registered Office at Technopolis)

Knowledge Park, A-Wing, 4th Floor 401-407,)

Mahakali Caves Road, Chakala, Andheri(E),)

Mumbai - 400093.)

... Petitioner /

Amalgamating Company 3

Called for Hearing

Judgment/Order delivered on: 6th December, 2018

Coram: Bhaskara Pantula Mohan, Member (J)

V. Nallasenapathy, Member (T)



For the Petitioners: Janak Dwarkadas, Senior Advocate, Ameya Gokhale, Veena Sivaramakrishnan, Meghna Rajadhyaksha, and Radhika Indapurkar i/b Shardul Amarchand Mangaldas & Co, Advocates for the Petitioner Companies

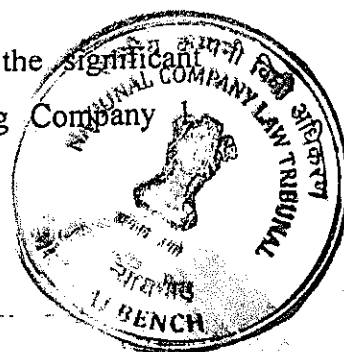
For the Regional Director: Ms. Roopa Sutar, Assistant Director, in the office of Regional Director.

Mr. Santosh Dalvi from the office of Official Liquidator.

Per: V. Nallasenapathy, Member(T)

Order

1. Heard the learned counsel for the Petitioner Companies.
2. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to the Scheme of Arrangement for Amalgamation ('Amalgamation') of Capital First Limited ('Amalgamating Company 1') and Capital First Home Finance Limited ('Amalgamating Company 2') and Capital First Securities Limited ('Amalgamating Company 3') with IDFC Bank Limited ('Amalgamated Company') and their respective shareholders and creditors ('Scheme').
3. Learned Counsel for the Petitioner Companies states that Amalgamating Company 1 is *inter alia* engaged in lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology; Amalgamating Company 2 is *inter alia* engaged in the business of providing home loans in the affordable housing segment; and Amalgamating Company 3 is *inter alia* engaged in the business of advisory, support services and loan syndication. The Amalgamated Company is engaged in the business of banking, *inter alia* accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
4. The Amalgamation would be to the benefit of the shareholders and creditors of the Petitioner Companies and the Amalgamated Company, and would *inter alia* have the following benefits:
 - (a) That the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Company 1



Amalgamating Company 2, Amalgamating Company 3 and the Amalgamated Company;

- (b) That the Amalgamated Company had applied for, and successfully acquired, a banking license from the Reserve Bank of India ('RBI') in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates;
- (c) That the Amalgamated Company would benefit from increased scale of balance sheet and loan assets from the loan book of Amalgamating Company 1 and Amalgamating Company 2;
- (d) That the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate creditworthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;
- (e) That the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;
- (f) That the Amalgamating Company 2 is registered with the National Housing Bank as a housing finance company and the Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;
- (g) That the Amalgamating Company 3 is currently only engaged in the business of advisory, support services and loan syndication and the Amalgamation shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and



- (h) That the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.
5. The Petitioner Companies and the Amalgamated Company have approved the said Scheme by passing the Board Resolutions which are annexed to the Company Petition filed by the Petitioner Companies.
6. In accordance with the Order of this Tribunal dated 10th August, 2018 in C.A (CAA) No. 726 of 2018, meetings of the shareholders and secured creditors were to be convened and notice was to be sent to the unsecured creditors of respective Petitioner Companies. Accordingly, meetings of the shareholders of the respective Petitioner Companies have been duly convened on 4th October, 2018; at which the Scheme was approved by the requisite majority of the shareholders of each of the Petitioner Companies, voting either at the meeting, or by postal ballot or, in the case of Amalgamating Company 1, by e-voting. Further, meetings of the relevant secured creditors of the respective Petitioner Companies have also been duly convened on 4th October, 2018; at which the Scheme was approved by the requisite majority of such creditors. The necessary notice was sent to the unsecured creditors of respective Petitioner Companies as per the direction of the Tribunal.
7. Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and has filed necessary affidavits of compliance with this Tribunal. Moreover, the Petitioner Companies through their Counsel undertake to comply with all applicable statutory requirements, if any, as required under the Companies Act, 1956 / 2013 and the Rules made thereunder, and any other regulations. The said undertaking given by the Petitioner Companies is accepted.
8. The Regional Director ('RD') has filed a Report dated 4th December, 2018 stating therein, that the Tribunal may consider the following observations and pass such other order or orders as deemed fit and proper in the facts and circumstances of the case post considering the observations made at Para IV mentioned in his report.

In paragraph IV of the said Report it is stated that:-

- a. *The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by*



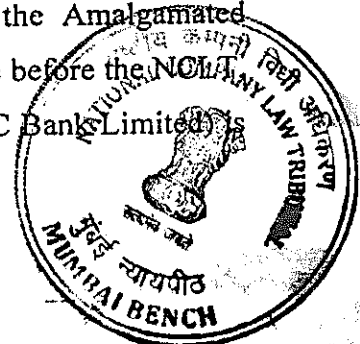
Compromise or Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).

- b. In addition to compliance of (IND AS-103), the Petitioner Companies 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.
 - c. The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.
 - d. As per Clause 5.1.k of the Scheme, Appointed Date means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative. In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.
 - e. The Registered Office of the Transferee/Amalgamated Company is situated in the State of Tamil Nadu, i.e. outside of the jurisdiction of NCLT of this Tribunal and falls within the jurisdiction of NCLT of Chennai. Accordingly, similar approval be obtained by the Transferor Company from Hon'ble NCLT at Chennai respectively.
 - f. The Capital First Limited or the Amalgamating Company 1 is listed company on NSE/BSE. Both the Stock Exchanges have given their observations in their letters dated 25.05.2018. Further, National Housing Bank (NHB) vide its letter dated 16.02.18 and Competition Commission of India vide its letter dated 23.04.2018 have given their observation letters. In this regard, Petitioner Companies have to comply with the NSE, BSE, NHB and CCI suggestion/direction. As Capital First Limited is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. Therefore, Petitioner have to comply with the guidelines and provisions of RBI Act.
 - g. It is observed that the Capital First Limited has foreign/ non-resident shareholders. The Transferee/Amalgamated Company must observe the FEMA guidelines for allotment of shares to the shareholder of the Transferor/Amalgamating Company in Transferee/Amalgamated Company.
 - h. As regards Para No. 31 of the Scheme, the Transferee/Amalgamated Company may be allowed in respect of fees payable by the Transferee/Amalgamated Company on its Authorised Share Capital, subsequent to the Amalgamation for setting-off of fees paid by the Transferor/Amalgamating Company on its Authorised Share Capital in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013.
9. As far as the observation in paragraph IV(a) of the RD Report is concerned, the Petitioner Companies through their Counsel state that as directed by this



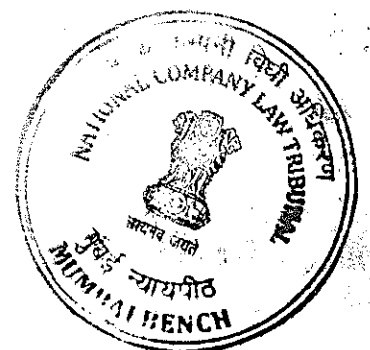
Tribunal, they have served notices to all concerned regulatory authorities, viz. (i) the concerned Income Tax Authority within whose jurisdiction the Petitioner Companies' assessments are made, (ii) Official Liquidator, High Court, Bombay (iii) the Central Government through the office of Regional Director, Western Region, Mumbai and (iv) the Registrar of Companies, as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Additionally, notices have also been served upon the Reserve Bank of India, Competition Commission of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Insurance Regulatory and Development Authority of India, and National Housing Bank. The Petitioner Companies have filed Affidavits of Service respectively dated 25th September, 2018 in CA (CAA) No 726 of 2018, annexing the notices issued to the concerned regulatory authorities. The Petitioner Companies through their Counsel state that approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme and the decision of such Authorities is binding on the Petitioner Company(s) as per law.

10. As far as the observation in paragraph IV(b) of the RD Report is concerned, the Petitioner Companies through their Counsel state that the Amalgamated Company undertakes that in addition to compliance of (IND AS-103), the Amalgamated Company 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.
11. As far as the observation in paragraph IV (c) of the RD Report is concerned, the Petitioner Companies through their Counsel state that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition are one and the same and there is no discrepancy or deviation.
12. As far as the observation in paragraph IV (d) of the RD Report is concerned, the Petitioner Companies through their Counsel submit that the Appointed Date is 1st October, 2018 and the scheme shall be deemed to be effective from such date.
13. As far as the observation in paragraph IV (e) of the RD Report is concerned, the Petitioner Companies through their Counsel submit that the Amalgamated Company has filed an application for approval of the Scheme before the NCLT, Chennai Bench. Therefore, the transferee company (i.e. IDFC Bank Limited) is

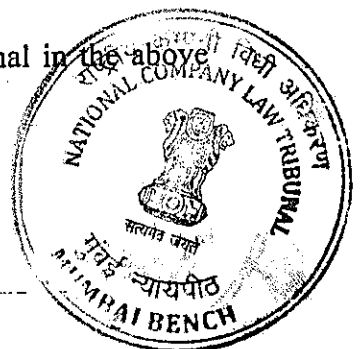


seeking the necessary approvals. The Petitioner Companies through their Counsel state that they will abide by the directions of the Hon'ble NCLT, Chennai.

14. As far as the observation in paragraph IV (f) of the RD Report are concerned, the Petitioner Company 1 through its Counsel submits that the Amalgamated Company undertakes to comply with applicable provisions or norms of Reserve Bank of India, Competition Commission of India, Stock Exchanges, Securities and Exchange Board of India, Registrar of Companies, Regional Director and all other relevant regulatory authorities. Amalgamating Company 1 also undertakes that it is in compliance with the guidelines and provisions of the RBI Act.
15. As far as the observation in paragraph IV (g) of the RD Report is concerned, the Petitioner Companies through their Counsel submit that the Amalgamated Company shall comply with all applicable FEMA norms with respect to allotment of shares to the shareholders of the Transferor/Amalgamating Company 1 in Transferee/Amalgamated Company.
16. As far as the observation in paragraph IV (h) of the RD Report is concerned, the Petitioner Companies through their Counsel undertake to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and confirm that the setting-off of fees, if applicable, may be duly permitted.
17. The observations made by the Regional Director have been explained by the Petitioner Companies in paragraphs 9-16 above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.
18. The Official Liquidator has filed his report dated 5th December, 2018 *inter alia*, stating therein that the affairs of the Petitioner Companies have been conducted in a proper manner and that the Petitioner Companies may be ordered to be dissolved. The Official Liquidator has not made any other observation in his report.
19. The Petitioner Companies through their Counsel have submitted that a Company Petition filed by the Amalgamated Company before the National Company Law Tribunal, Chennai bench was listed for hearing on 5th December, 2018. The outcome of the said hearing is awaited.



20. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
21. Since all the requisite statutory compliances have been fulfilled, Company Petition No.3925 of 2018 filed by the Petitioner Companies are made absolute in terms of prayer clause (a) of the said Petition. The Tribunal declares the Scheme to be binding on the shareholders and creditors of the Petitioner Companies and also on the Petitioner Companies. The sanction of the Scheme is subject to order of National Company Law Tribunal, Chennai Bench in the Amalgamated Company.
22. Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies within 30 days from the date of receipt of this order.
23. A certified copy of this order and the Scheme shall be lodged with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same, within 60 days from the date of receipt of this order.
24. It is clarified that for the period between the Appointed Date and Effective Date, the business of the Petitioner Companies shall be carried on by the Amalgamated Company in trust and for and on behalf of the Petitioner Companies.
25. The Petitioner Companies shall be dissolved without winding-up after this Scheme becomes effective.
26. The respective Petitioner Companies to pay cost of Rs.25,000/- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of this order.
27. All authorities concerned to act on a certified copy of this order along with Scheme duly certified by the Deputy Registrar, National Company Law Tribunal, Mumbai Bench.
28. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.



29. The Scheme is sanctioned hereby, and the appointed date of the Scheme is fixed as 1st October 2018.

SD/-

V. Nallasenapathy
Member (T)

SD/-

Bhaskara Pantula Mohan
Member (J)

Certified True Copy
Date of Application 17.12.2018
Number of Pages 10
Fee Paid Rs. 50
Applicant called for collection copy on 17.12.2018
Copy prepared on 17.12.2018
Copy issued on 17.12.2018


Assistant Registrar
National Company Law Tribunal, Mumbai Bench



SCHEDULE I
DRAFT COMPOSITE SCHEME OF AMALGAMATION
OF

CAPITAL FIRST LIMITED
(Amalgamating Company 1)

AND

CAPITAL FIRST HOME FINANCE LIMITED
(Amalgamating Company 2)

AND

CAPITAL FIRST SECURITIES LIMITED
(Amalgamating Company 3)

WITH

IDFC BANK LIMITED
(Amalgamated Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013



PART A

GENERAL

1. DESCRIPTION OF THE COMPANIES

- 1.1 **IDFC Bank Limited** is a public limited company, incorporated under the Companies Act (as defined hereinafter), having its registered office at KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031 (hereinafter referred to as the "Amalgamated Company"). The Amalgamated Company is licensed as a banking company under the provisions of the Banking Regulation Act, 1949 ("BR Act"). The equity shares of the Amalgamated Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). The Amalgamated Company is primarily engaged in the business of providing banking services in India.
- 1.2 **Capital First Limited** is a public limited company, incorporated under the provisions of the Companies Act, 1956 ("1956 Act"), having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 1"). The Amalgamating Company 1 is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges. The Amalgamating Company 1 is engaged in the lending business and specializes in providing debt financing to micro, small and medium enterprises and Indian retail consumers through innovative use of technology.
- 1.3 **Capital First Home Finance Limited** is a public limited company, incorporated under the provisions of the 1956 Act, having its registered office at One Indiabulls Centre, Tower 2A & 2B, 10th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 (hereinafter referred to as the "Amalgamating Company 2"). Amalgamating Company 2 is registered with the National Housing Bank ("NHB") as a housing finance company. The Amalgamating Company 2 is engaged in the business of providing home loans in the affordable housing segment.
- 1.4 **Capital First Securities Limited** is a public limited, company incorporated under the provisions of the 1956 Act, having its registered office at Technopolis Knowledge Park, A-Wing, 4th Floor 401-407, Mahakali Caves Road, Chakala, Andheri(E), Mumbai – 400093 (hereinafter referred to as the "Amalgamating Company 3"). The Amalgamating Company 3 is engaged in the business of advisory, support services and loan syndication. Amalgamating Company 3 is also the legal and beneficial owner of 100% (One Hundred percent) of the total issued and paid-up share capital of Capital First Commodities Limited ("CFCL") and the entire shareholding of Amalgamating Company 3 in CFCL is proposed to be divested prior to the Effective Date (as defined hereinafter) and consequently, CFCL is not a part of the Amalgamation (as defined hereinafter).
2. This Scheme is presented for the amalgamation of Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3 (collectively the "Amalgamating Companies") with the Amalgamated Company and the consequent dissolution of the Amalgamating Companies without winding up and the issuance of New Equity Shares (as defined hereinafter) to the shareholders of the Amalgamating Company 1 in accordance with the Share Exchange Ratio (as defined hereinafter), pursuant to Sections 230 – 232, and other relevant provisions of the Companies Act, in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act (as defined hereinafter) ("Amalgamation").

3. BACKGROUND AND RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT

- 3.1 The Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:

- (a) the Amalgamation is founded on leveraging of the significant complementarities that exist between the Amalgamating Companies and the Amalgamated Company and 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, diversified balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;



- (b) the Amalgamated Company had applied for, and successfully acquired, a banking license from the RBI in 2015, and such a banking platform can form the basis to raise resources and deposits from the public at competitive rates. Such a platform has the potential to provide a stable funding base for growing the loan book for the Amalgamated Company pursuant to the Amalgamation;
- (c) the Amalgamated Company is largely a company that has developed exceptional skills in wholesale financing and infrastructure financing and has a strong presence in the Indian market in these critical businesses. The Amalgamating Company 1 is largely a company that has developed exceptional skills in retail, consumer and MSME financing at large scale through innovative use of technology. Thus, a combination of the Amalgamating Company 1 and the Amalgamated Company provides entirely complementary skills to, and sharply enhances the value proposition of, the Amalgamated Company;
- (d) the Amalgamated Company would benefit from increased scale of balance sheet and loan assets as the loan book of the Amalgamating Company 1 and the Amalgamated Company will stand merged into the Amalgamated Company pursuant to the Amalgamation;
- (e) the Amalgamated Company has invested capital and skills and has implemented a banking technology platform and has set up over 100 branches, which can be scaled up across the country and can be used to sell the product suite of both the Amalgamating Company 1 and the Amalgamated Company;
- (f) the loan book of the Amalgamating Company 1 is highly diversified with over 30,00,000 live customers, and the asset quality of the Amalgamated Company is expected to improve as a result of such significant diversification of the merged loan book;
- (g) the Amalgamating Company 1 has built substantial technological capabilities in being able to evaluate credit worthiness of consumers and small enterprises on the basis of advanced analytical models, and has developed unique skills in financing customers who have traditionally been underserved. The said models have been tested and refined over the years at a large scale and Amalgamated Company will immediately get the benefit of such years of sophisticated research in financing customers;
- (h) in the retail business, the Amalgamating Company 1 has built a large infrastructure for booking and managing such millions of customers and to make monthly presentations for claiming recovery from their bank accounts and have deployed substantially sophisticated methodologies and automation to achieve the same in a cost efficient manner and the Amalgamated Company will benefit from such infrastructure;
- (i) the Amalgamated Company will also benefit from the large collections architecture, sophisticated tools and rule engines and a large network of collection agents connected through a central collections system which in turn has been connected with various third party entities such as collecting banks, mobile companies, and e-wallets which can be used for scaling up businesses of the Amalgamated Company;
- (j) Amalgamating Company 2 is registered with the NHB as a housing finance company and is engaged in providing home loans in the affordable housing segment. The Amalgamating Company 2 focuses on providing loans for affordable housing segment and as of September 30, 2017, has assets under management of approximately Rs. 13,29,90,00,000 (Rupees One Thousand Three Hundred and Twenty Nine Crores and Ninety Lakhs). The Amalgamation, through the Scheme, shall allow the Amalgamated Company to build its housing loan portfolio and establish a customer base of affordable housing clients;
- (k) as of November 13, 2013, the broking business of the Amalgamating Company 3 has been discontinued and the Amalgamating Company 3 is only engaged in the business of advisory, support services and loan syndication. The Amalgamation, through the Scheme, shall allow the Amalgamated Company to consolidate such services being offered by the Amalgamating Company 3; and
- (l) the Amalgamation, through the Scheme, shall result in bolstering the capital base and balance sheet of the Amalgamated Company.

3.2 Accordingly, to achieve the abovementioned benefits, the Boards (as defined hereinafter) of each of the Amalgamating Companies and the Amalgamated Company has decided to



make requisite applications and/ or petitions before the Tribunals/ Governmental Authority (as defined hereinafter) as the case may be, as applicable under Sections 230 to 232 of the Companies Act and other applicable provisions of this Scheme.

4. This Scheme is divided into the following parts:

- 4.1 Part A, which deals with the general description of the Amalgamation, the background and the rationale for the Scheme.
- 4.2 Part B, which deals with the introduction and definitions, and sets out the share capital of the respective Amalgamating Companies and the Amalgamated Company.
- 4.3 Part C, which deals with the amalgamation of the Amalgamating Company 1 with the Amalgamated Company.
- 4.4 Part D, which deals with the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3 with the Amalgamated Company.
- 4.5 Part E, which deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART B

DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

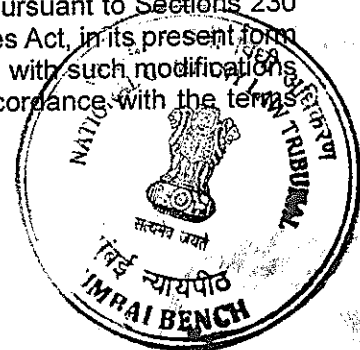
- 5.1 In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively against them:
- (a) "1956 Act" shall have the meaning set forth in Clause 1.2;
 - (b) "Amalgamation" shall have the meaning set forth in Clause 2;
 - (c) "Amalgamated Company" shall have the meaning set forth in Clause 1.1;
 - (d) "Amalgamating Company 1 ESOP Plans" means collectively the ESOP 1, ESOP 2, ESOP 3, ESOP 4, ESOP 5, ESOP 6, ESOP 7, ESOP 8 and ESOP 9;
 - (e) "Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company, each having a face value of Rs. 10 (Rupees Ten) and one vote per equity share;
 - (f) "Amalgamating Companies" shall have the meaning set forth in Clause 2, and "Amalgamating Company" shall mean any one of them, as the case may be;
 - (g) "Amalgamating Company 1" shall have the meaning set forth in Clause 1.2;
 - (h) "Amalgamating Company 2" shall have the meaning set forth in Clause 1.3;
 - (i) "Amalgamating Company 3" shall have the meaning set forth in Clause 1.4;
 - (j) "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
 - (k) "Appointed Date" means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative;



- (l) "Board" in relation to each of the Amalgamating Companies and the Amalgamated Company, as the case may be, means the board of directors of such company;
- (m) "BR Act" shall have the meaning set forth in Clause 1.1;
- (n) "CCI" means the Competition Commission of India;
- (o) "CCI Approval" means the approval granted by the CCI to the Amalgamation in accordance with the provisions of the Competition Act, 2002, and the relevant rules and regulations thereunder;
- (p) "CFCL" shall have the meaning set forth in Clause 1.4;
- (q) "Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment or amendments thereof for the time being in force;
- (r) "Effective Date" means such date as the Amalgamating Companies and the Amalgamated Company mutually agree, being a date post the last of the dates on which all the conditions precedent and matters referred to in Clause 36 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;
- (s) "Eligible Employees" means the employees of the Amalgamating Company 1, Amalgamating Company 2 and Amalgamating Company 3, who are entitled to the Amalgamating Company 1 ESOP Plans established by the Amalgamating Company 1, to whom, as on the Effective Date, options of the Amalgamating Company 1 have been granted, irrespective of whether the same are vested or not;
- (t) "Employees" means all the employees of the respective Amalgamating Companies (as may be applicable) as on the Effective Date;
- (u) "Encumbrance" or "Encumbered" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, 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) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;
- (v) "ESOP 1" means the Amalgamating Company 1 employee stock option plan 2007, as approved by the Board and shareholders of the Amalgamating Company 1;
- (w) "ESOP 2" means the Amalgamating Company 1 employee stock option plan 2008, as approved by the Board and shareholders of the Amalgamating Company 1;
- (x) "ESOP 3" means the Amalgamating Company 1 employee stock option plan 2009, as approved by the Board and shareholders of the Amalgamating Company 1;
- (y) "ESOP 4" means the Amalgamating Company 1 employee stock option plan 2011, as approved by the Board and shareholders of the Amalgamating Company 1;
- (z) "ESOP 5" means the Amalgamating Company 1 employee stock option plan 2012, as approved by the Board and shareholders of the Amalgamating Company 1;
- (aa) "ESOP 6" means the Amalgamating Company 1 employee stock option plan 2014, as approved by the Board and shareholders of the Amalgamating Company 1;
- (bb) "ESOP 7" means the Amalgamating Company 1 employee stock option plan 2016, as approved by the Board and shareholders of the Amalgamating Company 1;
- (cc) "ESOP 8" means the Amalgamating Company 1 employee stock option plan 2017, as approved by the Board and shareholders of the Amalgamating Company 1;
- (dd) "ESOP 9" means the Amalgamating Company 1 CMD employee stock option plan 2017, as approved by the Board of the Amalgamating Company 1 and subject to the approval of the shareholders of the Amalgamating Company 1;

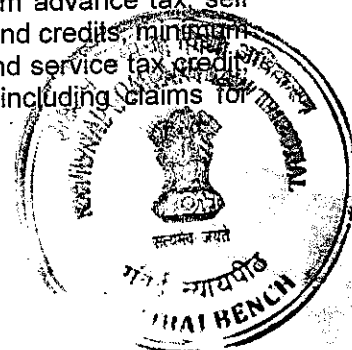


- (ee) "Existing Employees Stock Option Plan" means the Amalgamated Company employee stock option scheme 2015 established by the Amalgamated Company as per the SEBI (Share Based Employee Benefits) Regulations, 2014;
- (ff) "Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board tribunal or court or other entity authorized to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction or any state or other sub-division thereof or any municipality, district or other sub-division thereof having jurisdiction pursuant to Applicable Law, including the RBI, SEBI (as defined hereinafter) and the CCI;
- (gg) "Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- (hh) "Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of a Amalgamating Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), and undertakings of a Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge;
- (ii) "LODR" means the SEBI (Listing Obligations and Disclosure Requirement) 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;
- (jj) "New Equity Shares" shall have the meaning set forth in Clause 11.1;
- (kk) "NHB" means the National Housing Bank;
- (ll) "NHB Control Directions" means the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, dated February 9, 2017;
- (mm) "Person" means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- (nn) "Proceedings" shall have the meaning set forth in Clause 15;
- (oo) "Record Date" means the date to be fixed by the Boards of the Amalgamated Company in consultation with the Amalgamating Company 1 for the purpose of determining the equity shareholders (members) of the Amalgamating Company 1, to whom Amalgamated Company Shares will be allotted pursuant to this Scheme;
- (pp) "Registrar of Companies" means the Registrar of Companies, Mumbai and/ or the Registrar of Companies, Chennai, Tamil Nadu, having jurisdiction over the Amalgamated Company and the Amalgamating Companies, as may be applicable;
- (qq) "RBI" shall have the meaning set forth in Clause 1.2;
- (rr) "RBI Amalgamation Directions" means the RBI Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016;
- (ss) "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions;
- (tt) "Scheme" means this composite scheme of amalgamation, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, in its present form (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time in accordance with the terms



hereof and with appropriate approvals including approvals of the shareholders/creditors and sanctions from the Tribunals or any Governmental Authority as may be required under the Companies Act and under all Applicable Laws;

- (uu) "SEBI" means the Securities and Exchange Board of India;
- (vv) "SEBI Circular" means the circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by the SEBI Circular dated January 3, 2018, and includes any amendments and clarifications thereto issued by SEBI from time to time;
- (ww) "Share Exchange Ratio" shall have the meaning set forth in Clause 11.1 hereof;
- (xx) "Stock Exchanges" shall have the meaning set forth in Clause 1.1;
- (yy) "Stock Exchange Approval" means the no-objection/ observation letter obtained by the Amalgamating Company 1 and the Amalgamated Company from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulation 37 of the LODR and the SEBI Circular;
- (zz) "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; and (b) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;
- (aaa) "Tax Authority" means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for Tax;
- (bbb) "Transferee Stock Option Plan" shall have the meaning set forth in Clause 17.1;
- (ccc) "Tribunal(s)" means the National Company Law Tribunal, Mumbai Bench, and/or National Company Law Tribunal, Chennai Bench 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 Companies Act; and
- (ddd) "Undertaking" means the entire business of each of the respective Amalgamating Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, Liabilities, duties, obligations and Employees as on the Appointed Date including, but not in any way limited to, the following:
- (i) All the assets and properties (tangible or intangible, moveable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self assessment tax, withholding tax credits, any tax refunds and credits, minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits (including claims for



carried forward tax losses and unabsorbed tax depreciation) advantages, privileges, exemptions, credits, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating 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 Amalgamating Company;

- (ii) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease, license and business arrangements), entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax benefits, subsidies, concessions, grants, rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;
- (iii) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Amalgamating Company's business activities and operations.
- (iv) Amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (v) Right to any claim not preferred or made by the Amalgamating Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, tax holidays, credits, etc. under the Income Tax Act, sales tax, value added tax, service tax, custom duties and goods and service tax or any other or like benefits under the said acts or under and in accordance with any law or act, in India.
- (vi) All debts (secured and unsecured), loans (whether denominated in Indian rupees or a foreign currency), deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Liabilities including tax liabilities, contingent liabilities, debentures, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other proceedings including before any Governmental Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Amalgamation and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;



(vii) All other obligations of whatsoever kind, including Liabilities of the Amalgamating Company with regard to their Employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/ or permits; and

(viii) All Employees as on the Effective Date.

5.2 All terms and words used but 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 Companies Act, and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

5.3 References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

5.4 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

5.5 Any reference to any statute or statutory provision shall include:

(a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.

5.7 Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.

5.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

5.9 Words directly or indirectly mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.

5.10 The words "include" and "including" are to be construed without limitation.

5.11 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.

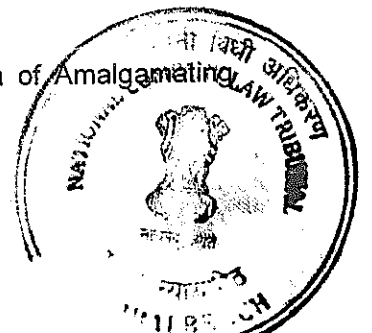
5.12 Any reference to the Preamble, Recital, Clause or Schedule shall be a reference to the Preamble to, or Recital, Clause or Schedule of this Scheme.

6. DATE OF TAKING EFFECT OF THE SCHEME

6.1 The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The various Parts of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part C of the Scheme (relating to amalgamation of Amalgamating Company 1 into Amalgamated Company) shall be deemed to have taken effect, prior to Part D of the Scheme;

(b) Subsequently, Part D of the Scheme (relating to amalgamation of Amalgamating



Company 2 and Amalgamating Company 3 into the Amalgamated Company) shall be deemed to have taken effect, after Part C of the Scheme.

- 6.2 The amalgamation of Amalgamating Companies with Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7. SHARE CAPITAL

7.1 Amalgamated Company

- (a) The share capital structure of the Amalgamated Company as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
5,00,00,00,000 equity shares of Rs. 10 each		50,00,00,00,000
	Total	50,00,00,00,000
Issued Share Capital		Amount in Rupees
3,40,26,76,128 equity shares of Rs. 10 each		34,02,67,61,280
	Total	34,02,67,61,280
Subscribed and Paid Up Share Capital		Amount in Rupees
3,40,26,76,128 equity shares of Rs. 10 each		34,02,67,61,280
	Total	34,02,67,61,280

- (b) The equity shares of the Amalgamated Company are listed on the Stock Exchanges.
- (c) The Amalgamated Company has outstanding employee stock options under its existing employee stock option scheme, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamated Company.

7.2 Amalgamating Company 1

- (a) The share capital structure of the Amalgamating Company 1 as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
11,30,00,00,000 equity shares of Rs. 10 each		1,13,00,00,00,000
	Total	1,13,00,00,00,000
Issued Share Capital		Amount in Rupees
9,88,90,084 equity shares of Rs. 10 each		98,89,00,840
	Total	98,89,00,840
Subscribed and Paid Up Share Capital		Amount in Rupees
9,88,90,084 equity shares of Rs. 10 each		98,89,00,840
	Total	98,89,00,840

- (b) The equity shares of the Amalgamating Company 1 are listed on the Stock Exchanges.
- (c) The Amalgamating Company 1 has outstanding employee stock options under its existing employee stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1 and ungranted employee stock options, the grant and consequent exercise of which may result in an increase in the issued and paid-up share capital of the Amalgamating Company 1.

7.3 Amalgamating Company 2



- (a) The share capital structure of the Amalgamating Company 2 as on December 31, 2017, is as under:

Authorized Share Capital		Amount in Rupees
15,00,00,000 equity shares of Rs. 10 each		1,50,00,00,000
Total		1,50,00,00,000
Issued Share Capital		Amount in Rupees
13,77,33,079 equity shares of Rs. 10 each		1,37,73,30,790
Total		1,37,73,30,790
Subscribed and Paid Up Share Capital		Amount in Rupees
13,77,33,079 equity shares of Rs. 10 each		1,37,73,30,790
Total		1,37,73,30,790

- (b) As on December 31, 2017, the Amalgamating Company 2 has no outstanding stock options exercisable into equity shares;

7.4 Amalgamating Company 3

- (a) The share capital structure of the Amalgamating Company 3 as on December 31, 2017 is as under:

Authorized Share Capital		Amount in Rupees
6,20,00,000 equity shares of Rs. 10 each		62,00,00,000
38,00,000 preference shares of Rs. 100 each		38,00,00,000
Total		1,00,00,00,000
Issued Share Capital		Amount in Rupees
5,53,55,600 equity shares of Rs. 10 each		55,35,56,000
12,00,000 preference shares of Rs. 100 each		12,00,00,000
Total		67,35,56,000
Subscribed and Paid Up Share Capital		Amount in Rupees
5,53,55,600 equity shares of Rs. 10 each		55,35,56,000
12,00,000 preference shares of Rs. 100 each		12,00,00,000
Total		67,35,56,000

- (b) As on December 31, 2017, the Amalgamating Company 3 has no outstanding stock options exercisable into equity shares.

8. TRANSFER AND VESTING OF THE AMALGAMATING COMPANIES WITH THE AMALGAMATED COMPANY

Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, (i) the Amalgamating Company 1, and (ii) the Amalgamating Company 2 and Amalgamating Company 3, shall stand amalgamated into the Amalgamated Company and their respective Undertaking shall, pursuant to the sanction of the Scheme by the Tribunals and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

PART C

AMALGAMATION OF THE AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

9. TRANSFER AND VESTING OF ASSETS OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

- 9.1 Without prejudice to the generality of Clause 8 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 Undertaking of the Amalgamating Company 1, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company 1 shall, subject to the provisions of this Clause 9 in relation to the mode of vesting and pursuant to Sections 230



to 232 and other applicable provisions, if any, of the Companies 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 estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.

- 9.2 In respect of such of the assets of the Amalgamating Company 1 as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 1, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.
- 9.3 In respect of such of the assets belonging to the Amalgamating Company 1 other than those mentioned in Clause 9.2 above, the same shall, as more particularly provided in Clause 8 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 Section 230 to 232 of the Companies Act.
- 9.4 All assets, rights, titles or interests acquired by the Amalgamating Company 1 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 coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

10. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 1 WITH THE AMALGAMATED COMPANY

- 10.1 Upon coming into effect of this Scheme, all Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of the Amalgamating Company 1, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company 1 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 Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 10.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 1 as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 1 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.
- 10.3 Upon the coming into effect of the Scheme, all Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 1 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 Liabilities, loans, duties and obligations of the Amalgamated Company.
- 10.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, 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 contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 1 and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either Amalgamating Company 1 and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.



- 10.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 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 1 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.
- 10.6 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 1 transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- 10.7 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.
- 10.8 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 shall be modified by virtue of this Scheme.
- 10.9 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.

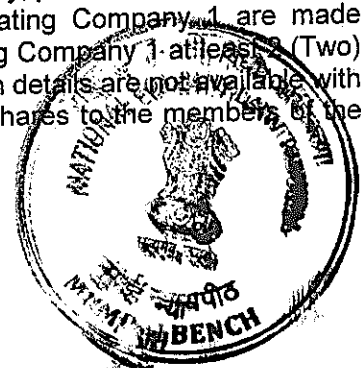
11. CONSIDERATION

- 11.1 Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the whole of the Undertaking of Amalgamating Company 1 in the Amalgamated Company pursuant to Part C of this Scheme, the Amalgamated Company shall, without any further application, act or deed, issue and allot to the shareholders of Amalgamating Company 1 whose names are recorded in the register of members as a member of the Amalgamating Company 1 on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Amalgamated Company) 139 (One Hundred and Thirty Nine) Amalgamated Company Shares, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of Rs. 10 (Rupees Ten) each fully paid-up held by such member in the Amalgamating Company 1 ("Share Exchange Ratio"). The Amalgamated Company Shares to be issued by the Amalgamated Company to the shareholders of Amalgamating Company 1 in accordance with this Clause 11.1 shall be hereinafter referred to as "New Equity Shares". The New Equity Shares to be issued and allotted by the Amalgamated Company shall be subject to adjustments to take into account any corporate actions mutually agreed between Amalgamating Company 1 and the Amalgamated Company prior to the Effective Date.
- 11.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company 1, 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 1 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.
- 11.3 Where New Equity Shares of the Amalgamated Company are to be allotted to their



executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of Amalgamating Company 1, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

- 11.4 The New Equity Shares of Amalgamated Company allotted and issued in terms of Clause 11.1 above, shall be listed and/ or admitted to trading on the relevant Stock Exchanges, where the equity shares of Amalgamated Company are listed and/ or admitted to trading as on the Effective Date. The New Equity Shares of the Amalgamated Company shall, however, be listed subject to Amalgamated Company obtaining the requisite approvals from all the relevant Governmental Authorities pertaining to the listing of the New Equity Shares of Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the relevant Stock Exchanges.
- 11.5 Upon the Scheme becoming effective and upon the New Equity Shares of the Amalgamated Company being allotted and issued by it to the shareholders of Amalgamating Company 1 whose names appear on the register of members as a member of the Amalgamating Company 1 on the Record Date or whose names appear as the beneficial owners of the equity shares of the Amalgamating Company 1 in the records of the depositories/ register of members, as the case may be, as on the Record Date, the equity shares of Amalgamating Company 1, 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 the Record Date. Wherever applicable, Amalgamated Company may, instead of requiring the surrender of the share certificates of Amalgamating Company 1, directly issue and dispatch the new share certificates of Amalgamated Company in lieu thereof.
- 11.6 The New Equity Shares of Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company 1 as provided in sub-Clause 11.1 above shall be subject to the provisions of the memorandum and articles of association of Amalgamated Company and shall rank *pari-passu* in all respects with Amalgamated Company Shares after the Effective Date including in respect of dividend, if any, that may be declared by Amalgamated Company on or after the Effective Date.
- 11.7 The issue and allotment of New Equity Shares by the Amalgamated Company to the shareholders of the Amalgamating Company 1 as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under the Companies Act and any other applicable provisions of the Companies Act, and such other statutes and regulations as may be applicable were duly complied with.
- 11.8 If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Amalgamated Company in accordance with Clause 11.1 above, 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 New 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 1 in proportion to their respective fractional entitlements.
- 11.9 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 New Equity Shares issued to the members of the Amalgamating Company 1 by the Amalgamated Company shall be in issued in dematerialized form by the Amalgamated Company, provided that the details of the depository accounts of the members of the Amalgamating Company 1 are made available to the Amalgamated Company by the Amalgamating Company 1 at least 2 (Two) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the New Equity Shares to the members of the Amalgamating Company 1 in physical form.



11.10 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1 as are subject to lock-in pursuant to Applicable Law, shall remain locked-in as required under Applicable Law.

11.11 The New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 11.1 above in respect of such equity shares of the Amalgamating Company 1, 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.

12. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 1 with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

13. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

13.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 1 is a party or to the benefit of which the Amalgamating Company 1 may be eligible or for the obligations of which the Amalgamating Company 1 may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect 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 1, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company 1 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 1 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 C of this Scheme, be deemed to be authorized to execute any such writings on behalf of any of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.

13.3 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, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 1 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 Governmental Authority as may be necessary in this behalf.

13.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 1 in any properties including leasehold/licensed properties of the Amalgamating Company 1, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.



- 13.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 1 and the Amalgamated Company, that have not been completed, shall stand cancelled.

14. TAXATION MATTERS

- 14.1 Upon the Scheme coming into effect, all Taxes/ cess/ duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 1, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes/ cess/ duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 1, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.
- 14.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 14.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 1, 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 1 shall be deemed to be advance tax paid by the Amalgamated Company.

15. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Amalgamating Company 1 in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 1 or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 1, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 1.

16. EMPLOYEES OF AMALGAMATING COMPANY 1

- 16.1 All Employees of the Amalgamating Company 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Amalgamating Company 1 immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 1 shall also be taken into account by the Amalgamated Company.
- 16.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund.



or pension fund or superannuation fund or other statutory purposes as the case may be.

- 16.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 1 in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 1 for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 1 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 1 in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 1 and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

17. EMPLOYEE STOCK OPTION PLAN

- 17.1 In respect of stock options granted by the Amalgamating Company 1 under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to the Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 either under its Existing Employees Stock Option Plan or a revised stock option plan for the employees of the Amalgamated Company and the Eligible Employees or under a separate employee stock option plan created by the Amalgamated Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("Transferee Stock Option Plan").
- 17.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees under the Amalgamating Company 1 ESOP Plans shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by an Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.
- 17.3 The grant of options to the Eligible Employees pursuant to Clause 17.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and/ or modifying the Transferee Stock Option Plan and/ or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and/ or modifying the exercise price of the stock options under the Transferee Stock Option Plan and/ or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.
- 17.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by the Eligible Employees shall be



taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.

- 17.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, 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 of the Scheme.

PART D

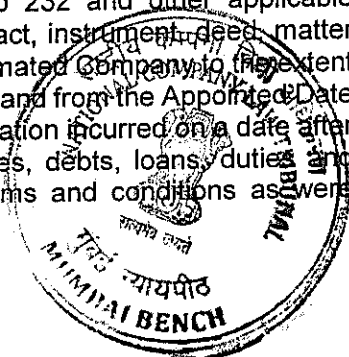
AMALGAMATION OF THE AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

18. TRANSFER AND VESTING OF THE RESPECTIVE ASSETS OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

- 18.1 Without prejudice to the generality of Clause 8 above, upon coming into effect of the Scheme and with effect from the Appointed Date (after Part C is deemed to have taken effect), and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company 2 and Amalgamating 3, respectively, of whatsoever nature and wherever situate, whether or not included in the respective books of Amalgamating Company 2 and Amalgamating 3, respectively, shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies 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 estates, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme.
- 18.2 In respect of such of the assets of Amalgamating Company 2 and Amalgamating Company 3, respectively, as are movable in nature or otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company 2 and Amalgamating Company 3, respectively, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to provisions of Section 230 to 232 of the Companies Act without requiring any deed or instrument of conveyance for the same.
- 18.3 In respect of such of the assets belonging to the Amalgamating Company 2 and Amalgamating Company 3, respectively, other than those mentioned in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 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 Section 230 to 232 of the Companies Act.
- 18.4 All assets, rights, titles or interests acquired by the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Companies Act.

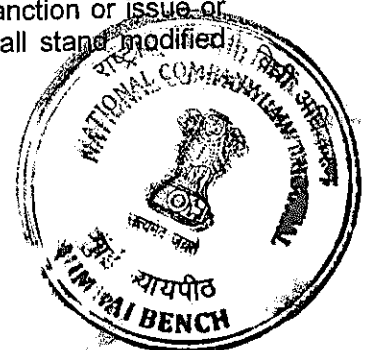
19. TRANSFER AND VESTING OF LIABILITIES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3 WITH THE AMALGAMATED COMPANY

- 19.1 Upon coming into effect of this Scheme, all the Liabilities, debts, loans raised and used, duties, losses and obligations of the undertaking of Amalgamating Company 2 and the undertaking of Amalgamating Company 3, respectively, whether or not recorded in its books of accounts shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date (or in case of any Liability, debt, loan raised, duty, loss or obligation incurred on a date after the Appointed Date, with effect from such date) the Liabilities, debts, loans, duties and obligations of the Amalgamated Company on the same terms and conditions as were



applicable to the Amalgamating Company 2 and Amalgamated Company 3, respectively, 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 Liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- 19.2 Where any of the Liabilities, duties and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, as on the Appointed Date deemed to be transferred to the Amalgamated Company under this Scheme have been discharged by the Amalgamating Company 2 and Amalgamating Company 3 respectively, 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.
- 19.3 Upon the coming into effect of the Scheme, all the Liabilities, loans raised and used, duties and obligations incurred or created by the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 Liabilities, loans, duties and obligations of the Amalgamated Company.
- 19.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all Liabilities, 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 contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company 2 and Amalgamating Company 3, respectively, 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 2 and Amalgamating Company 3 respectively, and the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of Amalgamated Company.
- 19.5 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 and Amalgamating Company 3 respectively, 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 2 and Amalgamating Company 3 respectively, 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.
- 19.6 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 respective assets and properties of the Amalgamating Company 2 and Amalgamating Company 3 transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- 19.7 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.
- 19.8 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 shall be modified by virtue of this Scheme.
- 19.9 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.



20. CONSIDERATION

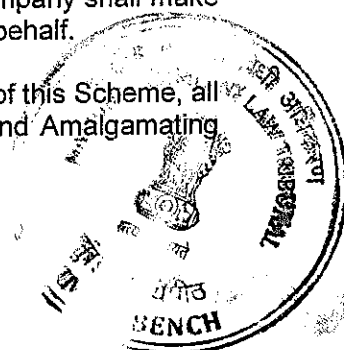
No consideration shall be payable pursuant to amalgamation of Amalgamating Company 2 and Amalgamating Company 3 into the Amalgamated Company, and the securities held by the Amalgamated Company and its nominees in the Amalgamating Company 2 and Amalgamating Company 3, respectively, (after giving effect to Part C of the Scheme, i.e. transfer and vesting of investments held by Amalgamating Company 1 with the Amalgamated Company) shall stand cancelled without any further act, application or deed. As the Amalgamating Company 2 and Amalgamating Company 3 are wholly-owned subsidiaries of the Amalgamated Company, no consideration shall be payable pursuant to the amalgamation of the Amalgamating Company 2 and Amalgamating Company 3, respectively, into the Amalgamated Company, and the securities held by the Amalgamated Company in Amalgamating Company 2 and Amalgamating Company 3, shall stand cancelled without any further act, application or deed.

21. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in relation to the amalgamation of Amalgamating Company 2 and Amalgamating Company 3, respectively, with the Amalgamated Company in its books of account in accordance with the accounting standards specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

22. CONTRACTS, DEEDS, LICENSES, BONDS AND OTHER INSTRUMENTS

- 22.1 Upon the coming into effect of this Scheme and subject to the provisions of the Scheme all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, is a party or to the benefit of which Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be eligible or for the obligations of which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect 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 2 and Amalgamating Company 3, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto.
- 22.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of each of the Amalgamating Company 2 and Amalgamating Company 3 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 D of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company 2 and the Amalgamating Company 3 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 and the Amalgamating Company 3 to be carried out or performed.
- 22.3 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, authorizations, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 Governmental Authority as may be necessary in this behalf.
- 22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Amalgamating Company 2 and Amalgamating



Company 3 in any properties including leasehold/licensed properties of the Amalgamating Company 2 and Amalgamating Company 3, including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company automatically without requirement of any further act or deed. The Amalgamated Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Amalgamated Company shall continue to comply with the terms, conditions and covenants thereunder.

- 22.5 Without prejudice to the other provisions of this Scheme, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company 2 and the Amalgamating Company 3, respectively, with the Amalgamated Company, that have not been completed, shall stand cancelled,

23. TAXATION MATTERS

- 23.1 Upon the Scheme coming into effect, all Taxes/ cess/ duties paid, payable, received or receivable by or on behalf of the Amalgamating Company 2 and Amalgamating Company 3, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the Taxes/ cess/ duties, liabilities or refunds, claims or credits as the case may be of the Amalgamated Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Amalgamating Company 2 and Amalgamating Company 3, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

- 23.2 Upon the Scheme becoming effective, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 23.3 All compliances with respect to Taxes or any other Applicable Laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company 2 and the Amalgamating Company 3, respectively, 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 2 and Amalgamating Company 3, respectively, shall be deemed to be advance tax paid by the Amalgamated Company.

24. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any legal, taxation or other Proceedings by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Amalgamating Company 2 and the Amalgamating Company 3, respectively, or of anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Amalgamating Company 2 and the Amalgamating Company 3, respectively, if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company may initiate, defend, compromise or otherwise deal with any legal proceeding for and on behalf of the Amalgamating Company 2 and Amalgamated Company 3.

25. EMPLOYEES OF AMALGAMATING COMPANY 2 AND AMALGAMATING COMPANY 3

- 25.1 All Employees of the Amalgamating Company 2 and Amalgamation Company 3, respectively, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Amalgamated Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are



engaged by the Amalgamating Company 2 and Amalgamating Company 3, respectively, immediately preceding the Effective Date. Services of the Employees shall be taken into account from the date of their respective appointment with the Amalgamating Company 2 and Amalgamating Company 3, respectively, for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Amalgamating Company 2 and Amalgamating Company 3 shall also be taken into account by the Amalgamated Company.

25.2 On and from the Effective Date, the services of the Employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

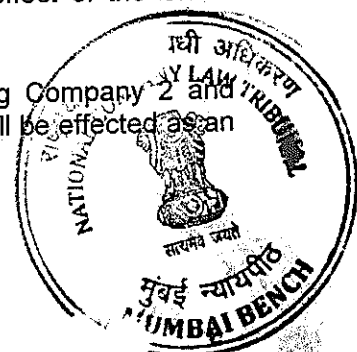
25.3 It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing, including any payments towards state insurance, for the benefit of the Employees are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company 2 and Amalgamated Company 3, respectively, in respect of the Employees transferred with the entire businesses and Undertakings of the Amalgamating Company 2 and Amalgamated Company 3, respectively, for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. On the Scheme becoming effective, the contributions made by the Amalgamating Company 2 and Amalgamating Company 3 to the said funds and trusts for the period after the Appointed Date shall be deemed to be made by the Amalgamated Company. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company 2 and Amalgamating Company 3, respectively, in relation to such funds or trusts shall become those of the Amalgamated Company. The trustees including the Boards of the Amalgamating Company 2 and Amalgamating Company 3, respectively, and the Amalgamated Company or through any committee / person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the Employees.

26. EMPLOYEE STOCK OPTION PLAN

26.1 In respect of stock options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, upon the effectiveness of the Scheme, the Amalgamated Company shall issue stock options to such Eligible Employees taking into account the Share Exchange Ratio and on terms and conditions not less favourable than those provided under the Amalgamating Company 1 ESOP Plans. Such stock options may be issued by the Amalgamated Company 1 under the Transferee Stock Option Plan.

26.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Amalgamating Company 1 to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, under the Amalgamating Company 1 ESOP Plans, shall automatically stand cancelled. Further, upon the Scheme becoming effective and after cancellation of the options granted to such Eligible Employees under the Amalgamating Company 1 ESOP Plans, the fresh options shall be granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 on the basis of the Share Exchange Ratio, i.e. for every 10 (Ten) options held by such Eligible Employee which entitle such Eligible Employee to acquire 10 (Ten) equity shares in the Amalgamating Company 1, such Eligible Employee will be conferred 139 (One Hundred and Thirty Nine) options in the Amalgamated Company which shall entitle him to hold 139 (One Hundred and Thirty Nine) equity shares in the Amalgamated Company. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Amalgamated Company to such Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Amalgamating Company 1 ESOP Plans as adjusted after taking into account the effect of the Share Exchange Ratio.

26.3 The grant of options to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3 pursuant to Clause 26.2 of this Scheme shall be effected as an



integral part of the Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Plan and the Amalgamating Company 1 ESOP Plans, including without limitation, for the purposes of creating the Transferee Stock Option Plan and/ or modifying the Transferee Stock Option Plan and/ or the Amalgamating Company 1 ESOP Plans (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Amalgamating Company 1 ESOP Plans, and/ or modifying the exercise price of the stock options under the Transferee Stock Option Plan and/ or the Amalgamating Company 1 ESOP Plans), and all related matters. No further approval of the shareholders of the Amalgamated Company would be required in this connection under Applicable Law.

- 26.4 It is hereby clarified that in relation to the options granted by the Amalgamated Company to the Eligible Employees of the Amalgamating Company 2 and Amalgamating Company 3, the period during which the options granted by the Amalgamating Company 1 were held by or deemed to have been held by such Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Plan or the Amalgamating Company 1 ESOP Plans, as the case may be.
- 26.5 The Boards of the Amalgamating Company 1 and the Amalgamated Company or any of the committee(s) thereof, including the compensation committee, if any, 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 of the Scheme.

PART E

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

27. APPROVAL OF MEMBERS OF THE AMALGAMATING COMPANIES AND AMALGAMATED COMPANY

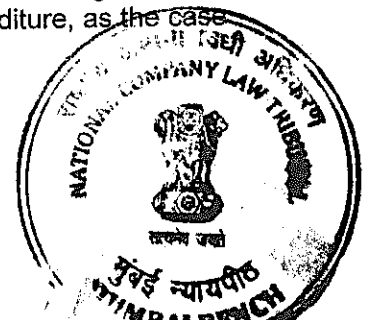
Each of the Amalgamating Companies and the Amalgamated Company undertake that the approval of the members of each of the Amalgamating Companies and the Amalgamated Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting as may be applicable under the Companies Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme including valuation report obtained by the Amalgamating Company 1 and the Amalgamated Company from Walker Chandok & Co. LLP and S. R. Batliboi & Co. LLP and fairness opinion obtained from JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited, respectively, the complaints report and the observation letters received from the Stock Exchanges and such other documents/ information as prescribed under the SEBI Circular.

28. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 28.1 The Amalgamating Companies and the Amalgamated Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Amalgamating Companies and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Companies 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.

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

- (a) each of the Amalgamating Companies 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;
- (b) all profits and income accruing to each of the Amalgamating Companies, 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 each of the Amalgamating Companies shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;



- (c) any of the rights, powers, authorities, privileges exercised by each of the Amalgamating Companies shall be deemed to have been exercised by such Amalgamating Companies 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 each of the Amalgamating Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and
- (d) all assets acquired and all Liabilities incurred by each of the Amalgamating Companies 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.

29. DIVIDENDS

- 29.1 The Amalgamated Company and each of the Amalgamating Companies shall be entitled to declare and pay dividends, whether interim or final, to their shareholders, as per their respective dividend policies consistent with past practice in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamating Companies and the Amalgamated Company and prior to the Effective Date.
- 29.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to Clause 29.1 and the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Amalgamating Companies and/or Amalgamated Company, as the case may be, and subject, wherever necessary, to the approval of the respective shareholders.

30. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of each of the Amalgamating Companies pursuant to this Scheme, and the continuance of Proceedings under Clauses 15 and 24 above shall not affect any transaction or Proceedings already concluded by any of the Amalgamating Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Companies in respect thereto, as if done and executed on its behalf.

31. COMBINATION OF AUTHORISED CAPITAL

- 31.1 Upon this Scheme becoming effective, the authorized share capital of the Amalgamated Company shall automatically stand increased without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of each of the Amalgamating Companies amounting to Rs. 363,00,00,000 (Rupees Three Hundred and Sixty Three Crores Only) and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 232 or any other applicable provisions of the Companies Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of each of the Amalgamating Companies shall be utilized and applied to the increased authorized 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 authorized share capital to that extent.
- 31.2 Pursuant to the Scheme becoming effective and consequent upon the Amalgamation of the Amalgamating Companies into the Amalgamated Company, the authorized share capital of the Amalgamated Company will be as under:



AUTHORISED SHARE CAPITAL	(Rs.)
5,32,50,00,000 equity shares of Rs. 10 each	53,25,00,00,000
38,00,000 preference shares of Rs. 100 each	38,00,00,000
Total	53,63,00,00,000

- 31.3 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Amalgamated Company as may be required under the Companies Act, and Clause V of the memorandum of association of the Amalgamated Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorized Share Capital of the Company is Rs. 53,63,00,00,000 (Rupees Five Thousand Three Hundred and Sixty Three Crore only) divided into 5,32,50,00,000 (Five Hundred and Thirty Two Crore Fifty Lakh) Equity Shares of Rs. 10 (Rupees Ten) each and 38,00,000 (Thirty Eight Lakh) Preference Shares of Rs. 100 (Rupees One Hundred) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

- 31.4 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, shall be required to be passed by the Amalgamated Company separately in a general meeting for issue of the New Equity Shares to the members of the Amalgamating Company 1 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 New Equity Shares to the members of the Amalgamating Company 1 in terms of the Scheme.

32. DISSOLUTION OF THE AMALGAMATING COMPANIES

On the Scheme becoming effective, each of the Amalgamating Companies shall stand dissolved without being wound-up. On and with effect from the Effective Date, the name of the Amalgamating Companies shall be struck off from the records of the appropriate Registrar of Companies. The Amalgamated Company shall make necessary filings in this regard.

33. APPLICATIONS/ PETITIONS TO THE TRIBUNALS AND APPROVALS

- 33.1 Each of the Amalgamating Companies and the Amalgamated Company, respectively, shall, with all reasonable dispatch, make and file all applications under Sections 230 to 232 read with other applicable provisions of the Companies Act, to the respective Tribunals, for sanction of this Scheme and for dissolution of Amalgamating Companies.
- 33.2 The Amalgamated Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals which the Amalgamated Company may require to own the Undertaking and to carry on the business of each of the Amalgamating Companies.

34. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 34.1 The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other Person or Persons, as the respective Boards may authorize, including any committee or sub-committee thereof, may make and/ or consent to any modifications/ amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority, whether in pursuance of a change in Applicable Law or otherwise. The Amalgamating Companies and the Amalgamated Company by their respective Boards or such other person or persons, as the respective Boards may authorize, including any



committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

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

35. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

36. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the receipt of the following approvals:

- (a) the RBI Approval;
- (b) the Stock Exchanges Approval;
- (c) the CCI Approval;
- (d) NHB approval for change in control/ management of Amalgamating Company 2 in terms of the NHB Control Directions;
- (e) approval from SEBI, the Stock Exchanges and/or National Securities Depository Limited, as may be required;
- (f) receipt of approval from the RBI under Section 12B of the BR Act, New Bank Guidelines and the RBI Master Directions – Ownership in Private Sector Banks, Directions 2016, for the parent company of the Amalgamating Company 1 to be allotted 5% or more shares in the Amalgamated Company pursuant to the Transaction;
- (g) this Scheme being approved by the respective majorities of the various classes of shareholders and creditors (where applicable) of each of the Amalgamating Companies and the Amalgamated Company, as required under the Companies Act subject to any dispensation that may be granted by the relevant Tribunals;
- (h) the Scheme having been approved by the relevant Tribunals and the Amalgamating Companies and the Amalgamated Company having received a certified true copy of order of the Tribunals approving the Scheme;
- (i) certified copies of the order of the Tribunals approving the Scheme being filed with the Registrar of Companies;
- (j) due compliance with any condition(s) stipulated by the RBI and/ or any other relevant Governmental Authority prior to the effectiveness of the Amalgamation;
- (k) divestment by the Amalgamating Company 3 of its entire shareholding in CFCL; and
- (l) such other conditions as may be mutually agreed between the Amalgamating Company 1 and the Amalgamated Company.

37. EFFECT OF NON-SATISFACTION OF THE CONDITIONS/NON RECEIPT OF APPROVALS/ SANCTIONS

- 37.1 In the event of any of the said approvals referred to in Clause 36 above, not being obtained



and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the respective Tribunal and/ or order or orders not being passed as aforesaid before the expiry of 15 (Fifteen) months from the date of approval of the Scheme by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company or such other date as may be mutually agreed in writing upon by the respective Boards of each of the Amalgamating Companies and the Amalgamated Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. Provided that, in case of non-satisfaction of any other conditions precedent, the Amalgamating Company 1 and the Amalgamated Company shall proceed in such manner as may be mutually agreed between them.

37.2 If any provision of this Scheme hereof is invalid, ruled illegal by either Tribunal, or unenforceable under present or future Applicable Laws, then such provision (so far as it is invalid or unenforceable) shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either any of the Amalgamating Companies or the Amalgamated Company, then in such case the Amalgamating Companies and the Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such provision.

37.3 If any proposed modification/ amendment to this Scheme under Clause 34.1, materially adversely affects the interest of any of the Amalgamating Companies or the Amalgamated Company, then such modification/ amendment shall not be binding on such affected party, and such party shall have the right to withdraw the Scheme.

37.4 The Amalgamating Companies and the Amalgamated Company, acting through their respective Boards, may mutually agree in writing to withdraw this Scheme from the Tribunals.

38. COSTS AND EXPENSES

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by any of the Amalgamating Companies and the Amalgamated Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by such Amalgamating Companies and the Amalgamated Company, till the Effective Date.



Certified True Copy
Date of Application 17/12-2018
Number of Pages 27
Fee Paid Rs. 135
Applicant called for collection copy on 17/12-2018
Copy prepared on 17/12-2018
Copy Issued on 17/12-2018


Assistant Registrar
National Company Law Tribunal, Mumbai Bench

**BEFORE THE NATIONAL COMPANY LAW
TRIBUNAL BENCH, AT MUMBAI**

COM. SCHEME PETITION NO. 3925 OF 2018

CONNECTED WITH

CA (CAA) NO. 726 OF 2018

In the matter of Under section 230 – 232 and other
Applicable Provisions of the Companies Act, 2013
Read with the Companies (Compromises,
Arrangements and Amalgamations) Rules, 2016

AND

In the matter of Scheme of Arrangement for
Amalgamation Among:

CAPITAL FIRST LIMITED ..PETITIONER
/AMALGAMATING COMPANY 1

AND

CAPITAL FIRST HOME FINANCE
LIMITED ..PETITIONER
/AMALGAMATING COMPANY 2

AND

CAPITAL FIRST SECURITIES
LIMITEDPETITIONER
/AMALGAMATING COMPANY 3

WITH

IDFC BANK LIMITEDAMALGAMATED
COMPANY

**Certified copies of the Minutes of Order dated 06th
December, 2018 and Scheme annexed to Company
Scheme Petition**



Shardul Amarchand Mangaldas & Co.
Advocate for the Applicants
24th Floor, Express Towers,
Nariman Point, Mumbai – 400 021.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH, AT MUMBAI**

MISCELLANEOUS APPLICATION NO. 228 OF 2019

IN

COMPANY PETITION NO. 3925 OF 2018

In the matter of the Companies Act, 2013

AND

In the matter of Rule 154 of the National
Company Law Tribunal Rules, 2016

IDFC FIRST BANK LIMITED

(earlier known as IDFC BANK LIMITED)

KRM Tower, 7th Floor, No. 1, Harrington
Road, Chetpet, Chennai – 600031

... **APPLICANT**

Coram: Bhaskara Pantula Mohan (Member) (J)

V.Nallasenapathy (Member) (T)

Judgment/ Order delivered on: 25.01.2019



For the Applicant: Gaurav Joshi, Senior Advocate, Ameya Gokhale and Radhika Indapurkar i/b Shardul Amarchand Mangaldas & Co, Advocates for the Applicant

Per: Bhaskara Pantula Mohan, Member (J)

ORDER

1. Heard the learned counsel for the Applicant.
2. The present Application is filed by the Applicant for rectification of the Order dated 6th December 2018 ("**Order**"), passed by this Tribunal in matter of company petition filed jointly by Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited for seeking sanction of this Tribunal to the Scheme of Arrangement for Amalgamation of the petitioner companies with IDFC Bank Limited and their respective

shareholders and creditors ("**Scheme**"). Pursuant to the Order, the Scheme is implemented and effective and the petitioner companies stand amalgamated into the Applicant.

3. The learned counsel for the Applicant submits that in respect of the Scheme, the office of the Regional Director had filed a report dated 4th December 2018 ("**RD Report**") stating their observations for consideration of this Hon'ble Tribunal. The RD Report (in its paragraph IV) as recorded in Paragraph 8 of the Order, *inter alia*, states that:

"b. In addition to compliance of (IND AS-103), the Petitioner Companies 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."

4. The counsel for the Applicant further submits that due to an accidental omission caused inadvertently, the counsel for the Petitioner Companies had made a submission, which was recorded in the Order at Paragraph 10 therein, which reads as under:

"10. As far as the observation in paragraph IV(b) of the RD Report is concerned, the Petitioner Companies through their Counsel state that the Amalgamated Company undertakes that in addition to compliance of (IND AS-103), the Amalgamated Company 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."

5. The counsel for the Applicant has now drawn our attention to a notification of the Reserve Bank of India ("**RBI**") dated 11th February 2016 (DBR.BP.BC.No.76/21.07.001/2015-16) along with a press release of the RBI dated 5th April 2018. The counsel for the Applicant submits that in view of the said RBI notification and the press release, the implementation of Indian Accounting Standard (IND AS) has been deferred for scheduled commercial banks at least until 1st April 2019. The counsel for the Applicant therefore submits that since the Applicant is a scheduled commercial bank, the Applicant is not in a position to comply with the IND AS 103 as on the date of the Order or the present Application. The Counsel for the Applicant also submits that the corresponding accounting standard to IND AS 103 which is applicable to the Applicant is Accounting Standard 14 (AS - 14). The Counsel for the Applicant undertakes to comply with AS - 14.
6. The Counsel further submits that in view of the above, Paragraph 10 of the Order needs to be rectified to clarify that the Applicant is required to



M.A. 228 OF 2019
IN
COMPANY PETITION NO. 3925 OF 2018

comply with the AS - 14, the accounting standard as applicable to Applicant in accordance with the extant regulations of the RBI.

7. We have heard the submissions of the counsel for the Applicant. The following order is passed:

- (a) Paragraph 10 of the Order dated 6th December 2018 passed by this Tribunal in the present matter be read as under with effect from 6th December 2018:

"10. As far as the observation in paragraph IV(b) of the RD Report is concerned, the Petitioner Companies through their Counsel state that Amalgamated Company undertakes that in addition to compliance of **AS-14** (IND AS 103), the Amalgamated Company 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."

SD/-
V. Nallasenapathy
Member (T)

SD/-
Bhaskara Pantula Mohan
Member (J)



Certified True Copy
Copy issued "free of cost"
On 11/2/2019

Assistant Registrar
National Company Law Tribunal Mumbai Bench



IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI

CP(CAA)/33(CHE)/2024

in

CA(CAA)/2(CHE)/2024

(filed under Sections 230 to 232 of the Companies Act, 2013)

*In the matter of the Composite Scheme of Amalgamation
Between*

IDFC FINANCIAL HOLDING COMPANY LIMITED,

A Company Incorporated under

Companies Act, 2013,

Registered Office:

4th Floor, Capitale Tower,

555 Anna Salai,

Thiru Vi Ka Kudiyiruppu, Teynampet,

Chennai, Tamil Nadu – 600 018.

Represented by Mr. Bipin Gemani.

Chief Financial Officer

... 1st Petitioner / Transferor Company

And

IDFC LIMITED,

A Company Incorporated under

Companies Act, 1956,

Registered Office:

4th Floor, Capitale Tower,

555 Anna Salai,

Thiru Vi Ka Kudiyiruppu, Teynampet,

Chennai, Tamil Nadu – 600 018.

Represented by Mr. Bipin Gemani

Whole Time Director and Chief Financial Officer

... 2nd Petitioner / Transferee

Company/Amalgamating Company

And

IDFC FIRST BANK LIMITED,

A Company Incorporated under

Companies Act, 2013,





Registered Office:
KRM Tower, 7th Floor, No.1,
Harrington Road, Chetpet,
Chennai, Tamilnadu – 600 031.
Represented by Authorised Representative,
Mr.Ankit Singh,
Assistant Company Secretary.

...3rd Petitioner / Amalgamated
Company

And

THEIR RESPECTIVE SHAREHOLDERS

Order Pronounced on 25th September 2024

CORAM

JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present: -

For Petitioner(s) : Mr.R.Sankaranarayanan, Sr. Advocate
Mr.Arvinth Pandian, Sr.Advocate
M/s.Preeti Mohan, R.Raga Sudha and
Sagarika Shankar, Advocates

For Regional Director : Mr.Avinash Krishnan Ravi, Advocate

For Income Tax Department : Mr. Ramana Kumar, Advocate

For Official Liquidator : Mrs.Sri Kumari, JTO
Mr.B.Palani, Estate Assistant

ORDER

These Company Petitions have been filed by IDFC FINANCIAL

HOLDING COMPANY LIMITED (hereinafter Transferor Company), IDFC

LIMITED (hereinafter Transferee Company/Amalgamating Company)

and IDFC FIRST BANK LIMITED (hereinafter Amalgamated Company)

under section 230-232 of the Companies Act, 2013, and other applicable





provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') for approval of the Composite Scheme of Amalgamation (hereinafter referred to as the 'SCHEME') pursuant to the Scheme proposed by the Petitioner Companies and the said Scheme is also filed along with all the Petitions.

2. An affidavit in support of the present petition sworn by,

a) **Mr.Bipin Gemani** for Transferor Company and the Transferee Company in the capacity of Authorised Representative,

b) **Mr.Ankit Singh** for Amalgamated Company in the capacity of Authorised Representative,

and the corresponding Board Resolutions dated 03.07.2023 are placed on record.

3. 1ST MOTION APPLICATION – IN BRIEF

3.1. The Petitioner Companies filed the First Motion Applications vide CA(CAA)/2(CHE)/2024 and sought directions for dispensation

conducting the meeting of its members and creditors regarding

approval of the proposed Scheme. Based on the submissions, this

Tribunal vide order dated 22.03.2024 issued directions to conduct

meeting of Equity Shareholders of the Transferee Company and Equity





Shareholders and Non-Convertible Debenture Holders of Amalgamated Company.

3.2 Mr.Varadharajan was appointed as the Chairperson of the above meetings. The Chairman filed his report dated 22.05.2024, upon perusing the report it is noticed that in the meeting stated above the Equity Shareholders and Non-Convertible Debenture Holders of the respective Petitioner Companies with requisite majority accorded their consent to the Scheme. Thereafter, the second motion petitions were filed before this Tribunal by the petitioner companies on 24.05.2024 for approval of the Scheme by this Tribunal which is within limitation as per provisions of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

4. SCHEME SUMMARY:

The Scheme provides for the amalgamation of IDFC Financial Holding Company Limited with IDFC Limited; amalgamation of IDFC Limited with IDFC First Bank Limited, reduction of securities premium account

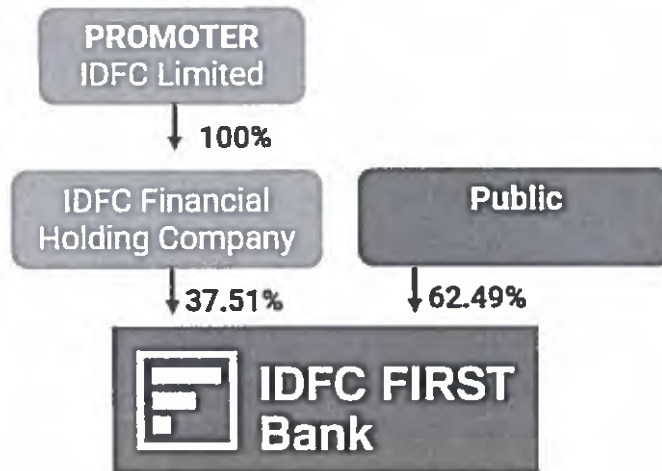
of IDFC First Bank Limited and other matter consequential, incidental, supplementary or otherwise integrally connected with. The chart explaining of the Scheme is extracted under:



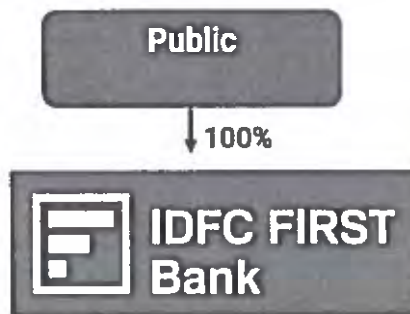


CHART EXPLAINING THE SCHEME

Pre-Amalgamation



Post Amalgamation



5. RATIONALE OF THE SCHEME

The rationale of the Scheme are briefed in Clause-4 of the Scheme as follows,



(i) This Scheme, inter alia, provides for the Amalgamation (as defined hereinafter) and various other matters consequential or otherwise integrally connected therewith.

(ii) As per conditions of the 2013 Private Banking Licence Guidelines (as defined hereinafter), the equity shares of the Amalgamated Company must be listed on a recognised stock exchange in India within a time period of 3 (three) years of commencing of business as a bank. The



promoter(s) namely the Amalgamating Company must not be conducting any financial regulated business directly under it.

(iii) It was mandated to hold the equity investment in the Amalgamated Company and other regulated financial entities only through the Transferor Company. Hence, the Amalgamating Company (promoter of the Amalgamated Company) invested in the Amalgamated Company only through a Non-Operating Financial Holding Company ie, the Transferor Company, due to other regulated financial services entities of the group

(iv) Hence, the 39.93% (thirty nine point nine three percent) equity stake of the Amalgamating Company in the Amalgamated Company is held by the Amalgamating Company through the Transferor Company. As on date of the Board of the Transferor Company approving the Scheme, the Transferor Company has closed/ sold/ exited all other regulated financial services business.

(v) The Amalgamating Company and the Transferor Company have minimal operations and have no businesses or stake in any other financial services entities regulated by RBI or other financial sector regulators. Further pursuant to the letter dated July 20, 2021, RBI has clarified that after the expiry of lock-in period of 5 (five) years (ie after September 30, 2020), IDFC Limited, the Amalgamating Company can exit as the promoter of IDFC FIRST Bank Limited, the Amalgamated Company.

(vi) The 2013 Private Banking Licence Guidelines, and subsequent clarification by RBI, also permit the Amalgamating Company to exit or to cease to be a promoter after lock-in period of 5 (five) years, subject to RBI's regulatory and supervisory comfort and SEBI (as defined hereinafter) regulations.



(vii) In view of the above, this Scheme inter alia contemplates the (a) amalgamation of the Transferor Company with the Transferee Company. and (b) the subsequent amalgamation of the Amalgamating Company with the Amalgamated Company and issuance of New Amalgamated Company Shares to the shareholders of the Amalgamating Company, in the manner and subject to the terms and conditions set out in this Scheme, keeping the best interest of all the



stakeholders of the Transferor Company, the Amalgamating Company and the Amalgamated Company

(viii) The Amalgamation will result in the shareholders of the Amalgamating Company directly holding shares in the Amalgamated Company, which will lead to simplification of the shareholding structure.

6. In the second motion Petition filed by the Petitioner Companies, this Tribunal vide order dated 29.05.2024 directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities to the authorities concerned as well as directed to issue paper publication.

7. In compliance with the said directions issued by this Tribunal, the Petitioner Companies have effected paper publications as directed by the Tribunal in "Business Line" (All India Edition) in English and "Makkal Kural" (Tamil Nadu Edition) and "Nava Bharat" (All India Hindi edition) in Hindi on 08.06.2024. Notices have been served to (i) Regional Director, Southern Region, Chennai on 12.06.2024, (ii) Registrar of Companies Chennai, on 12.06.2024 (iii) Competition Commission of India, on 11.06.2024 (iv) Reserve Bank of India, on

12.06.2024 (v) Official Liquidator, on 12.06.2024 (vi) Goods and Service Tax Department, Mumbai, on 10.06.2024 (vii) Securities Exchange Board of India, on 10.06.2024 (viii) Insurance Regulatory Development Authority, on 10.06.2024 (ix) Pension Fund Regulatory and





Development Authority, on 11.06.2024 (x) NSDL, on 10.06.2024 (xi) BSE, on 10.06.2024 (xii) NSE on 10.06.2024 (xiii) Deputy Commissioner, Income Tax Department, Chennai on 13.06.2024 and (xiv) Nodal Officer, Income Tax, Chennai on 13.06.2024 the proof of the same by way of affidavit of service have been enclosed with the separate typed set. Pursuant to the service of notice of the petitions the following statutory authorities have responded as under:

8. STATUTORY / REGULATORY AUTHORITIES

8.1. REGIONAL DIRECTOR

8.1.1. The Regional Director (RD), Southern Region to whom the notice was issued has filed its report dated 22.07.2024 before this Tribunal and stated as follows:

"3. It is further submitted that as per clause 5.11 of Part-I of the Scheme, the Appointed Date 1" means close of business hours on the day immediately preceding the Effective Date and as per clause 5.12 of Part-1 of the Scheme, the Appointed Date 2" means "opening of business hours on the Effective Date". In this regard, Roc, Chennai has reported that the company has clarified that the scheme may identify the appointed date based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event would have to be indicated in the scheme itself upon occurrence of which the scheme would become effective. The company ensured that the scheme is in compliance with the MCA circular and Section 232(6) of the Companies Act, 2013. However, the company has to ensure to comply with the MCA circular No.9/2019 dated 21.8.2019 and Section 232(6) of the Companies Act 2013.



17. It is submitted that Clause 13.1 of Part-III of the Scheme provides that upon the scheme becoming effective, the authorized share capital of



the Transferor Company shall stand Transferred with the authorized share capital of Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its Authorized Share Capital, shall be deemed to have been so paid by the Transferee Company on combined Authorized share capital and accordingly, the Transferee Company, shall not be required to pay any fee/stamp duty for the combined Authorised Share Capital. It is prayed that the Hon'ble NCLT, Chennai may direct the Transferee Company/Amalgamating Company to pay excess payment if applicable, and also to file the amended MOA and AOA with ROC.

18. It is submitted that Clause 24 of Part-IV of the Scheme provides that upon the scheme becoming effective, the authorized share capital of the Amalgamating Company shall stand Transferred with the authorized share capital of Amalgamated Company. Filing fees and stamp duty, if any, paid by the Amalgamating Company on its Authorized Share Capital, shall be deemed to have been so paid by the Amalgamated Company on combined Authorized share capital and accordingly, the Amalgamated Company, shall not be required to pay any fee/stamp duty for the combined Authorised Share Capital It is prayed that the Hon'ble NCLT, Chennai may direct the Amalgamated Company to pay excess payment if applicable, and also to file the amended MOA and AOA with ROC."

Apart from the above the Regional Director decided not make any objection to the Scheme.

8.1.2. In response to the above objections the Petitioner Companies stated as under:



"The scheme may identify the appointed date based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event is indicated in the scheme itself upon occurrence of which the scheme would become effective. The Petitioner Companies submit that the scheme is in compliance with the MCA circular No. 9/2019 and Section 232(6) of the Companies Act, 2013.



The Petitioner 2 shall be amalgamated with Petitioner No. 3 as per the terms of the Scheme. Hence the filing fees and differential stamp duty, if any shall be paid by Petitioner Company No. 3 after giving due credit in accordance with Section 232(3)(i) of the Companies Act, 2013. The Petitioner No. further undertakes to file the amended AoA and MoA.

Petitioner No. 3 undertakes to pay the deferential stamp duty, if any after giving due credit in accordance with Section 232(3)(i) of the Companies Act, 2013. The Petitioner No. 3 further undertakes to file the amended AoA and MoA”

All the matured IDFC bonds have been repaid and proof of such payments have been submitted to the RoC and the same has been acknowledged.”

8.1.3. Since, Petitioner Companies have undertaken to pay the differential stamp duty and has explained its stand on fixing appointed date as per MCA circular No. 9 / 2019. We find that the objections raised by RD are satisfied.

8.2. OFFICIAL LIQUIDATOR:

8.2.1. The Official Liquidator, Chennai to whom the notice was issued in the first motion itself, has filed his Report dated 16.07.2024 before this Tribunal and has stated that they have appointed M/s.N.R Krishnamoorthy & Co, Chartered Accountants Firm from the panel list

maintained by their office to verify into the affairs of the Petitioners Companies 1 & 2. In para 8 of the above said report the Official Liquidator has expressed his satisfaction as follows,





“...That in accordance to the basis of documents produced before the Official Liquidator and on the basis of the documents available in the MCA data base and also considering the facts mentioned by the Chartered Accountants in their report dated 03/07/2024, the Official Liquidator is of the view that the petition may be considered fairly as the affairs of the Transferor Company and Amalgamating company have not been conducted in a manner prejudicial to the interest of its creditors or public.”

8.2.2. Further, the Official Liquidator sought to take the report of the Chartered Accountant on record and has also sought to fix the remuneration payable to the Auditor who has investigated into the affairs of the Petitioners Companies 1 & 2. In this regard, this Tribunal hereby directs the Petitioner Companies concerned to pay a sum of Rs.1,00,000 /- plus GST.

8.3. INCOME TAX DEPARTMENT:

The Income Tax of Department to whom the notice was issued has filed his Report dated 24.06.2024 before this Tribunal and has expressed their objections. In turn, the Petitioner Companies replied as under:



9.	Para 5, Page 5	The IT Dept conveys its no objection to the present Scheme subject to the condition that the scheme of arrangement is in compliance with the provisions of Income Tax Act, 1961 and Income Tax Rules, 1962 and if any part of the scheme is found to be repugnant to the above laws, the same will be treated as void ab initio. The Department also requests that the resultant company IDFC First Bank Limited shall discharge all its responsibilities and liabilities emanating in	The Petitioner Companies confirms that the Scheme is in compliance with the provisions of the Income Tax Act, 1961 and the Income Tax Rules, 1962. The Petitioner No.3 duly undertakes to discharge all the responsibilities and liabilities emanating or likely to emanate in respect of the amalgamation of transferor companies subject to
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		respect of the pending/completed/likely to arise in respect of amalgamating and transferor companies	all rights, benefits and privileges available under law. The Petitioner Companies state that the same has also been provided for specifically under Clauses 18 & 30- of the Scheme – dealing with 'Taxation Matters'.
10.	Para 6, Page 5	IT Dept states that there are certain outstanding demands due from the Petitioner Companies 2 & 3. Requires the outstanding demands to be discharged by the final amalgamated company M/s. IDFC FIRST Bank Limited as the resulting entity.	Petitioner No. 3 undertakes to duly discharge all the outstanding dues of Petitioner Nos. 1 & 2, in accordance with the terms of the Scheme as stated in Clause 18 & 30 of the Scheme, subject to all rights, remedies, defences, benefits and privileges available under law in this regard.
11.	Para 7, Page 5	States that the scheme does not mention specific appointed and effective dates. The same is dependent on the date of approval of the scheme by the Hon'ble National Company law Tribunal. The respective transferor/transferee/amalgamated companies will bring to the notice of the department as and when the scheme is approved by the Hon'ble Tribunal. The continuation of the proceedings of assessment or recovery or any other action will be subject to the provisions of the Income Tax Act and the assessee companies will not quote the approved scheme as a ground to oppose such continuation of proceedings. In the event of failure of the assessee to notify the department of the approval of the scheme, the same will	In terms of the Scheme, Effective Date means the last of the dates on which the authenticated copies or the certified copy of the order of NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai by the Petitioner Companies, after the last of the approvals, permissions, resolutions, agreements, sanctions and orders necessary thereof or the events as specified in Clause 37 of the Scheme are satisfied or have occurred or obtained or the requirement of which has been waived in accordance





		preclude the assessee companies from raising any technical grounds on the validity of the proceedings.	Scheme. Appointed Date 1 means close of business hours on the day immediately preceding the Effective Date. Appointed Date 2 means opening of business hours on the Effective Date. The Petitioner Companies have duly taken note of the said observation and undertakes to comply with the same.
12.	Para 8, Page 2	States that subsequent to the scheme being effective, the proceedings in respect of transferor company M/s. IDFC Financial Holding Company Limited will have to be carried out in the hands of amalgamated company, M/s. IDFC FirstBank Limited only. However this Scheme does not contain any express provision in this regard.	The Petitioner Companies states that the Scheme does expressly cover this aspect, and the specific provision in respect of continuation of proceedings is contained in Clauses 18 & 30 of the Scheme – dealing with 'Taxation matters'.
13.	Para 9, Page 5	States that the refund of tax which has already been determined but not issued either to the transferor company/ amalgamating/ amalgamated company will be issued in the name of respective companies only, as per the extant technical limitations of the system. Further, also states that the amalgamated company shall ensure that no technical glitches arise due to any name mismatch by changing the name of the account or closure of the bank accounts and further states that the department is not liable to pay any interest due to the delay attributable to the assessee in informing such changes. The assessee will make all such claims in respect of grant of refund/interest on refund to the Income Tax Authorities only. The joint petitioners will not claim any right under	The Petitioner Companies have noted the same and confirm that they will ensure that no technical glitches arise due to any name mismatch by changing the name of the account or closure of the bank accounts.





		this scheme in respect of calculation of any period of delay attributable to the assessee while granting interest u/s 244A of the Act	
14.		States that any credit in respect of which tax at source was deducted/collected on inter-company transactions will be dealt with under the extant provisions of the Income Tax Act depending on the date of remittance of such TDS/TCS remitted into the government account. The Department opposes the claim of the petitioner companies that such TDS/TCS has to be treated as advance tax.	The Petitioner Companies have noted the observation and confirm to follow the extant provisions of the Income Tax Act.
15.		Seeks clarity on whether any amendment to the scheme will have retrospective benefit of such rectification and opposes that any amendment of the scheme will be prospective only and tax implications will be examined under the provisions of the Income Tax statute under the approved scheme before any such rectified scheme comes into effect.	The Petitioner Companies have noted the observation and confirm that amendment if any to the Scheme will be prospective in nature.

Going through the objections of the Income Tax Department and the replies filed by the Petitioner Companies we see that the Petitioner Companies undertook to comply with the legal compliances pointed out by the IT Department and had also explained the stand on the appointed and effective date as per the MCA circular.



8.4. COMPETITION COMMISSION OF INDIA:

Competition of India to whom the notices were served filed its reports dated, 17.10.2023 expressed its no objections as under:



Reference is invited to the notice (bearing Registration No. C-2023/10/1063) filed on 16th October, 2023 under sub-section (2) of Section 6 of the Competition Act, 2002 (Act) read with regulations 5 and 5A of the Competition Commission of India (Procedure in regard to the transactions of business relating to combinations) Regulations, 2011 (Combination Regulations).

The combination, in respect of which notice has been filed, in terms of Regulation 5A of the Combination Regulations, shall be deemed to have been approved upon filing of the notice and acknowledgement thereof.

8.5. RESERVE BANK OF INDIA:

Reserve Bank of India to whom the notices were served filed its reports dated, 26.12.2023 for the Petitioner Companies 1 & 2 and 16.12.2023 for Petitioner Company 3 wherein it expresses its No objection to the proposed Scheme as follows:

2. We hereby convey our 'no-objection' to the composite scheme of amalgamation for the amalgamation of (i) IDFC Financial Holdings Company Ltd. (IDFC FHCL) into and with IDFC Ltd. (IDFCL); and (ii) IDFCL into and with IDFC FIRST Bank (IDFCB), subject to the following conditions:

- The merged entity (IDFCB) shall ensure compliance with all applicable statutory and regulatory requirements unless specific exemptions are granted by relevant regulators/authorities.
- IDFCB shall obtain approval of the National Company Law Tribunal (NCLT) for the composite scheme of amalgamation and forward a copy of the approval to the Reserve Bank.
- The composite scheme of amalgamation should be approved by the requisite majority of shareholders and creditors of IDFCL and IDFCB after following due procedure.
- The documents relating to shareholder meetings shall be forwarded to the Reserve Bank at the earliest in compliance with the schedule to Master Direction on Amalgamation of Private Sector Banks dated April 21, 2016.





- e) The Reserve Bank shall be kept informed of the outcome of the applications made for other statutory approvals.
- f) An audited balance sheet of IDFCB, as on the effective date of the scheme, shall be submitted to the Reserve Bank within two months from the effective date after ensuring compliance with the prescribed accounting policies and standards.
- g) IDFC FHCL and IDFCB shall approach the Reserve Bank for cancellation of registration and surrender of the certificate of registration within fifteen days from the effective date of the scheme of amalgamation and other requirements, if any, in accordance with the regulations/guidelines issued in this regard.
- h) Any pending causes of actions, suits/ appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal against IDFCB and/or IDFC FHCL, whether pending on the appointed date or which may be instituted any time in the future, shall not abate or be discontinued. But the proceedings can be initiated and continued, and any prosecution shall be enforced against IDFCB in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced against IDFCB and/or IDFC FHCL, as if this scheme had not been implemented.
- i) RBI may impose additional conditions deemed appropriate in this regard.

In response to the above the Petitioners Companies, undertook to comply with the necessities pointed out in the above report of Reserve Bank of India and the same is reproduced below:

Clause a	The merged entity (IDFCB) shall ensure compliance with all applicable statutory and regulatory requirements unless specific exemptions are granted by relevant regulators/authorities.	The Petitioner No. 3 duly undertakes to comply with all applicable statutory and regulatory requirements subject to the benefits and privileges available under law.
Clause b	IDFCB shall obtain approval of the National Company Law Tribunal (NCLT) for the composite scheme of amalgamation and forward a copy of the approval to the Reserve Bank.	Petitioner No. 3 duly undertakes to comply with the same once the Scheme is approved by this Hon'ble Tribunal.
Clause c	The composite scheme of amalgamation should be approved by the requisite majority of shareholders and creditors of IDFCB and IDFCB after following due procedure.	It is submitted that the present Scheme has been approved by the requisite majority of shareholders of the Petitioner No. 2 & 3, as well by the requisite majority of the debenture holders of Petitioner No.3. It is further submitted that that the Petitioner No. 2 does not have any creditors and hence the requirement of holding their meeting to consider the Scheme was dispensed with by this Hon'ble Tribunal vide dated 22.03.2024. Further, the meeting of the unsecured creditors of the Petitioner No. 3 was dispensed with, by this Hon'ble Tribunal vide order dated 22.03.2024, since the Scheme does not propose any compromise and/or arrangement with the creditors of Petitioner No. 3 and since the rights and interest of the unsecured creditors of the Petitioner No.3 are not affected in any manner.





Clause d	The documents relating to shareholder meetings shall be forwarded to the Reserve Bank at the earliest in compliance with the schedule to Master Direction on Amalgamation of Private Sector Banks dated April 21, 2016.	Intimation was made to RBI on May 18, 2024 on the outcome of shareholders and debenture-holders meeting.
Clause e	The Reserve Bank shall be kept informed of the outcome of the applications made for other statutory approvals.	RBI has been updated on the approvals received from other statutory approvals.
Clause f	An audited balance sheet of IDFCB, as on the effective date of the scheme, shall be submitted to the Reserve Bank within two months from the effective date after ensuring compliance with the prescribed accounting policies and standards.	The Petitioner No. 3 duly undertakes to comply with the same.
Clause g	IDFC FHCL and IDFCB shall approach the Reserve Bank for cancellation of registration and surrender of the certificate of registration within fifteen days from the effective date of the scheme of amalgamation and other requirements, if any, in accordance with the regulations/guidelines issued in this regard.	The Petitioner No. 1 & 2 duly undertake to comply with the same.
Clause h	Any pending causes of actions, suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal against IDFCB, and/or IDFC FHCL, whether pending on the appointed date or which may be instituted any time in the future, shall not abate or be discontinued. But the proceedings can be initiated and continued, and any prosecution shall be enforced against IDFCB in the same	Petitioner Companies have duly taken note of the same and Petitioner No. 3 gives an undertaking in this regard, subject to all rights, benefits and privileges available under law. The Petitioner Companies submit that such position is also clearly reflected in terms of Clauses 16 and 27 of the Scheme.

	manner and to the same extent as would or might have been continued, prosecuted and/or enforced against IDFCB and/or IDFC FHCL, as if this scheme had not been implemented.	
Clause i	RBI may impose additional conditions deemed appropriate in this regard	



8.6 NATIONAL STOCK EXCHANGE (NSE):

National Stock Exchange to whom the notices were issued filed their report dated 13.11.2023 with observations expressed their 'No Objection' as follows:



Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

In response to the same the Petitioner Companies submitted that they have fulfilled the regulatory mandates and they undertook to meet with the necessary compliances observed by NSE and the same is extracted hereunder:

Sr. No.	Para references	Observations in letters dated 13.11.2023	Response to the observations
1.	Para 1(a), Pg. 1	The Company shall ensure that the proposed composite scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Petitioner No. 2 & 3 state that the terms of the Scheme have been drawn up in compliance with the provisions of the SEBI Regulations.



2.	Para 1(b), Pg. 1	Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.	The Petitioner No. 2 & 3 state that due disclosure regarding the details of all the proceedings as stipulated in Para 1(b) have been made before this Hon'ble Tribunal as well as in the notice of meeting issued to the shareholders of Petitioner No. 2 & 3.
3.	Para 1(c), Pg. 2	Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.	Petitioner No. 2 & 3 state that all the additional information have been displayed on the website of the companies and this position has also been communicated to the stock exchanges.
4.	Para 1(d), Pg. 2	Company shall ensure that no changes to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/authorities/ tribunals.	The Petitioner Companies submit that changes made to clauses 5.20, Page No 8 (Definition of Effective Date), clause 8, Page No. 19(Share Capital of the Companies) and clause 2.1(ii), Page No. 4 of the Scheme have been duly intimated to the stock exchanges vide letter dated January 01, 2024. The Petitioner Companies undertake to ensure that no further changes shall be made to the Scheme and further changes made (if any) will be duly intimated to the stock exchanges.



5.	Para 1(e), Pg. 2	The entities involved in the scheme shall ensure compliance with various provision of SEBI master circular dated November 23, 2021.	The Petitioner Companies duly undertake to comply with the SEBI Master Circular dated 20.06.2023, issued in supersession of the Master Circular dated 23.11.2021.
6.	Para 1(f), Pg. 2	Company shall ensure that information pertaining to all the unlisted Companies involved, if any, in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E.	The Petitioners No. 2 & 3 have duly included the information pertaining to the unlisted company i.e. Petitioner No.1 in the format of the abridged prospectus as provided in Part E of

8.7. BOMBAY STOCK EXCHANGE:

Bombay Stock Exchange to whom the notices were issued filed their report dated 13.11.2023 with observations expressed that they have 'No adverse Objections' regarding the proposed Scheme as follows:

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

In response to the observation of the BSE, the Petitioner Companies submitted that they have fulfilled the regulatory mandates and they undertook to meet with the necessary compliances observed by BSE and the same is reproduced under:

8.8. BSE & NSE STOCK BROKERS:

It is stated that the Petitioner Company 3 issued notices to the NSE and BSE stock brokers regarding approval of the proposed Scheme. In turn, BSE vide letter dated 17.11.2023 gave its prior approval with certain





conditions. The Petitioner responded to those conditions as follows:

Sr. No.	Para references	Observations in letters dated 17.11.2023	Response to the observations
1.	Para 1	The broker shall continue to be liable for all liabilities/obligations (including monetary penalties if any) for violations, if any of the provisions of the SEBI Act, 1992 and the SEBI (Stock-Brokers) Regulations, 2018	The Petitioner Companies duly take note of the same
2.	Para 2	The actions if any pending against the transferor entities shall continue against both transferor and transferee entities. The transferor and the transferee entities shall be liable for outcome of all pending actions against the transferor entity and an	The Petitioner Companies duly take note of the same



		undertaking to that effect shall be submitted by the transferee entity to SEBI and Exchange	
3.	Unnumbered para 3	IDFC First Bank limited will continue to be the member of the Exchange subsequent to the scheme taking effective	The Petitioner Companies confirm that the Petitioner No. 3, the Amalgamated Company IDFC First Bank will continue to be a member of the Exchange
4.	Unnumbered para 4	IDFC First Bank limited will comply with all requirements of the Exchange as applicable during the process of scheme of arrangement	The Petitioner No. 3 duly undertakes to comply with the same
5.	Unnumbered para 5	Further, the Petitioner Companies upon receipt of NCLT order and ROC approvals, are required to implement the approved changes and submit the following documents: a. C.A Certified Post-Amalgamation Capital Structure & Shareholding Pattern of Transferee Company b. PAN & Address of Promoter Shareholders c. CA Certified Post-Amalgamation Net-worth of the transferee company d. List of Directors Post Amalgamation e. List of Designated Directors (post-amalgamation) f. Scheme of Merger/amalgamation g. Certified True Copy of Order of NCLT sanctioning the scheme of amalgamation h. SEBI Undertaking	The Petitioner Companies duly undertake to comply with the observations contained and as directed by the Hon'ble Tribunal in this regard.





Similarly, to the observations of the NSE in their letter dated 10.11.2023 the Petitioner Company responded as under:

S.No.	Para references	Observations in letters dated 10.11.2023	Response to the observations
6.	Para 1	The broker shall continue to be liable for all liabilities/obligations (including monetary penalties if any) for violations if any of the provisions of the SEBI Act, 1992 and the SEBI (Stock-Brokers) Regulations, 2018	The Petitioner Companies duly take note of the same
7.	Para 2	The actions if any pending against the transferor entities shall continue against both transferor and transferee entities. The transferor and the transferee entities shall be liable for outcome of all pending actions against the transferor entity and an undertaking to that effect shall be submitted by the transferee entity to SEBI and Exchange	The Petitioner Companies duly take note of the same
8.	Unnumbered para 3	IDFC First Bank limited will continue to be the member of the Exchange subsequent to the scheme taking effective	The Petitioner Companies confirm that IDFC First Bank will continue to be a member of the Exchange
9.	Unnumbered para 4	IDFC First Bank limited will comply with all requirements of the Exchange as applicable during the process of scheme of arrangement	The Petitioner Companies duly undertake to comply with the same
10.	Unnumbered para 5	Further, the prior approval granted shall be valid for 180 days from the date of this letter within which the Petitioner Company No.3 should submit the following document on receipt of NCLT order and ROC Approvals: a. Latest details of shareholding pattern and directors duly certified after effecting changes b. Latest details of promoter shareholding duly certified after effecting changes c. Details of order of NCLT and special resolution filed in Form MGT-14 with ROC d. Certified true copy of pan card and memorandum and articles of association of IDFC Firstbank Limited	The Petitioner Companies duly undertake to comply with the observations contained and as directed by the Hon'ble Tribunal in this regard.





8.9. PENSION REGULATORY AND DEVELOPMENT AUTHORITY:

Pension Regulatory and Development Authority to whom the notices were served by the Petitioner Companies filed their report dated 10.11.2023 and accorded their principal approval subject to the following conditions:

- i. The POP shall continue to be liable for all liabilities / obligations for violations, if any, of the provisions of Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013) and Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018;
- ii. POP shall comply with all the guidelines/directions/circulars issued by the PFRDA from time to time;
- iii. POP shall forthwith inform the PFRDA of any material change in the information or particulars previously furnished, including its continued fulfilment of the eligibility conditions, having a bearing on registration as a POP;
- iv. The approval is subject to getting the prior approval from other concerned financial sector regulators. The approval or any other significant information received from other regulators will be informed to PFRDA within 15 days of receiving such information;
- v. The said approval is based on the information available with the PFRDA at this point of time and may be withdrawn if anything adverse is found in the matter at later stage.

In turn, the Petitioner Companies filed their responses and undertook to comply with the observations made in the above report and the same is extracted under:

Sr. No.	Para references	Observations in letters dated 10.11.2023	Response to the observations
1.	Para (i)	The POP shall continue to be liable for all liabilities / obligations for violations, if any, of the provisions of Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013) and Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018;	The Petitioner No. 3 has duly taken note of the same.
	Para (ii)	POP shall comply with all the guidelines/directions/circulars issued by the PFRDA from time to time;	The Petitioner No. 3 duly undertakes to comply with the same subject to all its right, benefits and privileges as available under law.
3.	Para (iii)	POP shall forthwith inform the PFRDA of any material change in the information or particulars previously furnished.	The Petitioner No. 3 duly undertakes to comply with the same.





		including its continued fulfilment of the eligibility conditions, having a bearing on registration as a POP.	
4.	Para (iv)	The approval is subject to getting the prior approval from other concerned financial sector regulators. The approval or any other significant information received from other regulators will be informed to PFRDA within 15 days of receiving such information.	The Petitioner No. 3 has duly taken note of the same
5.	Para (v)	The said approval is based on the information available with the PFRDA at this point of time and may be withdrawn if anything adverse is found in the matter at later stage.	The Petitioner No. 3 has duly taken note of the same

8.10. GST DEPARTMENT, MUMBAI AND INCOME TAX NODAL OFFICER CHENNAI:

GST Department, Mumbai and Income Tax Nodal Officer Chennai, to whom the notices were served, neither they have filed any reply nor raised any objections to the Scheme and in the circumstances, this Tribunal presumes that the aforesaid departments do not have any objection to the sanction of the Scheme.

9. ACCOUNTING TREATMENT

The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of the all petitioners companies are in compliance with Section 133 of the Companies Act, 2013 are placed on record.



10. VALUATION

The joint valuation report dated 03.07.2023 of registered valuers Harsh Chandrakant Ruparelia and SSPA & Co Chartered Accountants is placed



on record wherein the wherein the fair equity share exchange ratio is arrived as follows,

155 (One Hundred Fifty-Five) equity shares of IDFC FIRST Bank of INR 10/- each, fully paid-up for every 100 (One Hundred) equity shares of IDFC of INR 10/- each, fully paid-up.

11. OBSERVATIONS OF THIS TRIBUNAL

11.1. This Tribunal is of the view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* not, in any way detrimental to the interest of the members of the Company. In view of the absence of any material objections from any statutory authorities and since all the requisite statutory compliances have been fulfilled, this Tribunal sanctions the Composite Scheme of Amalgamation as well as the prayer made therein.

11.2. Notwithstanding the above, if there is any deficiency found or, the violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the petitioners.

11.3. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting





exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/ compliance with any other requirement which may be specifically required under any law.

12. THIS TRIBUNAL DO FURTHER ORDER:

(i) With effect from Appointed Date-1 that all properties, rights and interests of the Transferor Company shall, pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.

(ii) With effect from Appointed Date-1 that all the liabilities, powers, engagements, obligations and duties of the Transferor Company shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.



(iii) That the Appointed-1 date for the Scheme shall be *"close of business hours on the day immediately preceding the Effective date"* as mentioned in clause 5.11 of the Scheme.



- (iv) That the Appointed-2 date for the Scheme shall be *"opening of business hours on the Effective date"* as mentioned in clause 5.12 of the Scheme.
- (v) The 'Effective Date' shall be *"the last of the dates on which the authenticated copies or the certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by the Transferor Company, the Amalgamating Company or the Amalgamated Company, after the last of the approvals, permissions, resolutions, agreements, sanctions and orders necessary thereof or the events specified in Clause 37 of this Scheme are satisfied or have occurred or obtained or the requirement of which have been waived (in writing) in accordance with this Scheme."*
- (vi) With effect from Appointed Date-1 that all proceedings now pending by or against the Transferor Companies be continued by the Transferee Company in terms of the Scheme.
- (vii) That all the employees/workmen of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service with all the benefits in terms of the Scheme.





(viii) As per clause 11 of the Scheme, that the Transferee Company shall “upon the coming into effect of this Scheme and with effect from the Appointed Date-1, 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, all the equity shares issued by the Transferor Company and held by the Transferee Company and its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company or payment of any consideration.”

(ix) With effect from Appointed Date-2, that all properties, rights and interests of the Amalgamating Company shall, pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Amalgamated Company in terms of the Scheme.

(x) With effect from Appointed Date-2, that all the liabilities, powers, engagements, obligations and duties of the Amalgamating Company shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Amalgamated Company in terms of the Scheme.





- (xi) With effect from Appointed Date-2, that all proceedings now pending by or against the Transferor Companies be continued by the Transferee Company in terms of the Scheme.
- (xii) With effect from Effective Date, that all the employees/workmen of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service with all the benefits in terms of the Scheme.
- (xiii) The Amalgamated Company shall, without any further application or deed, allot to the Record Date Shareholders 155 (one hundred fifty five) New Amalgamated Company Shares in respect of every 100 (one hundred) equity shares of INR 10 (Indian Rupees ten) each fully paid up held by them in the Amalgamating Company"
- (xiv) That the Amalgamated Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies, concerned and further make the requisite payments of the differential fee (if any) for the consolidation of authorized capital of the Amalgamated Company.
- (xv) That the Petitioner Companies, shall within thirty days of the date of receipt of this order cause a certified copy





of this order to be delivered to the Registrar of Companies concerned for registration and on such certified copy being so delivered, on such certified copy being so delivered, the Transferor Company and the Amalgamating Company shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and the Amalgamating Company registered with it on the file kept by it in relation to all the Amalgamated Company and the files relating to all the said companies shall be consolidated accordingly.

(xvi) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

13. Accordingly, the Company Petition stands Allowed on the aforementioned terms and is disposed of.

Certified to be True Copy



-Sd/-

RAVICHANDRAN RAMASAMY

-Sd/-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

NATIONAL COMPANY LAW TRIBUNAL MEMBER (TECHNICAL) CHENNAI	
Order No. / Date :	CP/CAA/33/2024 dt: 25/09/2024
Certified Copy made	26/09/2024
Available on :	
Applied for Certified	25/09/2024
Copy (Applicant / Respondent)	
Certified Copy issued on	26/09/2024

2. N. K. Tripathi
26/9/24
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

COMPOSITE SCHEME OF AMALGAMATION

AMONG

IDFC FINANCIAL HOLDING COMPANY LIMITED
(TRANSFEROR COMPANY)

AND

IDFC LIMITED
(TRANSFeree COMPANY / AMALGAMATING COMPANY)

AND

IDFC FIRST BANK LIMITED
(AMALGAMATED COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER)



Shri B. N.

Shri B. N.



[Signature]



This Scheme (as defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) and rules made thereunder, as may be applicable for the amalgamation of IDFC Financial Holding Company Limited with IDFC Limited; amalgamation of IDFC Limited with IDFC FIRST Bank Limited, reduction of securities premium account of IDFC FIRST Bank Limited and for various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

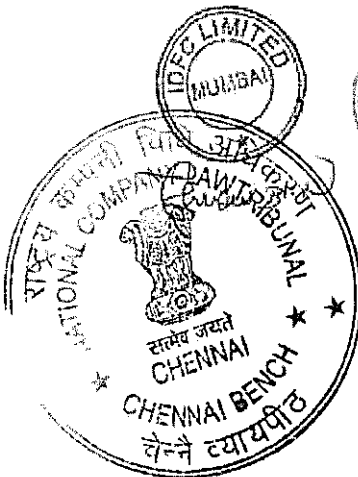
- (a) PART I deals with the general description of the Companies (as defined hereinafter), a brief overview of the Scheme and the rationale and benefits of this Scheme;
- (b) PART II deals with the definitions and interpretation, date of taking effect of this Scheme and the share capital of the respective Companies;
- (c) PART III deals with the amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter);
- (d) PART IV deals with the amalgamation of the Amalgamating Company (as defined hereinafter) with the Amalgamated Company (as defined hereinafter);
- (e) PART V deals with reduction of securities premium account of the Amalgamated Company; and
- (f) PART VI deals with the general terms and conditions applicable to this Scheme.

PART I

1. DESCRIPTION OF THE AMALGAMATING COMPANIES

1.1 IDFC FINANCIAL HOLDING COMPANY LIMITED

- (i) IDFC FINANCIAL HOLDING COMPANY LIMITED having CIN U65900TN2014PLC097942, a wholly owned subsidiary of the Amalgamating Company (as defined hereinafter), was incorporated on November 07, 2014, with the Registrar of Companies under the Act, having its registered office at 4th Floor, Capilata Tower, 555 Anna Salai, Thiru Vi Ka, Kudiyiruppu, Teynampet Chennai Tamil Nadu 600018 (hereinafter referred to as the "Transferor Company").
- (ii) The Transferor Company is a non-operative financial holding company registered with the RBI (as defined hereinafter) as a non-deposit taking NBFC. As on the date of approval of this Scheme by the Board of the Transferor Company, the Transferor Company owns and holds 2,64,64,38,348 (two hundred and sixty-four crores sixty-four lakhs thirty-eight thousand three hundred and forty-eight) equity shares of the face value of INR 10 (Indian Rupees ten) each in the Amalgamated Company (as defined hereinafter) which constitutes 39.93% (thirty nine point nine three percent) in the shareholding of the Amalgamated Company.



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- (iii) The Transferor Company is not subject to any investigation or Proceedings under the Act. Further, there exists no adverse comments or qualifications in the auditors' report issued under the Act for the financial year ended March 31, 2023, for the Transferor Company.

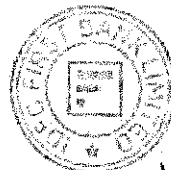
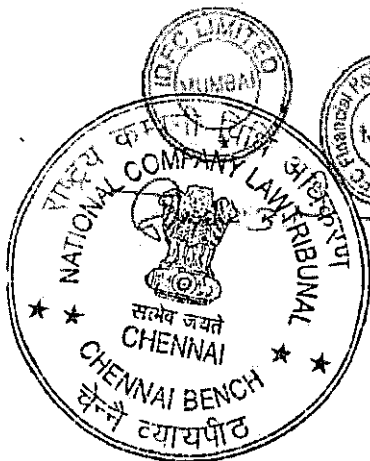
1.2 IDFC LIMITED

- (i) IDFC Limited, having CIN L65191TN1997PLC037415 is a public listed company which was incorporated on January 30, 1997, with the Registrar of Companies (as defined hereinafter) under the Companies Act, 1956, having its registered office at 4th Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyruppu, Teynampet Chennai Tamil Nadu 600018 (hereinafter referred to as the "Amalgamating Company" or the "Transferee Company"). As of the date of approval of the Scheme by the Board of the Amalgamating Company, the Amalgamating Company holds 2,64,64,36,348 equity shares (two hundred and sixty-four crores sixty-four lacs thirty-eight thousand three hundred and forty-eight) equity shares of the face value INR 10 (Indian Rupees ten) each of the Amalgamated Company through the Transferor Company.
- (ii) Since incorporation, the Amalgamating Company was involved in catering to the diverse needs of infrastructure development. It had been providing financial intermediation for infrastructure projects and services, adding value through innovative products to the infrastructure value chain or asset maintenance of existing infrastructure projects and rendering of support and assistance to companies to get best return on investments.
- (iii) Effective from October 01, 2015, post demerger of its financing undertaking (the lending business of Amalgamating Company) into IDFC Bank Limited (now known as IDFC FIRST Bank Limited, post the amalgamation of Capital FIRST Limited, Capital First Home Finance Limited and Capital FIRST Securities Limited with IDFC Bank Limited with effect from October 01, 2018), the Amalgamating Company is operating as an NBFC - Investment Company registered with the RBI mainly holding investment in Transferor Company. The equity shares of Amalgamating Company are listed on BSE (as defined hereinafter) (Stock Code: 532659) and on NSE (as defined hereinafter) (Stock Code: IDFC).
- (iv) The Amalgamating Company is not subject to any investigation or Proceedings under the Act. Further, there exists no adverse comments or qualifications in the auditors' report issued under the Act for the financial year ended March 31, 2023, for the Amalgamating Company.

2. DESCRIPTION OF THE AMALGAMATED COMPANY

2.1. IDFC FIRST BANK LIMITED

- (i) IDFC FIRST BANK LIMITED, having CIN L65110TN2014PLC097792, is a public listed company incorporated on October 21, 2014, with the Registrar of Companies, under the Companies Act, 2013, having its registered office at KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai, Tamil Nadu, 600031 (hereinafter referred to as the "Amalgamated Company").
- (ii) The Amalgamated Company was incorporated on October 21, 2014, for the purpose of demerger of the financing undertaking of the Amalgamating



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Company pursuant to the in-principle approval dated April 09, 2014, received from the RBI to set up a new bank. Pursuant to the universal bank license dated July 23, 2015, received from the RBI, the Amalgamated Company started operating as a bank. Thereafter, with effect from October 01, 2018, Capital FIRST Limited, Capital First Home Finance Limited and Capital FIRST Securities Limited amalgamated with IDFC Bank Limited (renamed as IDFC FIRST Bank Limited with effect from January 12, 2019) i.e. the Amalgamated Company. The Amalgamated Company is now operating as a new bank with well-diversified product offerings in retail and commercial banking businesses which consist of loan products for consumers and MSMEs across different urban and rural geographies of India including home loans, loan against property, vehicle loans, two wheeler loans, consumer durable loans, personal loans, credit card, business banking, gold loans, education loans, micro-finance loans, tractor loans, commercial vehicle loans etc. as well as liability products like savings accounts, current accounts, term deposits etc. As a universal bank, the Amalgamated Company also offers various products to its corporate banking customers including working capital loans, term loan, non-fund-based facilities, current accounts, corporate deposits and transaction banking services.

- (iii) The Amalgamated Company is registered with RBI as a banking company under the provisions of the BR Act (as defined hereinafter). The equity shares of the Amalgamated Company are listed on BSE (Stock Code: 539437) and on NSE (Stock Code: IDFCFIRSTB). The Amalgamated Company has outstanding listed bonds which are listed on NSE and issued on private placement basis. Additionally, the Amalgamated Company has issued unlisted bonds on private placement basis.
- (iv) The Amalgamated Company is not subject to any investigation or Proceedings under the Act. Further, there exists no adverse comments or qualifications in the auditors' report issued under the Act for the financial year ended March 31, 2023, for the Amalgamated Company.

3. OVERVIEW OF THE SCHEME

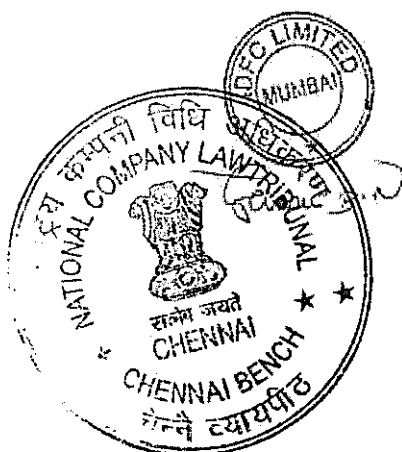
- 3.1 This Scheme is presented, *inter alia* for the: (i) amalgamation of the Transferor Company with the Transferee Company, with effect from the Appointed Date 1 (as defined hereinafter) and the consequent dissolution of the Transferor Company without being wound up in consideration whereof there will be no issuance of equity shares as the Transferor Company is a wholly owned subsidiary of the Transferee Company; (ii) the amalgamation of the Amalgamating Company with and into the Amalgamated Company, with effect from the Appointed Date 2 (as defined hereinafter), and the consequent dissolution of the Transferee Company without being wound up, and the issuance of the New Amalgamated Company Shares (as defined hereinafter) to the equity shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio (as defined hereinafter); and (iii) reduction of securities premium account of 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 all Applicable Laws (as defined hereinafter).



BENEFITS OF THE SCHEME

The proposed Scheme would be in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as it will yield advantages *inter alia* as set out below:

- (i) The opportunities in the Indian banking system are expected to grow manifold in the next decade and the Amalgamated Company is well placed to participate in and contribute to such growth. The Amalgamated Company has firmly established itself in the Indian market with an excellent deposit franchise with strong track record of growth. The Amalgamated Company has a robust lending model, with proven and consistent track record of high asset quality of over a decade, including the track record of the companies that combined to create Amalgamated Company. The Amalgamated Company has launched highly ethical and customer friendly products which are highly accepted in the marketplace. The Amalgamated Company maintains the highest levels of corporate governance. Thus, the Amalgamated Company is well placed to consistently grow in a profitable manner. All the shareholders and stakeholders of the Transferor Company, the Amalgamating Company and Amalgamated Company shall benefit from such growth at the Amalgamated Company, leading to opportunity for value creation in the long run and for maximizing the value and returns to the shareholders.
- (ii) This Scheme will provide all public shareholders of the Amalgamating Company with direct shareholding in the Amalgamated Company thereby helping them to unlock value of their investments in the business of the Amalgamated Company which is currently held by the Amalgamating Company through the Transferor Company. Consequently, these shareholders of the Amalgamating Company can take independent decisions with respect to their holdings in the Amalgamated Company without being constrained to hold investment in the Amalgamating Company to be able to derive value of benefit from the Amalgamated Company's business.
- (iii) The Scheme will facilitate compliance by the Amalgamating Company with the promoter ownership norms set out under the 2013 Private Banking Licence Guidelines.
- (iv) The Amalgamation through this Scheme shall simplify the corporate and organisational structures of the Companies by consolidating both listed entities in a single large listed company. This will also lead to unification and streamlining of the regulatory compliances of both the listed entities.
- (v) The shareholders of Amalgamating Company will be allotted shares of the Amalgamated Company and will therefore become shareholders of a larger free public float of the combined listed company with multiple growth avenues. Upon effectiveness of the Scheme, the Amalgamated Company will continue to be professionally managed and shall only have public shareholders.
- (vi) In so far as the proposed utilisation of securities premium account to set off the accumulated losses as set out in Clause 32 is concerned, the book value of shares, the Amalgamated Company's net worth, equity capital structure and shareholding pattern will all remain unchanged. Thus, this is balance sheet neutral action. No reduction in the paid-up share capital of the Amalgamated Company is contemplated and hence capital adequacy ratios will not be impacted on account of utilization of securities premium.
- (vii) Further, the aforementioned exercise will present the true and fair view of the Amalgamated Company's financial position. It shall also enable the



Chennai B.A.

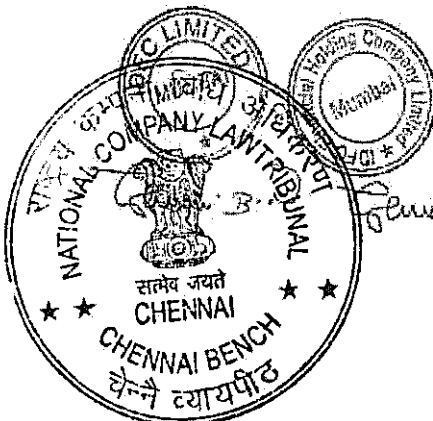


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4. RATIONALE AND BENEFIT OF THE SCHEME

4.1 RATIONALE

- (i) This Scheme, *inter alia*, provides for the Amalgamation (as defined hereinafter) and various other matters consequential or otherwise integrally connected therewith.
- (ii) As per conditions of the 2013 Private Banking Licence Guidelines (as defined hereinafter), the equity shares of the Amalgamated Company must be listed on a recognised stock exchange in India within a time period of 3 (three) years of commencing of business as a bank. The promoter(s) namely the Amalgamating Company must not be conducting any financial regulated business directly under it.
- (iii) It was mandated to hold the equity investment in the Amalgamated Company and other regulated financial entities only through the Transferor Company. Hence, the Amalgamating Company (promoter of the Amalgamated Company) invested in the Amalgamated Company only through a Non-Operating Financial Holding Company i.e., the Transferor Company, due to other regulated financial services entities of the group.
- (iv) Hence, the 39.93% (thirty nine point nine three percent) equity stake of the Amalgamating Company in the Amalgamated Company is held by the Amalgamating Company through the Transferor Company. As on date of the Board of the Transferor Company approving the Scheme, the Transferor Company has closed/ sold/ exited all other regulated financial services business.
- (v) The Amalgamating Company and the Transferor Company have minimal operations and have no businesses or stake in any other financial services entities regulated by RBI or other financial sector regulators. Further pursuant to the letter dated July 20, 2021, RBI has clarified that after the expiry of lock-in period of 5 (five) years (i.e. after September 30, 2020), IDFC Limited, the Amalgamating Company can exit as the promoter of IDFC FIRST Bank Limited, the Amalgamated Company.
- (vi) The 2013 Private Banking Licence Guidelines, and subsequent clarification by RBI, also permit the Amalgamating Company to exit or to cease to be a promoter after lock-in period of 5 (five) years, subject to RBI's regulatory and supervisory comfort and SEBI (as defined hereinafter) regulations.
- (vii) In view of the above, this Scheme *inter alia* contemplates the (a) amalgamation of the Transferor Company with the Transferee Company, and (b) the subsequent amalgamation of the Amalgamating Company with the Amalgamated Company and issuance of New Amalgamated Company Shares to the shareholders of the Amalgamating Company, in the manner and subject to the terms and conditions set out in this Scheme, keeping the best interest of all the stakeholders of the Transferor Company, the Amalgamating Company and the Amalgamated Company.
- (viii) The Amalgamation will result in the shareholders of the Amalgamating Company directly holding shares in the Amalgamated Company, which will lead to simplification of the shareholding structure.



Amalgamated Company to explore opportunities to benefit the shareholders (including dividend payout).

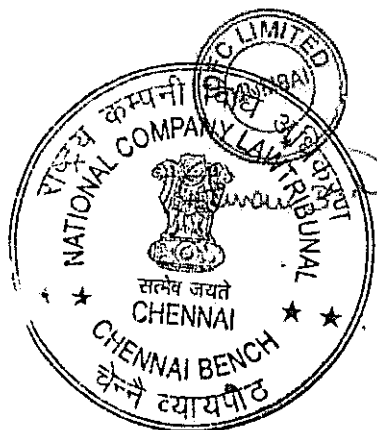
PART II

DEFINITIONS AND INTERPRETATION, DATE OF EFFECT OF THE SCHEME AND SHARE CAPITAL OF THE AMALGAMATING COMPANIES AND THE AMALGAMATED COMPANY

5. DEFINITIONS

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

- 5.1 "Accounting Standards" means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 to the extent applicable and Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other accounting principles generally accepted in India.
- 5.2 "Act" means the Companies Act, 2013, or Companies Act 1956, and rules made thereunder as may be applicable, and shall include any statutory modifications or re-enactment thereof for the time being in force.
- 5.3 "Amalgamated Company" has the meaning assigned to it in Clause 2.1(i).
- 5.4 "Amalgamated Company ESOP Scheme" mean the IDFC FIRST Bank Limited Employee Stock Option Scheme 2015 as approved by the Board and shareholders of the Amalgamated Company.
- 5.5 "Amalgamating Companies" mean the Transferor Company and the Amalgamating Company collectively.
- 5.6 "Amalgamating Company" or "Transferee Company" has the meaning assigned to it in Clause 1.2(i).
- 5.7 "Amalgamating Company ESOP Schemes" mean the ESOP 2007 Scheme and ESOS 2016 Scheme collectively.
- 5.8 "Amalgamating Company Records" has the meaning assigned to it in Clause 5.55(e).
- 5.9 "Amalgamation" means collectively, the amalgamation of the Transferor Company with the Transferee Company, and the subsequent amalgamation of the Amalgamating Company with the Amalgamated Company, pursuant to this Scheme.
- 5.10 "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, circulars, guidelines, policies, directions, directives, and orders of Government, statutory authority, NCLT, SEBI, courts of India having the force of law enacted (any statutory modifications or re-enactment thereof for the time being in force); (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral



award, decree, orders or governmental approvals of, or agreements with, any Appropriate Authority or recognized stock exchange; and (c) international treaties, conventions and protocols, as may be in force from time to time.

- 5.11 "Appointed Date 1" means close of business hours on the day immediately preceding the Effective Date.
- 5.12 "Appointed Date 2" means opening of business hours on the Effective Date.
- 5.13 "Appropriate Authority" means and includes any applicable governmental statutory, departmental or public body or authority, including the Central Government, Registrar of Companies, Tax Authority, NCLT, RBI, CCI, the Stock Exchanges, SEBI and PFRDA.
- 5.14 "Board of Directors" or "Board" in relation to a Company, shall mean the board of directors of such Company, and shall include any committee thereof or any person authorized by such board of directors or any person authorised by such committee duly constituted by the directors and authorised for the matters pertaining to this Scheme or any other matter relating thereto.
- 5.15 "BR Act" means the Banking Regulation Act, 1949, and includes all rules, regulations, guidelines and circulars issued by the RBI thereunder for the time being in force.
- 5.16 "BSE" means the BSE Limited.
- 5.17 "CCI Approval" means the approval from the Competition Commission of India, under the Competition Act, 2002 and the rules thereunder, for the Scheme which provides *inter alia* for the amalgamation of Transferor Company with the Transferee Company; the amalgamation of the Amalgamating Company with the Amalgamated Company; and the reduction of securities premium account of the Amalgamated Company.
- 5.18 "Central Government" means the Regional Director, Southern Region, in the Ministry of Corporate Affairs, Government of India or such other person vested with the powers as per the Act.
- 5.19 "Companies" means collectively the Amalgamating Companies and the Amalgamated Company.
- 5.20 "Effective Date" means the last of the dates on which the authenticated copies or the certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by the Transferor Company, the Amalgamating Company or the Amalgamated Company, after the last of the approvals, permissions, resolutions, agreements, sanctions and orders necessary thereof or the events specified in Clause 37 of this Scheme are satisfied or have occurred or obtained or the requirement of which have been waived (in writing) in accordance with this Scheme.

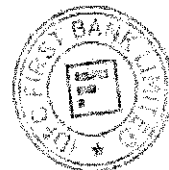
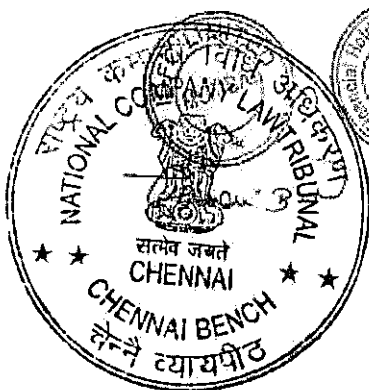
Any reference in the Scheme to "on this Scheme becoming effective" or "upon this Scheme becoming effective" or "effectiveness of this



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Scheme" or "effect of this Scheme" or "pursuant to this Scheme coming into effect" shall refer to the "Effective Date".

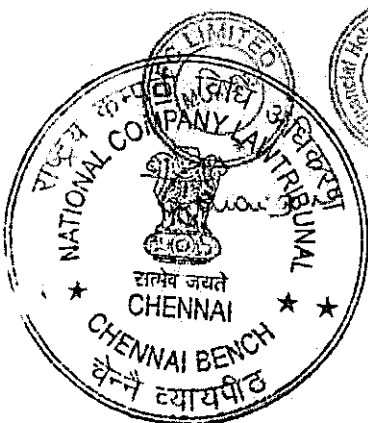
- 5.21 "Encumbrance" or "Encumber" means: (a) any mortgage, charge (whether fixed or floating), pledge, lien, negative lien, power of attorney (conferring power to create charge or security), agreement to create charge or security, any contractual restriction on ability to dispose assets, hypothecation, assignment, deed of trust, title retention, 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 the security but which has an economic or financial effect similar to the granting of security under Applicable Law; (b) a contract to give or refrain from giving any of the foregoing; (c) any voting agreement, interest, opinion, right of first offer, refusal, or transfer restriction in favour of any person; and (d) any adverse claim as to title, possession or use.
- 5.22 "ESOP 2007 Scheme" means IDFC Limited Employee stock option Scheme 2007 as approved by the Board and shareholders of the Amalgamating Company.
- 5.23 "ESOS 2016 Scheme" means IDFC Limited Employee stock option Scheme 2016 as approved by the Board and shareholders of the Amalgamating Company.
- 5.24 "FEMA" means the Foreign Exchange Management Act 1999, and rules and regulations framed thereunder.
- 5.25 "Foreign Investment Regulations" means the foreign investment regulations framed by the RBI under FEMA.
- 5.26 "Income Tax Act" means the Income-tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 5.27 "INR" means Indian Rupees.
- 5.28 "LODR" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- 5.29 "NBFC" means Non-Banking Financial Company.
- 5.30 "NCLT" means the National Company Law Tribunal, Chennai Bench, the National Company Law Appellate Tribunal or such other authority constituted or authorised under the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 234 of the Act.
- 5.31 "NDI Rules" means the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (as amended from time to time).
- 5.32 "New Amalgamated Company Shares" means the fully paid up equity shares of the Amalgamated Company issued in accordance with this Scheme, each having a face value of INR 10 (Indian Rupees ten).



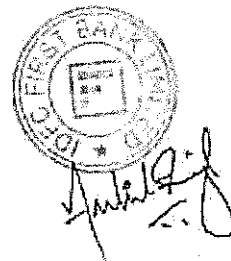
- 5.33 "NSE" means the National Stock Exchange of India Limited.
- 5.34 "PFRDA" means Pension Fund Regulatory and Development Authority.
- 5.35 "Proceedings" means all legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, indigent petitions, assessments, appeals, or other proceedings of whatever nature.
- 5.36 "RBI" means the Reserve Bank of India.
- 5.37 "RBI Amalgamation Directions" means the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated April 21, 2016.
- 5.38 "RBI Approval" means the Scheme being approved by the RBI pursuant to the RBI Amalgamation Directions and such other approvals as may be required pursuant to the Scheme.
- 5.39 "Record Date" means the date fixed by the Board of the Amalgamated Company for the purpose of determining the date as of which, according to the records of the depository and register of members of the Amalgamating Company, the shareholders of the Amalgamating Company are eligible to be allotted the New Amalgamated Company Shares in accordance with this Scheme.
- 5.40 "Record Date Shareholders" means the shareholders whose name appears in the records of the depository and register of members of the Amalgamating Company as on the Record Date or his/her heirs, executors, administrators or successors-in-title, as the case may be.
- 5.41 "Registrar of Companies" means the Registrar of Companies, Chennai.
- 5.42 "Scheme of Amalgamation" or "Scheme" or "this Scheme" means this composite scheme of amalgamation of the Transferor Company into and with the Transferee Company, and the amalgamation of the Amalgamating Company into and with the Amalgamated Company and reduction of securities premium account of the Amalgamated Company, pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act in its present form (along with any annexures, schedules, etc. attached hereto, if any) or with any modification(s) and amendments as may be made from time to time in accordance with the terms hereof.
- 5.43 "SEBI" means the Securities and Exchange Board of India.
- 5.44 "SEBI Debt Circular" means the Chapter XII of the operational circular issued by SEBI for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/or Commercial Paper dated July 29, 2022 (updated as on December 01, 2022) bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/000000103 as amended from time to time read with SEBI circular dated December 9, 2022 bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/170.
- 5.45 "SEBI ICDR" means the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended from time to time.



- 5.46 "SEBI Scheme Circular" means the Master Circular issued by SEBI dated June 20, 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 on (i) Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub Rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time, read with SEBI circular dated January 3, 2022 bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/003.
- 5.47 "Share Exchange Ratio" has the meaning assigned to it in Clause 22.1.
- 5.48 "Stock Exchanges" means BSE and NSE.
- 5.49 "Stock Exchanges Approval" means the no-objection/ no-adverse observation letter obtained by the Amalgamating Company and the Amalgamated Company, respectively, from the relevant Stock Exchanges in relation to the Scheme pursuant to Regulations 37 and 59A of the LODR, the SEBI Scheme Circular and the SEBI Debt Circular.
- 5.50 "Tax" or "Taxes" means: (a) all forms of direct tax and indirect tax, surcharge, fee, levy, duty, tariff, charge, cess, impost or other charges of any kind, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; (b) all charges, interests, penalties and fines incidental or related to any tax falling within (a) above or which arises as the result of the failure to pay any tax on the due date or to comply with any obligation relating to tax; (c) all credits/ refunds/ benefits in relation to direct tax, indirect tax, surcharge, fee, levy, duty, tariff, charge, impost and other credits/ refunds/ benefits of any kind, withholding or other amount whenever or wherever entitled from Tax Authority; and (d) tax collection at source.
- 5.51 "Tax Authority" means any judicial, revenue, custom, fiscal, governmental, statutory, state, provincial, local government or municipal authority, body or person responsible for Tax in any jurisdiction.
- 5.52 "Transferor Company" has the meaning assigned to it in Clause 1.1(i).
- 5.53 "Transferor Company Records" has the meaning assigned to it in Clause 5.56(e).
- 5.54 "Trustee" has the meaning assigned to it in Clause 22.2.
- 5.55 "Undertaking of the Amalgamating Company" shall mean with effect from the Appointed Date 2, the Amalgamating Company together with the Undertaking of the Transferor Company (as defined hereinafter), transferred to and vested in the Amalgamating Company, upon the effectiveness of Part III of the Scheme and includes all of its respective businesses, undertakings, assets, properties, investments, and all liabilities of whatsoever nature and kind and wherever situated, on a going concern basis, and with continuity of business of the Amalgamating Company, which shall mean and include without limitation:
- (a) All the assets and properties (tangible or intangible, movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Amalgamating Company, including, without being limited to, stock-in-trade, computers, equipment,



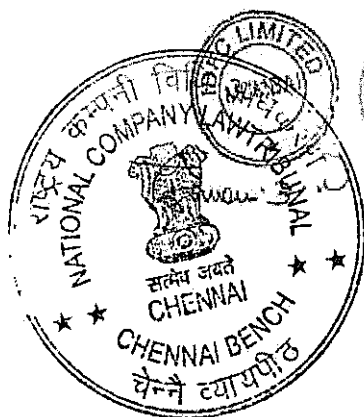
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offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Amalgamating Company, financial assets, leases (including but not limited to leasehold rights of the Amalgamating Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self-assessment tax, withholding tax credits any tax refunds and credits minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits advantages, privileges, exemptions, credits, book loss and book depreciation, deferred tax assets, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating 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 Amalgamating Company.

- (b) All contracts (including but not limited to the agreements with respect to the immovable properties being used by the Amalgamating Company by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment purchase agreement, agreements with customers, purchase and other agreement with the supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemas, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business of the Amalgamating Company or in connection therewith), permits, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/or



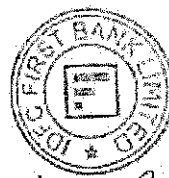
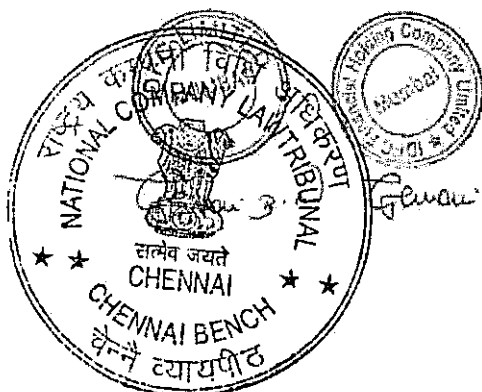
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access, tenancy rights, liberties, special status and other benefits or privileges; quota rights, engagements, arrangements, authorities, allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Amalgamating Company's business activities and operations and that may be required to carry on the operations of the Amalgamating Company;

- (c) All insurance policies;
- (d) All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the Amalgamating Company in the business, activities and operations carried on by the Amalgamating Company;
- (e) All books, records (including financial records), statutory registers, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form ("Amalgamating Company Records");
- (f) All amounts claimed by the Amalgamating Company whether or not so recorded in the books of account of the Amalgamating Company from any Appropriate Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- (g) All rights to any claim not preferred or made by the Amalgamating Company in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Amalgamating Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, book loss and book depreciation, deferred tax assets, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc., under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;
- (h) All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the Amalgamating Company, including all secured and

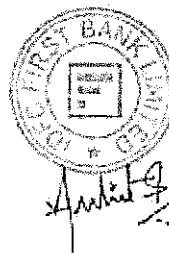
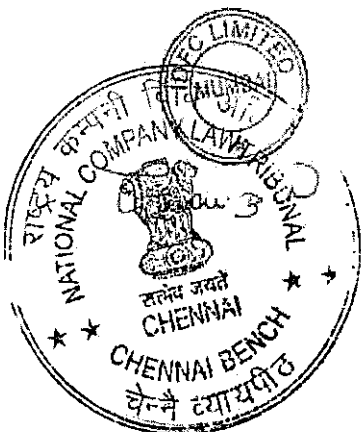


unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, bonds, notes, duties, leases of the Amalgamating Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other Proceedings including before any Appropriate Authority. Provided that, any reference in the security documents or arrangements entered into by the Amalgamating Company and under which, the assets of the Amalgamating Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Amalgamating Company only as are vested in the Amalgamated Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Amalgamating Company which shall vest in the Amalgamated Company by virtue of the Scheme and the Amalgamated Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- (i) All of its staff and employees, who are on its payrolls, including those employed at its offices and branches, including overseas offices, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Amalgamating Company and other obligations of whatsoever kind, including liabilities of the Amalgamating Company with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits, the provident fund or compensation, if any, and any other employee benefit scheme/plan in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/or permits; and
- (j) All Proceedings whatsoever nature involving the Amalgamating Company.

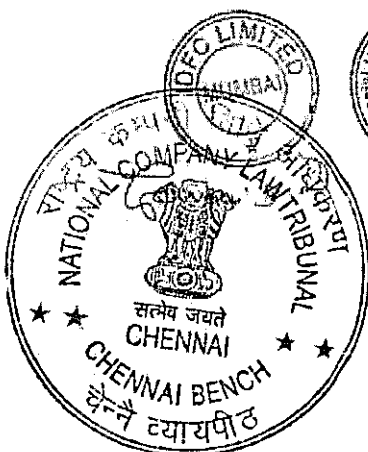
5.55 "Undertaking of the Transferor Company" shall mean with effect from the Appointed Date 1, the Transferor Company and includes all its businesses, undertakings, assets, properties, investments, and all liabilities of whatsoever nature and kind and wherever situated, on a going concern basis, and with continuity of business of the Transferor Company, which shall mean and include without limitation:

- (a) All the assets and properties (tangible or intangible, movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, stock-in-trade, computers, equipment, offices and



other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to leasehold rights of the Transferor Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self-assessment tax, withholding tax credits any tax refunds and credits minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits advantages, privileges, exemptions, credits, book loss and book depreciation, deferred tax assets, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company:

- (b) All contracts (including but not limited to the agreements with respect to the immovable properties being used by the Transferor Company by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment purchase agreement, agreements with customers, purchase and other agreement with the supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemes, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business of the Transferor Company or in connection therewith), permits, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/or access, tenancy rights, liberties, special status and other benefits or privileges, quota rights, engagements, arrangements, authorities,



Amrit Singh

allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations and that may be required to carry on the operations of the Transferor Company;

- (c) All insurance policies;
- (d) All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company;
- (e) All books, records (including financial records), statutory registers, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form ("Transferor Company Records");
- (f) All amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- (g) All rights to any claim not preferred or made by the Transferor Company in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, book loss and book depreciation, deferred tax assets, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc., under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;
- (h) All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever



Amal Singh

arising, raised or incurred or utilized for its business activities and operations along with any charge, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, bonds, notes, duties, leases of the Transferor Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other Proceedings including before any Appropriate Authority. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;

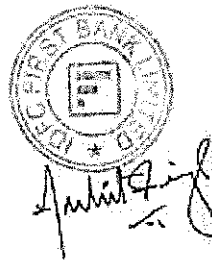
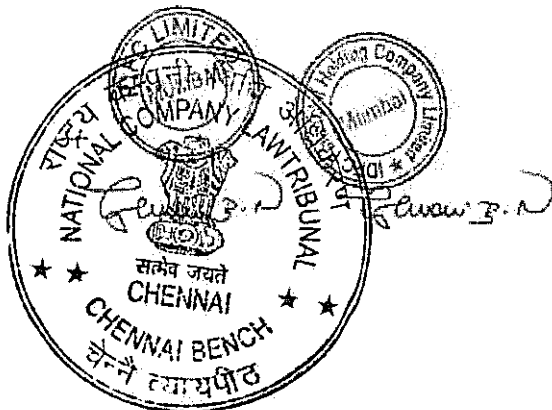
- (i) All of its staff and employees, who are on its payrolls, including those employed at its offices and branches, including overseas offices, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Transferor Company and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits, the provident fund or compensation, if any, and any other employee benefit scheme/plan in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/or permits; and
- (j) All Proceedings whatsoever nature involving the Transferor Company.

5.57 "2013 Private Banking Licence Guidelines" means the guidelines issued by the Reserve Bank of India for Licensing of New Banks in the Private Sector on February 22, 2013 and clarification(s), Frequently Asked Questions and other notification(s), circulars issued by the RBI in this regard from time to time.

6. INTERPRETATION

6.1 All terms and words used but 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 BR Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

6.2 References to any law or legislation or regulation shall include amendment(s).



circulars, notifications, guidelines, clarifications, or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.

- 6.3 References to any of the terms Taxes, duty, levy or cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 6.4 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 6.5 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to (i) any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, modified, supplemented or re-enacted; (ii) any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; (iii) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and (iv) all statutory instruments or orders made pursuant to a statutory provision.
- 6.6 Words denoting the singular shall include the plural and vice versa; and references to one gender shall include all genders. Words of either gender shall be deemed to include all the other genders.
- 6.7 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 6.8 Words directly or indirectly mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and direct or indirect have the correlative meanings.
- 6.9 Reference to days, months and years are to calendar days, calendar months and calendar years respectively.
- 6.10 Any reference to 'writing' shall include printing, typing, lithography and other means of reproducing words in visible form.
- 6.11 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 6.12 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.
- 6.13 References to a person include any individual, firm, body corporate (whether or not incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).
7. DATE OF TAKING EFFECT OF THIS SCHEME
- 7.1 Part III of the Scheme shall be effective from the Appointed Date 1 but shall be operative from the Effective Date. Subsequently, Part IV of the Scheme shall be effective from the Appointed Date 2 and shall be operative from the Effective Date.



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Subsequently, and only after Part III and Part IV, Part V shall be deemed to have taken effect.

- 7.2 The amalgamation of the Transferor Company with the Transferee Company, and the amalgamation of the Amalgamating Company with the Amalgamated Company shall be in accordance with Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will, however, not affect other parts of the Scheme.

8. SHARE CAPITAL OF THE COMPANIES

- 8.1 The share capital structure of the Amalgamating Company as on June 30, 2023, is as under:

Authorized Share Capital	Amount in INR
4,36,71,00,000 equity shares of INR 10 each	43,67,10,00,000
10,00,00,000 preference shares of INR 100 each	10,00,00,00,000
Total	53,67,10,00,000
Issued, Subscribed & Paid-Up Capital	Amount in INR
1,59,99,84,436 equity shares of INR 10 each	15,99,98,44,360
Total	15,99,98,44,360

Amalgamating Company is widely held and has no "promoter", as defined in Regulation 2(1)(oo) of the SEBI ICDR.

The Amalgamating Company does not have outstanding employee stock options under the Amalgamating Company ESOP Schemes.

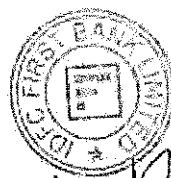
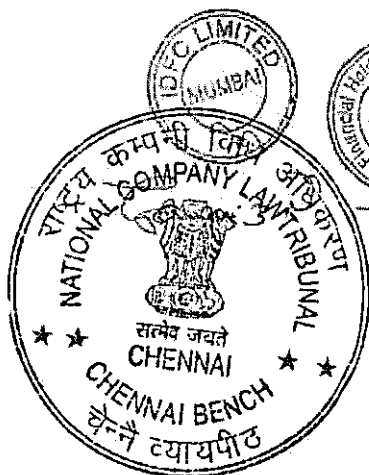
- 8.2 The share capital structure of the Transferor Company as on June 30, 2023, is as under:

Authorized Share Capital	Amount in INR
10,00,00,00,000 equity shares of INR 10 each	1,00,00,00,00,000
Total	1,00,00,00,00,000
Issued, Subscribed & Paid-Up Capital	Amount in INR
9,02,92,40,000 equity shares of INR 10 each	90,29,24,00,000
Total	90,29,24,00,000

The Transferor Company does not have any employee stock option plan.

- 8.3 The share capital structure of the Amalgamated Company as on June 30, 2023, is as under:

Authorized Share Capital	Amount in INR
7,50,00,00,000 equity shares of INR 10 each	75,00,00,00,000
38,00,000 preference shares of INR 100 each	38,00,00,000
Total	75,38,00,00,000



Issued, Subscribed & Paid-Up Capital	Amount in INR
6,62,81,84,314 equity shares of INR 10 each	66,28,18,43,140
Total	66,28,18,43,140

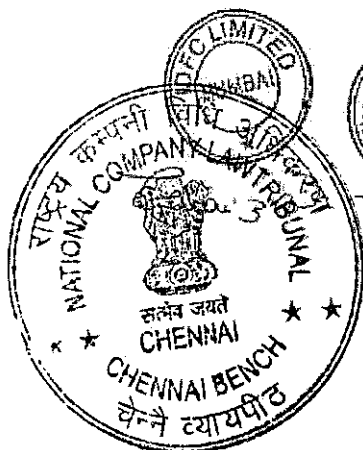
The Amalgamated Company has outstanding employee stock options under the Amalgamated Company ESOP Scheme, the exercise of which may result in further increase in the issued and paid-up capital of the Amalgamated Company.

PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

9. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

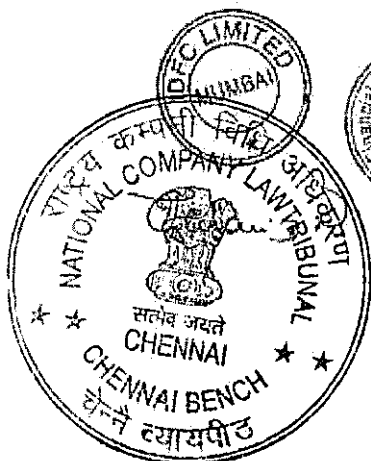
- 9.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, and subject to the provisions of this Scheme, the Transferor Company shall stand amalgamated with the Transferee Company, and the Undertaking of the Transferor Company shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date 1 the undertaking of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 9.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme, and with effect from the Appointed Date 1 and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Transferor Company, of whatsoever nature and wherever situated, whether or not included in the books of the Transferor Company, shall, subject to this Clause 9 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, 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 Transferee Company as a going concern so as to become as and from the Appointed Date 1, the estates, assets, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme.
- 9.3 Subject to the provisions of this Scheme, in respect of such of the assets of Transferor Company that are movable in nature, including without limitation, investments, cash balances or cash in hand, or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company with effect from the Appointed Date 1 pursuant to the provisions of Sections 230 to 232 of the Act, by operation of law without any further act or deed or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. On the Effective Date, the Transferor Company shall



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handover all the Transferor Company Records to the Transferee Company.

- 9.4 Subject to the provisions of this Scheme, in respect of such of the assets belonging to the Transferor Company, other than those mentioned in Clause 9.3 above, the same shall, as more particularly provided in Clause 9.2 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 1 pursuant to the provisions of Section 230 to 232 of the Act.
- 9.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date 1 and subject to the provisions of this Scheme, all assets of the Transferor Company that are owned / leased / licensed immovable properties, if any, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed, pursuant to the provisions of Part III of this Scheme. Further, the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date 1, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the coming into effect of this Scheme in accordance with the terms hereof.
- 9.6 All estate, assets, rights, titles or interests acquired by the Transferor Company, after the Appointed Date 1 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 Transferee Company upon coming into effect of this Scheme and with effect from the Appointed Date 1 pursuant to the provisions of Sections 230 to 232 of the Act.
- 9.7 With effect from the Appointed Date 1, all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the Transferor Company shall stand transferred to and vested in the Transferee Company.
10. **TRANSFER AND VESTING OF THE LIABILITIES OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**
- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date 1, all the liabilities, debts, loans raised and used, duties, losses and obligations of the Transferor Company, whether or not recorded in its books of accounts, 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, stand transferred to



and vested in the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date 1 the liabilities, debts, loans, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee 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 liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- 10.2 Upon the Scheme becoming effective and with effect from the Appointed Date 1, all the liabilities, 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 contingent liability in whatever form), if any, due on the Effective Date between the Transferor Company and the Transferee Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Transferor Company or the Transferee Company and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- 10.3 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor 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 Transferor Company, 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.
- 10.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date 1, the Transferee 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 Registrar of Companies to give formal effect to the above provisions, if required.
- 10.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Transferee Company as part of the Scheme shall be modified by virtue of this Scheme.
- 10.6 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.

11. CONSIDERATION

Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, 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, all the

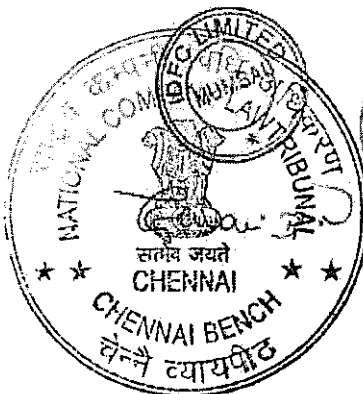


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equity shares issued by the Transferor Company and held by the Transferee Company and its nominees shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of equity shares in the Transferee Company or payment of any consideration.

12. CONTRACTS AND PERMITS

- 12.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, arrangements and other instruments of whatsoever nature, to which the Transferor Company, is a party or to the benefit of which the Transferor Company, may be eligible or for the obligations of which the Transferor Company, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 12.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occur 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Transferor 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 III of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 12.3 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 with effect from the Appointed Date 1, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company including powers of attorney given by the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, 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. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly



record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective and with effect from the Appointed Date 1, in accordance with the terms hereof. The Transferee Company shall be entitled to make applications to any Appropriate Authority as may be necessary in this behalf.

- 12.4 Upon effectiveness of the Scheme and with effect from the Appointed Date 1, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and the name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records. Upon the effectiveness of the Scheme and with effect from the Appointed Date 1, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date.
- 12.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date 1, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date 1, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all purposes, including commercial and regulatory purposes.
- 12.6 Upon effectiveness of the Scheme and with effect from the Appointed Date 1, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.
- 12.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date 1, all transactions between the Transferor Company and the Transferee Company, that have not been completed, shall stand cancelled.
13. **CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY**
- 13.1 Upon Part III of the Scheme becoming effective and with effect from the Appointed Date 1, the resultant authorized share capital of the Transferor Company shall stand transferred to and be amalgamated/combined with the authorized share

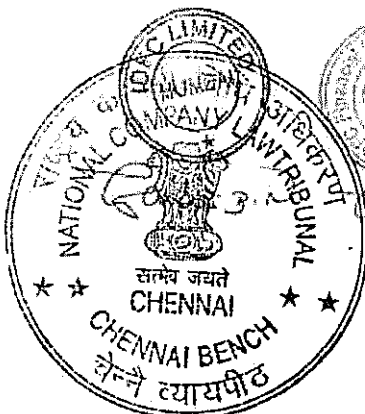


capital of the Transferee Company. The fees or stamp duty, if any, paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and the Transferee Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorized share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies as may be required for effectiveness of the Scheme and no separate procedure or instrument or deed shall be required to be followed under the Act.

Clause III C V. of the memorandum of association of the Transferee Company shall, upon Part III of the Scheme becoming effective, and without any further act, instrument or deed, be deemed to be replaced by the following clause:

"The Authorized Share Capital of the Company is 1,53,67,10,00,000 (fifteen Thousand Three Hundred and Sixty Seven Crores and Ten Lacs only) consisting of Rs. 1,43,67,10,00,000 (fourteen Thousand Three Hundred and Sixty Seven crores and Ten Lacs) as equity share capital divided into 14,36,71,00,000 Equity Shares of Rs. 10 each and 10,00,00,00,000 (One Thousand crores only) Preference Share Capital divided into 10,00,00,000 Preference Shares of Rs. 100 each, with the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise"

- 13.2 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Transferor Company or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then, this Clause 13 shall automatically stand modified to take into account the effect of such change.
- 13.3 The approval of this Scheme by the equity shareholders of the Transferee Company under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Sections 13, 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.
14. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE
- 14.1 From the date on which the Boards of the Transferor Company and the Transferee Company approve the Scheme until the Effective Date:
- (a) the Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date; and
 - (b) the Transferor Company shall carry on its business with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law.



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14.2 Notwithstanding anything contained in the Scheme to the contrary, the Transferor Company shall not be entitled to raise capital from the date on which the Boards of the Companies approve the Scheme until the Effective Date without the prior written consent of the Amalgamated Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

15.1 Upon the coming into effect of Part III of this Scheme and with effect from the Appointed Date 1, the Transferor Company shall stand dissolved without being wound up, without any further act or deed.

16. LEGAL PROCEEDINGS

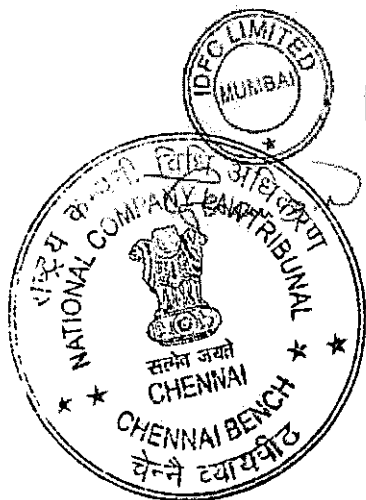
16.1 Upon coming into effect of this Scheme and with effect from the Appointed Date 1, all the Proceedings, if any, by or against the Transferor Company pending and or arising prior to the Effective Date shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted and be enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the same had been pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company may (i) initiate, defend, compromise or otherwise deal with any Proceeding for and on behalf of the Transferor Company, and (ii) transfer to its name and to have such Proceedings continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, subject to Applicable Law.

17. STAFF AND EMPLOYEES

17.1 With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Transferor Company as a result of the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company.

17.2 The Board of the Transferee Company, through any committee or authorised person shall be entitled to adopt such course of action with regard to the staff and employees as they may deem advisable provided however that there shall be no discontinuance or breakage in the services of such staff and employees. Services of such staff and employees shall be considered from the date of their appointment with the Transferor Company for the purpose of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation or other termination benefits, if any, such past services with the Transferor Company shall also be taken into account by the Transferee Company.

17.3 On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.



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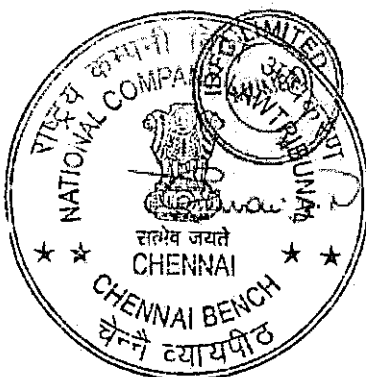
17.4 With regard to provident fund, gratuity, superannuation and any other similar scheme for employees by the Transferor Company, which exist immediately prior to the Effective Date, the Transferor Company shall stand substituted by the Transferee Company for all purposes whatsoever, including, without limitation, with regard to the obligation to make payments and contributions to all relevant authorities whatsoever such as the Regional Provident Fund Commissioner and towards the administration or operation of such funds or trusts in accordance with the provisions of such funds or trusts as provided in the trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees will be treated as having been continuous and uninterrupted for the purposes of the aforesaid schemes or funds. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Transferor Company shall become those of the Transferee Company. The trustees including the respective Boards of the Transferor Company and the Transferee Company or through any committee/person duly authorized by the aforesaid Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees. Without prejudice to the aforesaid, the Board of the Transferee Company if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company.

18. TAXATION MATTERS

18.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, all Taxes paid, payable, received or receivable by or on behalf of the Transferor Company, including but not limited to all or any refunds, claims or entitlements or credits (including credits for tax collected at source, income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, foreign tax credits, CENVAT credit, goods and services Tax credits, other indirect tax credits and other tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under the Income Tax Act, or credit, as the case may be, of the Transferee Company, and any Tax incentives, benefits, advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.

18.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date 1, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, goods and services Tax laws and other Tax laws, and to claim refunds, revision of TDS quarterly statements and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.

18.3 All compliances with respect to Taxes (including Tax payments) or any other



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Applicable Law between the Appointed Date 1 and the Effective Date, undertaken by the Transferor Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date 1, be deemed to have been complied with, by the Transferee Company. Any Taxes collected or deducted by the Transferee Company from payments made to the Transferor Company, shall be deemed to be advance tax paid by the Transferee Company.

19. ACCOUNTING TREATMENT

Pursuant to this Scheme coming into effect, the Transferee Company shall account for the Scheme in the books of accounts in accordance with the applicable Accounting Standards in the following manner:

- 19.1 The Transferee Company shall follow the method of accounting as prescribed for the 'pooling of interest method' in Appendix C to the Indian Accounting Standards (Ind AS) 103 Business Combination and other applicable Ind AS, as prescribed under Section 133 of the Act and notified under the Companies (Indian Accounting Standards) Rules, 2015 and clarification issued by the Institute of Chartered Accountants of India, Ind AS Technical Facilitation Group (ITFG).
- 19.2 The Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date 1, record the assets and liabilities of the Transferor Company transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Transferor Company as at the close of business of a day immediately preceding the Appointed Date 1.
- 19.3 The equity share capital held by the Transferee Company in the Transferor Company shall stand cancelled upon the Scheme becoming effective.
- 19.4 In respect of inter-company outstanding balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 19.5 The balances in the revenue reserves and statutory reserves as appearing in the books of Transferor Company, as at the Appointed Date 1 shall be recorded in the books of the Transferee Company as required by Accounting Standards applicable to the Transferee Company. The identity of the reserves shall be preserved and they shall appear in the books of account of the Transferee Company in the same form and manner, in which they appeared in the books of account of the Transferor Company.
- 19.6 The excess or short fall, if any after recording the assets and liabilities of the Transferor Company and after making the adjustments as per Clause 19.3 to 19.5 above shall be accounted as per the IND AS 103 and other applicable IND AS.
- 19.7 In case of any difference in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date 1 shall be quantified and appropriately adjusted in accordance with the accounting policies followed by the Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The effects on the financial statements of the Transferee Company of any changes in accounting policies shall be reported in accordance with applicable Accounting



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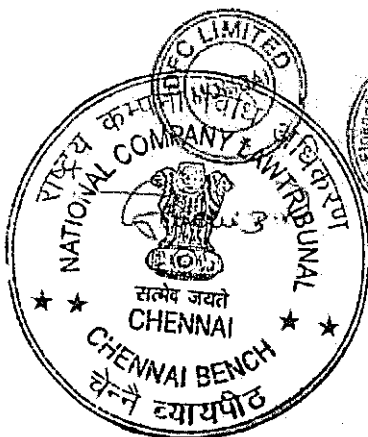
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- 19.8 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period presented.
- 19.9 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the applicable Accounting Standards, applicable RBI regulations and applicable generally accepted accounting principles by the Transferee Company.

PART IV

AMALGAMATION OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY

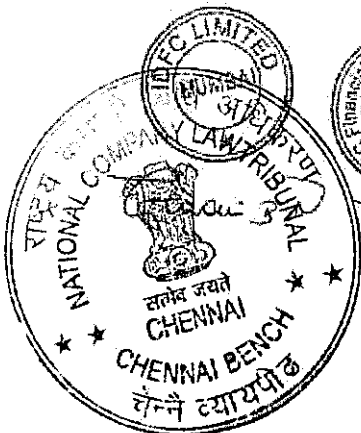
20. TRANSFER AND VESTING OF THE AMALGAMATING COMPANY WITH THE
AMALGAMATED COMPANY
- 20.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, and subject to the provisions of this Scheme, the Amalgamating Company shall stand amalgamated with the Amalgamated Company, and the Undertaking of the Amalgamating Company 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 or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date 2 the undertaking of the Amalgamated Company by virtue of, and in the manner provided in this Scheme.
- 20.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme, and with effect from the Appointed Date 2 and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Amalgamating Company, of whatsoever nature and wherever situated, whether or not included in the books of the Amalgamating Company, shall, subject to this Clause 16 in relation to the mode of vesting and pursuant to Sections 230 to 232 and other applicable provisions, if any, 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 2, the estates, assets, rights, claims, title, interest and authorities of the Amalgamated Company, subject to the provisions of this Scheme.
- 20.3 In respect to such of the assets of the Amalgamating Company that are movable in nature, including without limitation, investments, cash balances or cash in hand, or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the Amalgamating Company, and shall become the property of the Amalgamated Company with effect from the Appointed Date 2 pursuant to the provisions of Sections 230 to 232 of the Act, by operation of law without any further act or deed or execution of an instrument with the intent of vesting such assets with the Amalgamated Company as on the Appointed Date 2.



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The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. On the Effective Date, the Amalgamating Company shall handover all the Amalgamating Company Records to the Amalgamated Company.

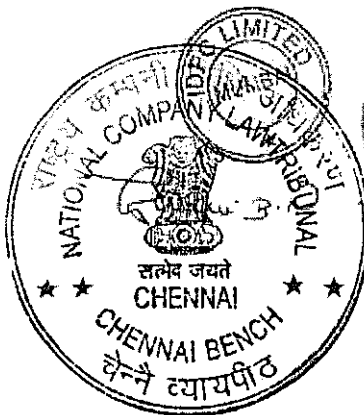
- 20.4 In respect of such of the assets belonging to the Amalgamating Company, other than those mentioned in Clause 20.3 above, the same shall, as more particularly provided in Clause 20.2 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date 2 pursuant to the provisions of Section 230 to 232 of the Act.
- 20.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, if any, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Part IV of this Scheme. Further, the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date 2, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the coming into effect of this Scheme in accordance with the terms hereof.
- 20.6 All estate, assets, rights, titles or interests acquired by the Amalgamating Company, after the Appointed Date 2 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 coming into effect of this Scheme and with effect from the Appointed Date 2 pursuant to the provisions of Sections 230 to 232 of the Act.
- 20.7 With effect from the Appointed Date 2, all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company.
21. **TRANSFER AND VESTING OF THE LIABILITIES OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY**



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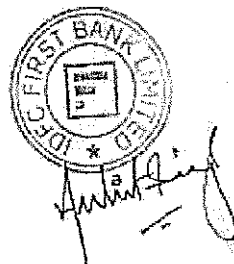
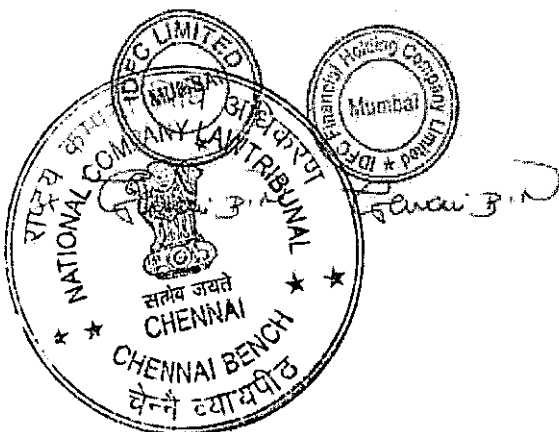
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- 21.1 Upon coming into effect of this Scheme and with effect from the Appointed Date 2, all the liabilities, debts, loans raised and used, duties, losses and obligations of the Amalgamating Company, whether or not recorded in their respective books of accounts, 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, stand transferred to and vested in the Amalgamated Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date 2 the liabilities, debts, loans, duties and obligations 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 liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 21.2 Upon the Scheme becoming effective and with effect from the Appointed Date 2, all the liabilities, 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 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 or the Amalgamated Company and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.
- 21.3 Subject to Applicable Law, 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 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 effect the operation of the above.
- 21.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date 2, 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 to give formal effect to the above provisions.
- 21.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Amalgamated Company as part of the Scheme shall be modified by virtue of this Scheme.
- 21.6 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.



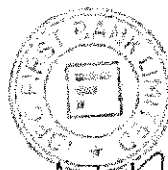
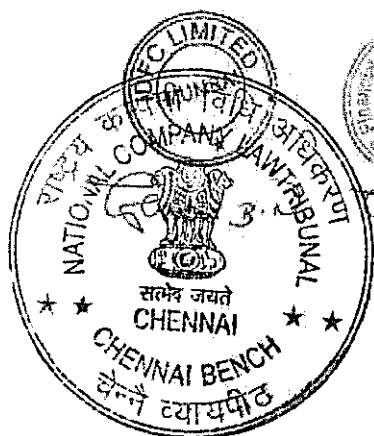
22. CONSIDERATION

- 22.1 Upon this Scheme becoming fully effective, in consideration of the transfer and vesting of the Undertaking of the Amalgamating Company in the Amalgamated Company pursuant to Part IV of the Scheme (after coming into effect of Part III of the Scheme, i.e., after transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company) the Amalgamated Company shall, without any further application or deed, allot to the Record Date Shareholders 155 (one hundred fifty five) New Amalgamated Company Shares in respect of every 100 (one hundred) equity shares of INR 10 (Indian Rupees ten) each fully paid up held by them in the Amalgamating Company. The above ratio in which the New Amalgamated Company Shares will be issued to the Record Date Shareholders is hereinafter referred to as the "Share Exchange Ratio".
- 22.2 For the purposes of allotment of the New Amalgamated Company Shares, pursuant to this Scheme, in case any Amalgamating Company's shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Amalgamated Company Shares by the Amalgamated Company in accordance with Clause 22.1 above, the Amalgamated Company shall not issue fractional shares to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number 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 ("Trustee"), who shall hold such New Amalgamated Company 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 at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next INR. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Amalgamated Company by the Trustee pertaining to the fractional entitlements.
- 22.3 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 New Amalgamated Company Shares issued to the equity shareholders 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 2 (two) working days prior to the Effective Date. In case of equity shareholders for whom such details are not available with the Amalgamated Company and in case of the equity shareholders of the Amalgamating Company who hold equity shares in physical form, the Amalgamated Company shall deal with the issuance of the relevant New Amalgamated Company Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the said New Amalgamated Company Shares in dematerialised form to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into an escrow account opened by the Amalgamated Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Amalgamated Company, where such New Amalgamated Company Shares of the Amalgamated Company



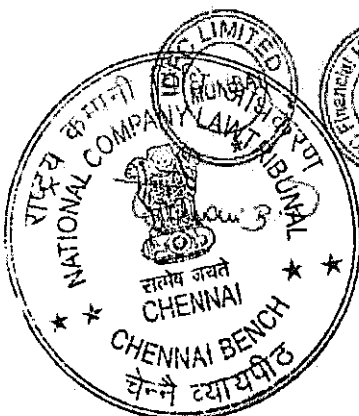
shall be held on for the benefit of such shareholders for to such of their respective heirs, executors, administrators or other legal representatives or other successors in title) of the Amalgamated Company. The New Amalgamated Company Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the respective shareholders once such shareholder provides details of his/ her/ its demat account to the Amalgamated Company, along with such documents as may be required by the Amalgamated Company. The respective shareholders shall have all the rights of the shareholders of the Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending such transfer of the said New Amalgamated Company Shares from the said trustee's account or the escrow account, as the case may be. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.

- 22.4 Joint shareholders of the Amalgamating Company shall not be treated as separate shareholders but shall be jointly eligible to receive the New Amalgamated Company Shares.
- 22.5 The Board of the Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from Appropriate Authority and undertake necessary compliance for the issue of the New Amalgamated Company Shares to the Record Date Shareholders pursuant to this Scheme.
- 22.6 The Amalgamated Company shall, if and to the extent required, apply for and obtain any approvals from the Appropriate Authorities including the RBI, for the issuance of the New Amalgamated Company Shares to non-resident Record Date Shareholders, if any, in terms of the Foreign Investment Regulations.
- 22.7 With respect to any New Amalgamated Company Shares that is unable to be issued by the Amalgamated Company due to Applicable Laws (including, without limitation, on account of non-receipt of approvals of an Appropriate Authority as required under Applicable Laws) or any regulations or otherwise, the issuance of such New Amalgamated Company Shares shall be held in abeyance by the Amalgamated Company and shall be dealt with in the manner as may be permissible under Applicable Laws and deemed fit by the Board of the Amalgamated Company, including to enable issuance of such New Amalgamated Company Shares to a trustee, followed by a sale of such New Amalgamated Company Shares and thereafter to require the trustee to make distributions of the net sales proceeds (after the deduction of taxes and expenses incurred) to such Record Date Shareholders who are unable to receive any New Amalgamated Company Shares, in proportion to their entitlements (to the extent such issuance could not have been given effect to). If the above cannot be effected for any reason, the Amalgamated Company shall ensure that this does not delay implementation of this Scheme; and shall take all such appropriate actions as may be necessary under Applicable Laws. The Amalgamated Company and/or the depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein. To the extent any Record Date Shareholder requires the previous approval of the RBI in terms of Section 12B(1) of the FR Act to receive any New Amalgamated Company Shares, the Amalgamated Company shall provide reasonable assistance to such Record Date Shareholder to enable such Record Date Shareholder to procure such approval.
- 22.8 The New Amalgamated Company Shares to be issued by the Amalgamated Company pursuant to Clause 22.1 above in respect of such equity shares of the



Amalgamating Company, the allotment or transfer of which is held in abeyance under the 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.

- 22.9 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder 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, as the case may be, 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 transfer 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 transition period.
- 22.10 Where the above equity shares issued of the Amalgamated Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
- 22.11 The above equity shares issued of the Amalgamated Company allotted and issued in terms of Clause 22.1 above, shall be listed and/or admitted to trading on the BSE and the NSE. These shares of the Amalgamated Company shall, however, be listed subject to the Amalgamated Company obtaining the requisite approvals pertaining to the listing of these shares of the Amalgamated Company. The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the BSE and the NSE.
- 22.12 Upon the Scheme becoming effective and upon the New Amalgamated Company Shares of the Amalgamated Company being allotted and issued by it to the Record Date Shareholders, the equity shares of the Amalgamating 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 the Record Date.
- 22.13 The equity shares of the Amalgamated Company to be allotted and issued to the shareholders of the Amalgamating Company as provided in Clause 22.1 above, 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 with the then existing equity shares of the Amalgamated Company after the Effective Date including in respect of dividend, if any, that may be declared by the Amalgamated Company on or after the Effective Date.
- 22.14 It is clarified that the issue and allotment of equity shares by the Amalgamated Company pursuant to Clause 22.1 above to the shareholders of the Amalgamating Company as provided in the Scheme, is an integral part of this Scheme and shall be deemed to have been carried out without requiring any further act on the part of the Amalgamated Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act or rules thereof, as may be applicable, and such other statutes, regulations and rules as may be applicable were deemed to have been duly complied with.



22.15 The shares allotted pursuant to this Scheme shall remain frozen in the depositories system until listing/trading permission is given by the BSE and the NSE, as the case may be.

22.16 In the event, the Amalgamated Company or Amalgamating Company restructures their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, as per Clause 22.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

23. CONTRACTS AND PERMITS

23.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, 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 having effect immediately before the Effective Date, shall continue in full force and effect 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 or obligor thereto.

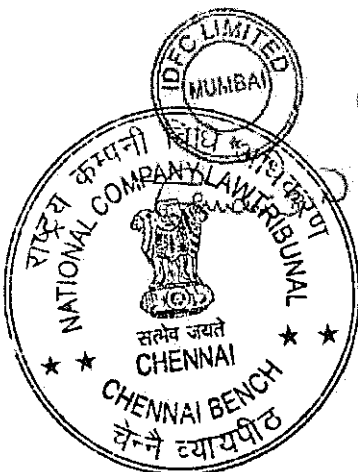
23.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Amalgamating Company occur by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements 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 IV of this Scheme, be deemed to be authorized 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.

23.3 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 with effect from the Appointed Date 2, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on their respective business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Amalgamating Company including powers of attorney given by the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, 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. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective and with effect from the Appointed Date 2, in accordance with the terms hereof. The Amalgamated Company shall be entitled to make applications to any Appropriate Authority as may be necessary in this behalf.

- 23.4 Upon effectiveness of the Scheme and with effect from the Appointed Date 2, all bank accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have transferred and shall stand transferred to the Amalgamated Company and the name of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records. Upon the effectiveness of the Scheme and with effect from the Appointed Date 2, the Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Transferee Company. Similarly, the bankers of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date.
- 23.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date 2, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Amalgamating Company is a party to or to the benefit of which the Amalgamating Company may be eligible, shall remain in full force and effect against or in favour 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 obliges thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date 2, the past track record of the Amalgamating Company shall be deemed to be the track record of the Amalgamated Company for all purposes, including commercial and regulatory purposes.
- 23.6 Upon effectiveness of the Scheme and with effect from the Appointed Date 2, all bank accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have transferred and shall stand transferred to the Amalgamated Company and name of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records.
- 23.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date 2, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.
24. CONSOLIDATION OF THE AUTHORISED SHARE CAPITAL OF THE



AMALGAMATING COMPANY WITH THE AUTHORISED SHARE CAPITAL OF THE AMALGAMATED COMPANY

- 24.1 Upon Part IV of the Scheme becoming effective and with effect from the Appointed Date 2, the resultant authorized share capital of the Amalgamating Company shall stand transferred to and be amalgamated/combined with the authorized share capital of the Amalgamated Company. The fees or stamp duty, if any, paid by the Amalgamating Company on its authorized share capital shall be deemed to have been so paid by the Amalgamated Company on the combined authorized share capital, and the Amalgamated Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorized share capital of the Amalgamated Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Act.

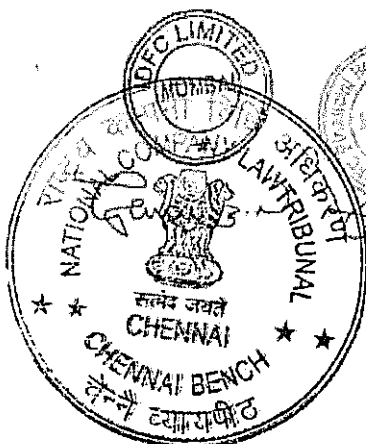
Clause V, of the memorandum of association of the Amalgamated Company shall, upon Part IV of the Scheme becoming effective, and without any further act, instrument or deed, be replaced by the following clause:

"The Authorized Share Capital of the Company is ₹ 2,29,05,10,00,000/- (Rupees Twenty-two thousand nine hundred and five crores and ten lakh only) comprising 21,86,71,00,000 (Two thousand one hundred and eighty six crores and seventy one lakh) equity shares of ₹ 10/- (Rupees Ten only) each and 10,38,00,000 (Ten crore thirty-eight lakh) preference shares of ₹ 100/- (Rupees One hundred only) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

- 24.2 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Amalgamating Company or the Amalgamated Company undergoes any change, either as a consequence of any corporate action or otherwise, then, this Clause 24 shall automatically stand modified to take into account the effect of such change.
- 24.3 The approval of this Scheme by the equity shareholders of the Amalgamated Company under Sections 230 to 232 of the Act, shall be deemed to have been an approval under Sections 13, 61 and 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

25. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 25.1 From the date on which the Boards of the Amalgamating Company and the Amalgamated Company approve the Scheme until the Effective Date:
- (a) the Amalgamating Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Amalgamating Company for and on account of, and in trust for, the Amalgamated Company. The Amalgamating Company hereby



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undertakes to hold the said assets with utmost prudence until the Effective Date; and

- (b) the Amalgamating Company shall carry on its business with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law.

25.2 Notwithstanding anything contained in the Scheme to the contrary,

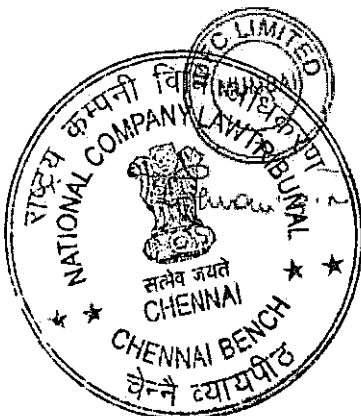
- (a) the Amalgamated Company shall, subject to compliance with the NDI Rules and Applicable Law (including shareholders' approval as may be necessary), be entitled to raise capital from the date on which the Boards of the Companies approve the Scheme without the prior written consent of the Amalgamating Companies.
- (b) the Amalgamating Company shall not be entitled to raise capital from the date on which the Boards of the Companies approve the Scheme until the Effective Date without the prior written consent of the Amalgamated Company.
- (c) the Amalgamating Company may utilise its income/ available cash, if any, for meeting its expenses in the ordinary course of the business or for the purpose of the Scheme.
- (d) the Transferor Company shall be entitled to participate in any rights issue being undertaken by the Amalgamated Company.
- (e) From the date on which Boards of the Companies approve the Scheme till the Effective Date, the Amalgamating Companies shall not be entitled to distribute any dividend to their respective shareholders save and except: (i) in the event where the Amalgamated Company distributes dividend to its shareholders in which case any dividend distributed by the Amalgamating Companies shall be limited to the dividend received by them from the Amalgamated Company; or (ii) mutually agreed between the Amalgamating Company and the Amalgamated Company.

26. DISSOLUTION OF THE AMALGAMATING COMPANY

- 26.1 Upon the coming into effect of Part IV of this Scheme and with effect from the Appointed Date 2, the Amalgamating Company shall stand dissolved without being wound up, without any further act or deed.

27. LEGAL PROCEEDINGS

- 27.1 Upon coming into effect of this Scheme and with effect from the Appointed Date 2, all the Proceedings, if any, by or against the Amalgamating Company pending and arising prior to the Effective Date shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted, as the case may be and be enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company as if the same had been pending and/or arising by or against the Amalgamated Company. On and from the Effective Date, the Amalgamated Company may (i) initiate, defend, compromise or otherwise deal with any Proceeding for and on behalf of the Amalgamating Company, and (ii) transfer to its name and to have such

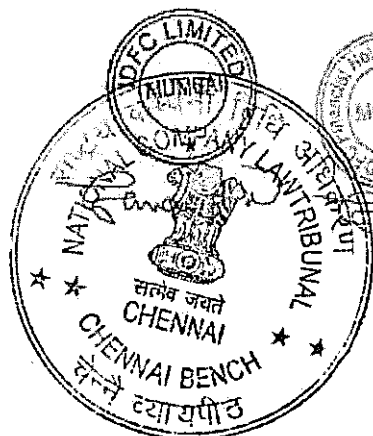


Proceedings continued, prosecuted and enforced, as the case may be, by or against the Amalgamated Company, subject to Applicable Law.

28. STAFF AND EMPLOYEES

- 28.1 With effect from the Effective Date, all the staff and employees of the Amalgamating Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Amalgamated Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Amalgamating Company.
- 28.2 The Board of the Amalgamated Company, through any committee or authorised person shall be entitled to adopt such course of action with regard to the staff and employees as they may deem advisable provided however that there shall be no discontinuance or breakage in the services of such staff and employees. Services of such staff and employees shall be considered from the date of their respective appointment with the Amalgamating Company for the purpose of all retirement benefits and all other entitlements for which they may be eligible.
- 28.3 On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.
- 28.4 With regard to provident fund, gratuity, superannuation and any other similar scheme for employees by the Amalgamating Company, which exist immediately prior to the Effective Date, the Amalgamating Company shall stand substituted by the Amalgamated Company for all purposes whatsoever, including, without limitation, with regard to the obligation to make payments and contributions to all relevant authorities whatsoever such as the Regional Provident Fund Commissioner and towards the administration or operation of such funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Amalgamating Company shall become those of the Amalgamated Company. Any existing provident fund, gratuity fund and superannuation fund trusts created by Amalgamating Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Amalgamated Company. It is clarified that the services of all employees will be treated as having been continuous and uninterrupted for the purposes of the aforesaid schemes or funds. The trustees including the Boards of the Amalgamating Company and the Amalgamated Company or through any committee/person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees. Without prejudice to the aforesaid, the Board of the Amalgamated Company if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or (ii) merge the pre-existing fund of the Amalgamating Company with other similar funds of the Amalgamated Company.

29. CANCELLATION OF THE EQUITY SHARES OF THE AMALGAMATED COMPANY HELD BY THE AMALGAMATING COMPANY

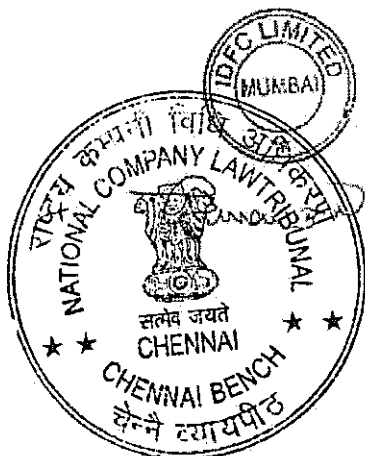


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- 29.1 Simultaneous with the issuance and allotment of the New Amalgamated Company Shares, in accordance with this Scheme, the existing issued and paid-up equity share capital of the Amalgamated Company, as held by the Amalgamating Company pursuant to Part III of the Scheme, shall, without any further application, act, instrument or deed, be cancelled.
- 29.2 The cancellation of the equity share capital held by the Amalgamating Company in the Amalgamated Company pursuant to Part III of the Scheme, in accordance with Clause 29 of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 29.3 Pursuant to cancellation of equity shares held by the Amalgamating Company in the Amalgamated Company and issuance and allotment of the New Amalgamated Company Shares as per Clause 22.1 above, 100% (one hundred percent) equity shareholding of the Amalgamated Company would be held by the public shareholders, with no person acting as 'promoter' in the Amalgamated Company. The necessary amendments to the articles of association of the Amalgamated Company, to delete reference of the promoter therefrom and to make other suitable revisions, would be carried out once the Scheme comes into effect, by obtaining the requisite approvals including approval of the shareholders as required under Section 14 of the Act.

30. TAXATION MATTERS

- 30.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, all Taxes paid, payable, received or receivable by or on behalf of the Amalgamating Company, including but not limited to all or any refunds, claims or entitlements or credits (including credits for tax collected at source, income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, foreign tax credits, CENVAT credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under the Income Tax Act, or credit, as the case may be, of the Amalgamated Company, and any Tax incentives, benefits, advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the Amalgamating Company, shall be available to the Amalgamated Company, and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Amalgamating Company.
- 30.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, the Amalgamated Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, goods and services tax laws and other Tax laws, and to claim refunds, revision of TDS quarterly statements and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.



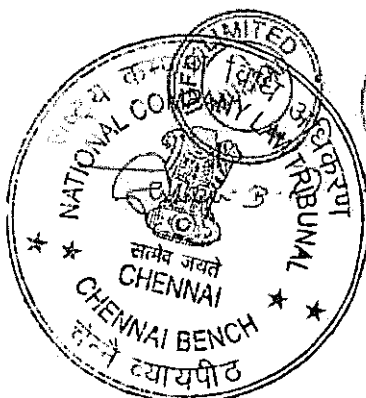
- 30.3 All compliances with respect to Taxes (including Tax payments) or any other Applicable Law between the Appointed Date 2 and the Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date 2, be deemed to have been complied with, by the Amalgamated Company. Any Taxes collected or deducted by the Amalgamated Company from payments made to the Amalgamating Company, shall be deemed to be advance tax paid by the Amalgamated Company.

31. ACCOUNTING TREATMENT

Pursuant to this Scheme coming into effect, the Amalgamated Company shall account for the Scheme in the books of accounts in accordance with the applicable Accounting Standards in the following manner:

- 31.1 The Amalgamated Company shall follow the method of accounting as prescribed for the pooling of interest method under Accounting Standard 14 as prescribed under Section 133 of the Act and notified under the relevant Companies Accounting Rules, 2006.
- 31.2 After giving effect to Part III of the Scheme, the Amalgamated Company shall, upon Part IV of this Scheme becoming effective and with effect from the Appointed Date 2, record the assets and liabilities and reserves of the Amalgamating Company transferred to and vested in it pursuant to this Scheme at their respective book values as appearing in the books of the Amalgamating Company (converted into Indian GAAP) as at the close of business of a day immediately preceding the Appointed Date 2.
- 31.3 The share capital held by the Amalgamating Company in the Amalgamated Company shall stand cancelled upon the Scheme becoming effective.
- 31.4 In respect of inter-company outstanding balances between the Amalgamating Company and Amalgamated Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Amalgamated Company.
- 31.5 The Amalgamated Company shall issue and allot equity shares to the shareholders of Amalgamating Company in accordance with this Scheme and credit the face value of such equity shares to its share capital account.
- 31.6 The excess or short fall, if any after recording the assets and liabilities of the Amalgamating Company and after making the adjustments as per Clause 31.3 to 31.5 above shall be credited or debited to an account titled as "Merger Adjustment Account".
- 31.7 In case of any difference in accounting policy between the Amalgamating Company and Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policy.
- 31.8 Any matter not dealt with in the Clause hereinabove shall be dealt with in accordance with the applicable Accounting Standards, applicable RBI regulations and applicable generally accepted accounting principles.

PART V



REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE AMALGAMATED COMPANY

32. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE AMALGAMATED COMPANY

- 32.1** Immediately upon Part III and Part IV of the Scheme becoming effective, the securities premium available with the Amalgamated Company i.e., after consolidation of securities premium of the Amalgamating Companies with the Amalgamated Company on account of Amalgamation, would be reduced against negative balance in profit and loss account, negative balance in amalgamation reserve and balance in the Merger Adjustment Account arising as part of the accounting mentioned in Clause 31 of this Scheme. This consequential capital reduction of the Amalgamated Company shall be effected as an integral part of this Scheme itself and not under a separate procedure, in terms of Section 52(1) read with Section 66 of the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of the Amalgamating Companies and the Amalgamated Company received pursuant to Sections 230 to 232 of the Act to this Scheme shall be deemed to be the consent of their respective shareholders for the purpose of effecting the reduction under the provisions of Section 52(1) read with Section 66 of the Act as well and no further compliances or approvals would be separately required.
- 32.2** For the sake of completeness, it is clarified that the rights/ interests of the shareholders or creditors shall remain unaltered.
- 32.3** The Amalgamated Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon the reduction of capital under Clause 32.1 of this Part V above.
- 32.4** The reduction of capital of the Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.
- 32.5** In so far as the proposed utilisation of securities premium account to set off the accumulated losses as set out in this Clause 32 is concerned, the book value of shares, the Amalgamated Company's net worth, equity capital structure and shareholding pattern will all remain unchanged. Thus, this is balance sheet neutral action.
- 32.6** No reduction in the paid-up share capital of the Amalgamated Company is contemplated and hence capital adequacy ratios will not be impacted on account of utilization of securities premium.
- 32.7** Further, the aforementioned exercise will present the true and fair view of the Amalgamated Company's financial position. It shall also enable the Amalgamated Company to explore opportunities to benefit the shareholders, including in the form of dividend.

PART VI

GENERAL TERMS AND CONDITIONS

33. SEQUENCING OF EVENTS



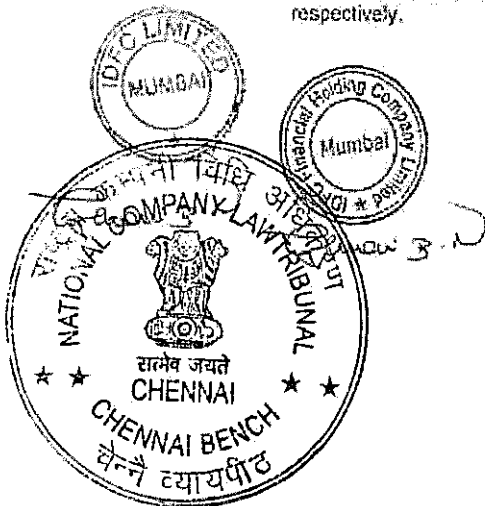
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33.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date 1 for Part III of the Scheme and the Appointed Date 2 for Part IV of the Scheme, and subject to the provisions of the Scheme, the following shall be deemed to have occurred, only in the sequence and in the order mentioned hereunder:

- (i) filing of certified copies of the order(s) of the NCLT with the Registrar of Companies by each of the Transferor Company and the Transferee Company, pursuant to which, the amalgamation of the Transferor Company into and with the Transferee Company, in accordance with Part III of this Scheme shall become effective;
- (ii) transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company in accordance with Part III of the Scheme;
- (iii) cancellation of the equity shares issued by the Transferor Company to the Transferee Company, in accordance with Part III of the Scheme;
- (iv) dissolution of the Transferor Company without being wound up, in accordance with Part III of the Scheme;
- (v) filing of certified copies of the order(s) of the NCLT with the Registrar of Companies by the Amalgamating Company and the Amalgamated Company, pursuant to which, the amalgamation of the Amalgamating Company into and with the Amalgamated Company, in accordance with Part IV of this Scheme shall become effective;
- (vi) transfer of the authorized share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorized share capital of the Amalgamated Company in accordance with Part IV of the Scheme;
- (vii) dissolution of the Amalgamating Company without being wound up, in accordance with Part IV of the Scheme;
- (viii) cancellation of the shareholding of the Amalgamating Company in the Amalgamated Company in its entirety, without any further act or deed, in accordance with Part IV of the Scheme;
- (ix) issue and allotment of New Amalgamated Company Shares to the shareholders of the Amalgamating Company as of the Record Date in accordance with Part IV of this Scheme; and
- (x) reduction of securities premium account of the Amalgamated Company in accordance with Part V of this Scheme.

34. APPLICATIONS/ PETITIONS TO THE NCLT

34.1 Each of the Companies shall, with reasonable dispatch, make and file all applications/ petitions under Section 230 to 232 read with other applicable provisions of the Act, to the NCLT, for sanctioning this Scheme under Sections 230 to 232 and other applicable provisions of the Act for carrying this Scheme into effect and for dissolution of the Transferor Company and Amalgamating Company, respectively.



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35. MODIFICATIONS / AMENDMENTS TO THIS SCHEME

- 35.1 The respective Boards of the Companies acting jointly but not individually, at any time, may make and/or assent to, any alteration or modification to this Scheme or to any conditions or limitations, including any alteration or modification that any Appropriate Authority may deem fit to direct, approve or impose, without having to obtain any further approvals from their respective shareholders or creditors.
- 35.2 The respective Boards of the Companies, acting jointly, be and are hereby authorized to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any Appropriate Authority or otherwise, howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith.
- 35.3 If any part or provision of this Scheme is invalid, illegal or unenforceable, including as a result of any ruling of any Appropriate Authority, under present or future laws, then it is the intention that such part or provision, as the case may be, shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to any person, in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for all stakeholders the benefits and obligations of this Scheme, including but not limited to such part or provision.
- 35.4 In the event of any of the conditions that may be imposed by the NCLT or any other Appropriate Authority which the Amalgamating Companies or the Amalgamated Company may find unacceptable for any reason, in whole or in part, then the Amalgamating Companies or Amalgamated Company is at liberty to withdraw this Scheme.
- 35.5 The Companies acting jointly and not individually, shall be at liberty to withdraw the Scheme from the NCLT, any time before the coming into effect of this Scheme.

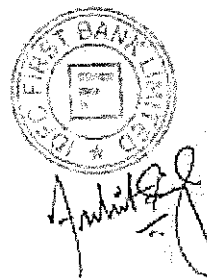
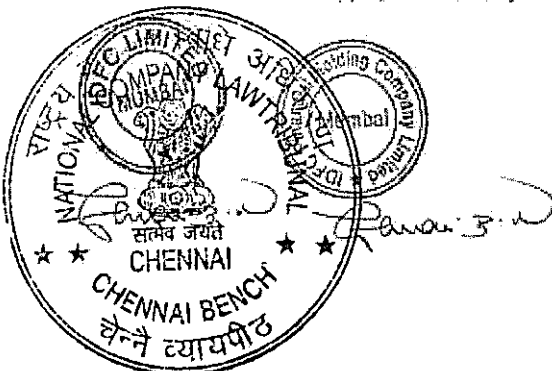
36. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 36.1 Upon the coming into effect of this Scheme, the resolutions of each of the Amalgamating Companies as are considered necessary by the Board of Amalgamated Company which are validly subsisting on the Effective Date, be considered as resolutions of Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

37. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

Unless otherwise decided (or waived) by the Companies, the effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment and waiver (to the extent permitted under Applicable Law) of the following conditions precedent:

- 37.1 The requisite sanction or approval under Applicable Law or from relevant Appropriate Authority including but not limited to CCI Approval, Stock Exchanges



Approval, RBI Approval in relation to the Scheme having been obtained by the relevant Companies.

- 37.2 The approval of the Government of India in terms of the NDI Rules, if required.
- 37.3 The sanctions and orders of the NCLT for the Scheme, under Sections 230 to 232 of the Act being obtained by the Companies and the Companies having received a certified true copy of order of the NCLT approving the Scheme.
- 37.4 The sanction by the NCLT to this Scheme is subject to the RBI certifying, in exercise of its powers conferred under Section 44B(1) of the BR Act, if applicable, that this Scheme is not incapable of being worked and as not being detrimental to the interests of the shareholders/depositors of the Amalgamated Company.
- 37.5 This Scheme being approved by the requisite majorities of the various classes of the shareholders and creditors (where applicable) of each of the Companies, as required under the Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective Companies not to convene the meetings of its members and/or creditors.
- 37.6 This Scheme being agreed to by the respective requisite majorities of the public shareholders of the Amalgamated Company as required under the SEBI Scheme Circular.
- 37.7 Such other conditions as may be mutually agreed between the Amalgamating Company and the Amalgamated Company.
38. EFFECT OF NON-RECEIPT OF CONFIRMATION / SANCTIONS
- 38.1 In the event of this Scheme not being sanctioned by the NCLT, this Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se between the Amalgamating Companies, the Amalgamated Company and its shareholders and creditors in terms of this Scheme.
39. BINDING EFFECT
- 39.1 Upon this Scheme becoming effective, the same shall be binding on the Amalgamating Companies and Amalgamated Company and all concerned parties without any further act, deed, matter, or thing.
40. EXPENSES CONNECTED WITH THIS SCHEME
- 40.1 All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), incurred by any of the Companies in carrying out and implementing this Scheme and matters incidental thereto shall be respectively borne and paid by such Companies, till the Effective Date. All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), in carrying out and implementing this Scheme and matters incidental thereto, after the Effective Date, shall be borne and paid by the Amalgamated Company.



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41. ADDITIONAL DISCLOSURES AS PER SEBI DEBT CIRCULAR

- 41.1 The additional disclosures that are required to be included in the Scheme in terms of the aforesaid circular, pursuant to the non-convertible debentures ("NCDs") of the Amalgamated Company being listed are contained in Annexure A.



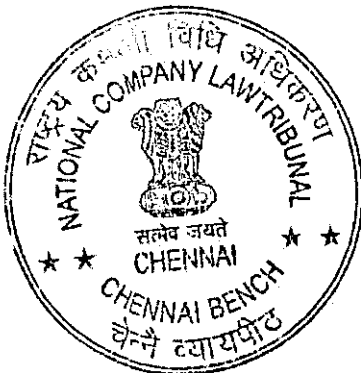
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ANNEXURE A

Details of the NCDs of the Amalgamated Company in terms of the SEBI Debt Circular

Sl. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms**	Coupon Rate	Payment Frequency	Amount Issued (In Cr.)	Redemption Amount / Outstanding (In Cr.)	Credit Rating	Name of Debenture Trustees
1	INE92TDEB34	1000000	5-Jan-15	5-Jan-25	Butel at maturity	NA	NA	8.57	Annually - 5th Jan each year	2,000.00	1,511.60	ICRA AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
2	INE92G2097	1000000	29-Sep-15	29-Sep-25	Butel at maturity	NA	NA	9.4	Annually - 29th Sep each year	50.00	47.40	BWR AA+, CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
3	INE92J05510	1000000	21-Jul-10	21-Jul-25	Butel at maturity	NA	NA	8.8	Annually - 21st July each year	100.00	258.40	ICRA AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
4	INE92CB111	1000000	15-Dec-15	15-Dec-25	Butel at maturity	NA	NA	10.25	Annually - 15th Dec each year	25.00	25.00	BWR AA+, CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.

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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms **	Coupon Rate	Payments Frequency	Amount Issued (In Cr.)	Redemption Amount / Outstanding (In Cr.)	Credit Rating	Name of Debenture Trustees
													LTD.
6	INE058I08145	1000000	15-Mar-16	1-Mar-19	Bulpar at maturity	Call on 01.03.2025	Step up of 1% from the existing coupon in case of call option is not exercised on the date. Notification time: 15 days prior to call option exercise date.	10.50	Quarterly - 1st March & quarterly thereon	100.00	99.00	BBB- AA+ CARE AA+	ICBI TRUSTEE SHP SERVICES LTD.
8	INE092T08493	1000000	15-Jun-10	15-Jun-25	Bulpar at maturity	NA	NA	1.5	Annually - 15th June each year	200.00	199.70	(ICRA) AA IND AA+	ICBI TRUSTEE SHP SERVICES LTD.
7	INE092T08494	1000000	20-May-15	20-May-24	Bulpar at maturity	NA	NA	5.71	Annually - 20th May each year	200.00	200.00	(ICRA) AA IND AA+	ICBI TRUSTEE SHP SERVICES LTD.
5	INE092T08495	1000000	23-Apr-10	23-Apr-24	Bulpar at maturity	NA	NA	5.8	Annually - 23rd April	200.00	200.70	(ICRA) AA IND AA+	ICBI TRUSTEE

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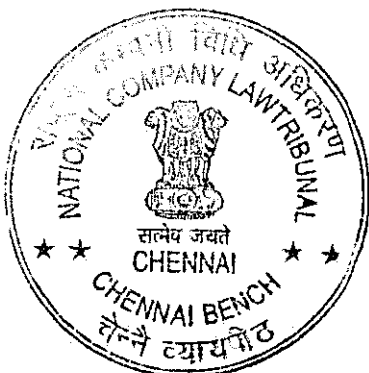
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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms **	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount / Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustees
	102451			25	maturity				each year			IND AA+	SHIP SERVICES LTD.
9	INE092 TD8525	1000000	16-Jan-11	16-Jan-26	Bullet at maturity	NA	NA	9.15	Annually - 16th Jan each year	208.00	100.00	ICRA AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
10	INE092 TD8522	1000000	19-Nov-10	19-Nov-25	Bullet at maturity	NA	NA	8.9	Annually - 19th Nov each year	200.00	241.50	ICRA AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
11	INE092 TD8460	1000000	13-May-10	13-May-25	Bullet at maturity	NA	NA	8.95	Annually - 13th May each year	500.00	500.00	ICRA AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
12	INE092 TD8003	1000000	19-Jul-10	19-Jul-23	Bullet at maturity	NA	NA	9.15	Annually - 19th July each year	35.20	33.40	ICRA AA+, CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.



Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount / Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustees
													LTD
13	INE800103160	1000000	25-Jul-16	24-Jul-25	Bullet at maturity	NA	NA	0.24	Annually - 25th July each year	10.00	10.00	BWR AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
14	INE800103180	1000000	15-Sep-17	15-Sep-25	Bullet at Call / maturity	Call on 15.09.2027	No Step Up. Rejection time 3 days prior to call option exercise date.	0.6	Annually - 15th Sep each year	50.00	50.00	BWR AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
15	INE800103190	1000000	1-Dec-22	1-Dec-32	Bullet at Call / maturity	Call on 01.12.2027	No step up. Any (es) option shall be exercised by the Amalgamated Company by giving all the eligible holders of bonds and to trustee not less than 21 (twenty one) calendar days prior	0.7	Annually - 1st Dec each year	1,500.00	1,500.00	CRISIL AA+ IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.



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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms **	Coupon Rate	Payment Frequency	Amount Issued (In Cr.)	Redemption Amount / Outstanding (In Cr.)	Credit Rating	Name of Debenture Trustees
							written notice RBI approval required						
16	INE002 T06808	1000000	14-Oct-14	14-Oct-24	Bullet at maturity	NA	NA	9.17	Annually - 14th Oct each year	1,000.00	540.50	ICRA/AA+/IND/AA+	IDBI TRUSTEE SHIP SERVICES LTD.
17	INE008 00953	1000000	17-May-13	17-May-23	Bullet at maturity	NA	NA	9.5	Annually - 17th May each year	50.00	49.50	ICRA/AA+/CARE/AA+	IDBI TRUSTEE SHIP SERVICES LTD.
18	INE002 T06804	1000000	29-Sep-10	29-Sep-20	Bullet at maturity	NA	NA	8.82	Annually - 29th Sept each year	260.00	251.30	ICRA/AA+/IND/AA+	IDBI TRUSTEE SHIP SERVICES LTD.
19	INE002 T06824	1000000	2-Jan-14	2-Jan-24	Bullet at maturity	NA	NA	9.03	Annually - 2nd Jan each year	145.00	145.00	ICRA/AA+/IND/AA+	IDBI TRUSTEE SHIP SERVICES LTD.

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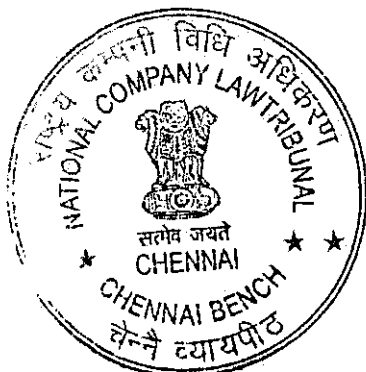
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													LTD.
20	INE092 T08253	1000000	31-Aug-09	31-Aug-24	Bullet at maturity	NA	NA	9.05	Annually - 31st Aug each year	150.00	137.30	ICRA AA, IND AA+	ICRI TRUSTEE SHIP SERVICES LTD.
21	INE092 T08252	1000000	27-Feb-15	27-Feb-25	Bullet at maturity	NA	NA	8.52	Annually - 27th Feb each year	300.00	180.20	ICRA AA, IND AA+	ICRI TRUSTEE SHIP SERVICES LTD.
22	INE092 T08245	1000000	25-Aug-09	25-Aug-24	Bullet at maturity	NA	NA	9.15	Annually - 25th Aug each year	150.00	150.00	ICRA AA, IND AA+	ICRI TRUSTEE SHIP SERVICES LTD.
23	INE092 T08240	1000000	15-Apr-14	15-Apr-24	Bullet at maturity	NA	NA	9.61	Annually - 15th April each year	270.00	425.00	ICRA AA, IND AA+	ICRI TRUSTEE SHIP SERVICES LTD.



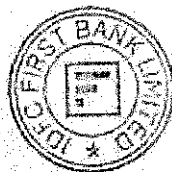
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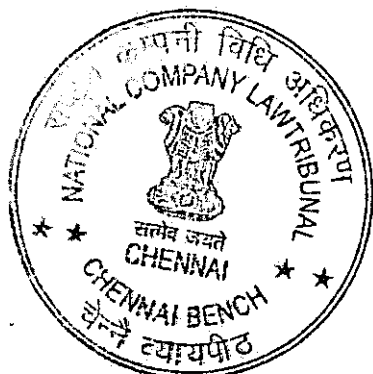
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24	INE092 TCASE5	1000000	8-Jan-14	8-Jan-24	Bullet at Call maturity	Call on 08.01.2024	No Step Up Notification time 3 days prior to call option exercise date.	9.85	Annually - 01st Jan each year	1,165.00	1,165.00	(ICRA) AA, IND AA+	IOBI TRUSTEE SHIP SERVICES LTD.
25	INE092 TQ4444	1000000	5-Apr-10	5-Apr-25	Bullet at maturity	NA	NA	8.9	Annually - 01st April each year	250.00	243.00	(ICRA) AA, IND AA+	IOBI TRUSTEE SHIP SERVICES LTD.
26	INE092 TQ5355	1000000	15-Jan-10	15-Jan-25	Bullet at maturity	NA	NA	8.51	Annually - 15th Jan each year	100.00	95.20	(ICRA) AA, IND AA+	IOBI TRUSTEE SHIP SERVICES LTD.
27	INE092 Q5125	1000000	20-Dec-19	20-Dec-25	Bullet at maturity	NA	NA	9.25	Annually - 20th Dec each year	50.00	44.80	(BWR) AA+, CARE AA+	IOBI TRUSTEE SHIP SERVICES LTD.
28	INE092 TOR378	1000000	15-Jan-10	15-Jan-25	Bullet at maturity	NA	NA	8.83	Annually - 15th Jan	100.00	95.20	(ICRA) AA, IND	IOBI TRUSTEE SHIP



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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount (if any), and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount / Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustees
									each year			AA+	SERVICES LTD.
29	INER00102317B	1000000	24-Aug-17	24-Aug-27	Butel at maturity	NA	NA	8.25	Annually - 24th Aug each year	200.00	146.60	BBB- AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
30	INER00102317B	1000000	23-Sep-14	23-Sep-24	Butel at Call / maturity	Call on 23.09.2024	Step up of 1% from the existing coupon in case if call option is not exercised on the date. Notification time 3 days prior to call option exercise date.	10.5	Annually - 23rd Sep each year	20.00	24.50	BBB- AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
31	INER00202317B	1000000	28-Jul-15	28-Jul-23	Butel at maturity	NA	NA	8.75	Annually - 28th July each year	1,050.00	714.50	(CRA) AA+ IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.



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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount / Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustee
32	INE092 T03803	1000000	21-Aug-14	21-Aug-24	Bullet at maturity	NA	NA	9.50	Annually - 21st Aug each year	1,025.00	530.50	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
33	INE092 T03104	1000000	27-Jan-10	27-Jan-25	Bullet at maturity	NA	NA	8.8	Annually - 27th Jan each year	200.00	185.00	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
34	INE092 T03014	1000000	17-Jan-05	17-Jan-20	Bullet at maturity	NA	NA	8.0	On Maturity	152.78	172.60	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
35	INE092 T05501	1000000	8-Jul-10	8-Jul-25	Bullet at maturity	NA	NA	8.8	Annually - 8th July each year	300.00	193.90	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
36	INE092 T06000	1000000	30-Oct-15	30-Oct-25	Bullet at maturity	NA	NA	8.25	Annually - 30th Oct	75.00	72.60	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.

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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call Terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustee
									each year			AA+	SERVICES LTD.
57	INE092T080W3	1000000	29-Sep-15	15-Sep-26	Bullet at maturity	NA	NA	0.75	Annually - 20th Sep each year	25.00	25.00	BBB+ AA+ AA+	IDBI TRUSTEE SHIP SERVICES LTD.
58	INE092T08EY5	10000000	2-Feb-22	2-Feb-32	Bullet at Call / maturity	Call on 08.02.2027	No Step Up. The Call Option shall be exercised by the Amalgamated Company anytime from the Call Option Redemption Date at the expiry of 10 Business Days from the Call Option Redemption Date. RBI approval	8.42	Annually - 30th Feb each year	1,500.00	1,500.00	CRSIL AA IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.



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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount / Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustee
							Indicated						
39	INE092T088H5	1000000	7-Aug-14	7-Aug-24	Bullet at maturity	NA	NA	8.3	Annually - 7th Aug each year	174.00	103.00	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
40	INE092T08643	1000000	15-Sep-10	15-Sep-20	Bullet at maturity	NA	NA	8.59	Annually - 15th Sept each year	100.00	81.00	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
41	INE092T08279	1000000	15-Sep-09	15-Sep-24	Bullet at maturity	NA	NA	9.0	Annually - 15th Sept each year	50.00	50.00	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
42	INE092T08485	1000000	23-May-10	23-May-25	Bullet at maturity	NA	NA	8.24	Annually - 23rd May each year	200.00	200.00	(ICRA) AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.

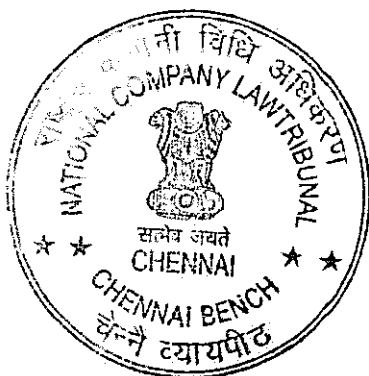
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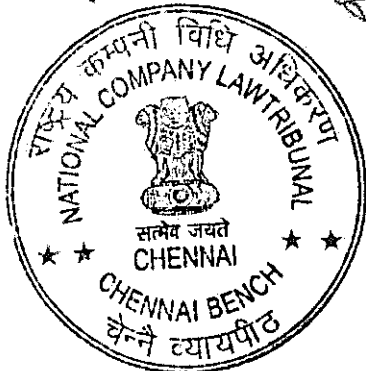
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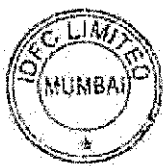
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43	INE092T09555	1000000	20-Sep-10	23-Sep-25	Bullet at maturity	NA	NA	8.66	Annually - 28th Sept each year	129.00	84.50	ICRA AA, IND AA+	ICBI TRUSTEE SHIP SERVICES LTD.
44	INE092T09572	1000000	23-Jun-15	23-Jun-25	Bullet at maturity	NA	NA	8.7	Annually - 23rd June each year	575.00	325.50	ICRA AA, IND AA+	ICBI TRUSTEE SHIP SERVICES LTD.
45	INE092T09590	1000000	12-Sep-14	12-Sep-24	Bullet at maturity	NA	NA	9.38	Annually - 12th Sept each year	1,055.00	657.50	ICRA AA, IND AA+	ICBI TRUSTEE SHIP SERVICES LTD.
46	INE092T09626	1000000	5-Apr-10	5-Apr-25	Bullet at maturity	NA	NA	8.86	Annually - 5th April each year	250.00	212.50	ICRA AA, IND AA+	ICBI TRUSTEE SHIP SERVICES LTD.
47	INE092T09600	1000000	19-May-15	4-Jul-23	Bullet at maturity	NA	NA	8.5	Annually - 19th May	430.00	295.70	ICRA AA, IND AA+	ICBI TRUSTEE SHIP

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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Paid (in Cr.)	Redemption Amount Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustee
2									each year			AA+	SERVICES LTD.
48	INE000005152	1000000	6-Jun-18	6-Jun-22	Bullet at Call / maturity	Call on 06.06.2022	Step up of 1% 9.75 (from 7% existing coupon in case if call option is not exercised on the call date. Notification time: 15 days prior to call option exercise date.	9.75	Annually - 6th June each year	30.00	28.20	BWR AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
49	INE000008104	1000000	7-Jun-18	7-Jun-24	Bullet at maturity	NA	NA	9.1	Annually - 7th June each year	30.00	29.00	BWR AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
50	INE000008103	1000000	20-Nov-15	20-Nov-25	Bullet at maturity	NA	NA	9.25	Annually - 20th Nov. each year	25.00	25.00	BWR AA+ CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.

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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Description: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms **	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount/Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustee
51	INE092T05527	1000000	8-Aug-10	5-Aug-25	Bullet at maturity	NA	NA	8.85	Annually - 8th Aug each year	230.00	189.50	[ICRA] AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
52	INE092T03428	1000000	5-Apr-10	5-Apr-25	Bullet at maturity	NA	NA	9.03	Annually - 5th April each year	250.00	243.10	[ICRA] AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
53	INE092T086R0	1000000	11-Dec-14	11-Dec-24	Bullet at maturity	NA	NA	5.49	Annually - 11th Dec each year	460.00	437.70	[ICRA] AA, IND AA+	IDBI TRUSTEE SHIP SERVICES LTD.
54	INE092T08202	1000000	7-Jun-18	6-Jun-25	Bullet at maturity	NA	NA	6.1	Annually - 7th June each year	70.00	68.00	[ICRA] AA+, CARE AA+	IDBI TRUSTEE SHIP SERVICES LTD.
55	INE092T055C2	1000000	3-May-17	3-May-24	Bullet at maturity	NA	NA	6.45	Annually - 3rd May	70.00	70.00	[ICRA] AA+, CARE	IDBI TRUSTEE SHIP

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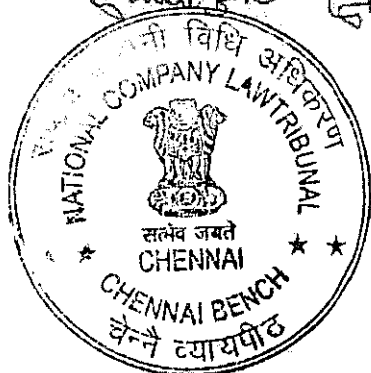
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Amith Singh



Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features - Call terms	Coupon Rate	Payment Frequency	Amount Issued (in Cr.)	Redemption Amount/ Outstanding (in Cr.)	Credit Rating	Name of Debenture Trustees
									each year			AA+	SERVICES LTD.
55	INE092T096U0	1000000	20-May-15	20-May-25	Bullet at maturity	NA	NA	8.7	Annually - 20th May each year	741.00	513.80	(ICRA) AA, IND AAA	IDBI TRUSTEE SHIP SERVICES LTD.
57	INE092T08FA0	1000000	27-Jun-13	27-Jun-33	Bullet at Call maturity	Call on 27.06.2026	No Step Up. The Call Option shall be exercised by the Amalgamated Company anytime from the Call Option Redemption Date till the expiry of 21 Business Days from the Call Option Redemption Date. RBI approval	8.4	Annually - 27th Jun each year	1,500.00	1,500.00	(ICRA) AA, IND AAA	IDBI TRUSTEE SHIP SERVICES LTD.

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Sr. No.	ISIN	Face Value	Issuance Date	Maturity Date	Redemption: The terms of redemption, amount, date, redemption premium/discount, and early redemption scenarios, if any.	Call Option Date	Other Embedded Features & Call terms **	Coupon Rate	Payment Frequency	Amount Issued (In Cr.)	Redemption Amount / Outstanding (In Cr.)	Credit Rating	Name of Debenture Trustee
							required						

** The notification dates may undergo change as per the extant guidelines applicable at the time of call option.

- Redemption price: At par
- Redemption Premium/Discount: N/A.
- Early Redemption Scenario Details: As per call details provided.
- Safeguards for the protection of holders NCDs: The Scheme envisages the amalgamation of IDFC Financial Holding Company Limited with IDFC Limited, and amalgamation of IDFC Limited with IDFC First Bank Limited. Under the Scheme, no arrangement or compromise is being proposed with the holders of the NCDs of the Amalgamated Company. The liability of the NCD holders of the Amalgamated Company, under the Scheme, is neither being reduced nor being extinguished. Further, the holders of the NCDs shall continue to hold all the NCDs in the Amalgamated Company even post the Scheme becoming effective, on the same terms and conditions on which they were issued. The Scheme, therefore, has adequate safeguards for the protection of holders of NCDs.
- Exit Offer to the dissenting holders of NCDs: Since the holders of the NCD in the Amalgamated Company shall continue to hold all the NCDs in the Amalgamated Company even post the Scheme becoming effective, on the same terms and conditions at which they were issued, the holders of the NCDs are not affected by the Scheme. Further, the liability of the NCD holders of the Amalgamated Company, under the Scheme, is neither being reduced nor being extinguished. Therefore, the Scheme, does not envisage any exit offer to the dissenting holders of the NCDs.



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Amal Singh



f) Latest Audited Financials along with notes to accounts and any audit qualifications:

Please refer to the following URL on the website of the Amalgamated Company:
<https://www.affinitybank.com/external/financial-report>

Please refer to the following URL on the website of the Amalgamating Company:
<https://www.affinitybank.com/external/financial-report>

g) An auditor's certificate certifying the payment/repayment capability of the resultant entity: Please refer to the following URL on the website of the Amalgamated Company: <https://www.affinitybank.com/external/financial-report>

h) Fairness Report: Please refer to the following URL on the website of the Amalgamated Company: <https://www.affinitybank.com/external/financial-report>

i) Declaration from the Amalgamated Company on any past defaults of listed debt obligations of the entities forming part of the Scheme: NIL



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