SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956.

AMONG

ENAM SECURITIES PRIVATE LIMITED

AND

AXIS BANK LIMITED

AND

AXIS SECURITIES AND SALES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 207 OF 2012

In the matter of the Companies Act, 1956;

-And-

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

-And-

In the matter of Axis Bank Limited [CIN: L65110GJ1993PLC020769], a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006;

-And-

In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

Axis Bank Limited,

[CIN: L65110GJ1993PLC020769]

a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006)))))))))))

...Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,
The Equity Shareholder(s) of Axis Bank Limited (**"the Applicant Company"**)
Address

Take Notice that by an order made on Wednesday, the 9th day of May, 2012, the Hon'ble High Court of Gujarat at Ahmedabad has directed a meeting of the equity shareholders of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat, on Saturday the 23rd day of June, 2012, at 11:00 a.m. (11.00 hours) in the forenoon, for the purpose of considering, and if thought fit, approving, with or without modification, Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors (the "**Scheme**").

Take further notice that in pursuance of the said order, a meeting of the equity shareholders of the Applicant Company will be held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat, on Saturday the 23rd day of June, 2012, at 11:00 a.m. (11.00 hours) in the forenoon, when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, not later than 48 hours before the scheduled time of the commencement of the said meeting.

The High Court of Gujarat at Ahmedabad has appointed Prof. Samir K. Barua, Director of Applicant Company and in his absence, Mr. K. N. Prithviraj, Director of the Applicant Company and in his absence Mr. V. R. Kaundinya, Director of the Applicant Company, as the Chairman of the said meeting.

A copy each of the Scheme, the statement under Section 393 of the Companies Act, 1956 and a form of proxy are enclosed.

Dated this 19th day of May, 2012

Sd/-
Prof. Samir K. Barua
Chairman appointed for the meeting.

Registered Office:

Axis Bank Limited,
'Trishul', 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad – 380 006, Gujarat

Notes:

(1) All alterations made in the form of proxy should be initialled.

(2) Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the equity shareholders' meeting. The representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the equity shareholders' meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorising such representative to attend and vote at the equity shareholders' meeting.

Encl: as above.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 207 OF 2012

In the matter of the Companies Act, 1956;

-And-

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

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In the matter of Axis Bank Limited [CIN: L65110GJ1993PLC020769], a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006;

-And-

In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

Axis Bank Limited,

[CIN: L65110GJ1993PLC020769]

a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006

...Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 READ WITH SECTION 173 OF THE COMPANIES ACT, 1956

1. Pursuant to the Order dated Wednesday, 9th day of May, 2012 passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application referred to above, meetings of the equity shareholders and unsecured creditors including fixed deposit holders of the Applicant Company are being convened and held for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme of Arrangement among Enam Securities Private Limited ("**ESPL**" or the "**First Transferor**") and Axis Bank Limited (the "**Applicant Company**" or "**Axis Bank**" or the "**First Transferee**" or the "**Second Transferor**") and Axis Securities and Sales Limited ("**ASSL**" or the "**Second Transferee**") and their respective shareholders and creditors (the "**Scheme**") under Sections 391-394 of the Companies Act, 1956 (the "**Act**").

2. A copy of the Scheme is attached to the notice of the meeting.

BACKGROUND OF THE APPLICANT COMPANY

3. The Applicant Company was incorporated on the 3rd December, 1993 in the State of Gujarat, under the provisions of the Act and licensed as a banking company by the Reserve Bank of India under the provisions of the Banking Regulation Act, 1949, in the name and style of UTI Bank Limited. The name of Axis Bank has been changed to its current name i.e. Axis Bank Limited on 30th July, 2007.

4. The registered office of the Applicant Company is at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006.

5. The Applicant Company is primarily engaged in the business of banking. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main objects of the Applicant Company, *inter alia*, are set out hereunder:

   "1. To carry on the business of banking, that is to say, accepting for the purpose of lending or investment deposits of money from the public, repayable on demand or otherwise, and without prejudice to the generality hereof, to carry on the business of,

   (a) borrowing, raising, or taking up of money;

   (b) lending or advancing of money either upon or without security;

   (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchanges, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;

   (d) granting and issuing of letter of credits, travellers' cheques and circulars notes;

   (e) buying, selling and dealing in bullions and specie; buying and selling on commission;

   (f) underwriting and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;

   (g) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, constituents or others;

   (h) negotiating of loans and advances;

   (i) receiving of all kinds for bonds, scrips or valuable on deposits for safe custody or otherwise;

   (j) providing of safe deposit vaults;

   (k) collecting and transmitting of money and securities;

   (l) issuing credit cards, meal vouchers and extending any other credits and to carry on any other business specified in clause (b) to clause (n) of sub-section (1) of section 6 of the Banking Regulation

Act, 1949 (10 of 1949) and such other forms of business which the Central Government 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;

2. *To carry on the business of merchant banking, investment banking, portfolio investment management, and corporate consultants and advisors;*

3. *To carry on the business of mutual fund, equipment leasing and hire purchase;*

4. *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. The details of the authorised, issued, subscribed and paid-up share capital of the Applicant Company are set out in Clause 12(ii) of the Scheme. The equity shares of the Applicant Company are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), (together the "**Stock Exchanges**"). The global depository receipts of the Applicant Company are listed on the London Stock Exchange.

BACKGROUND OF THE FIRST TRANSFEROR

7. The First Transferor was incorporated on the 30th March, 2005, in the State of Maharashtra, under the provisions of the Act in the name and style of Enam Shares & Securities Private Limited. By an order dated 21st April, 2006 passed by the Bombay High Court, a Scheme of Arrangement between Enam Securities Private Limited and Enam Financial Consultants Private Limited and Enam Shares & Securities Private Limited was sanctioned. Pursuant to the said sanctioned Scheme the name of Enam Securities Private Limited was changed to Enam Capital Private Limited and the name of Enam Shares & Securities Private Limited was changed to the current name of the First Transferor Company i.e. Enam Securities Private Limited.

8. The registered office of the First Transferor is at 24 BD, Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023.

9. The First Transferor is *inter alia* engaged primarily in the business of: (i) investment banking, (ii) equity capital markets, (iii) debt capital markets, (iv) stock broking (retail and institutional), (v) initial public offering ("**IPO**") application financing and loans against shares for the purpose of share acquisitions, (vi) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, Reserve Bank of India ("**RBI**") bonds) and other financial products, (vii) advisory services in relation to (i) to (vi) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, Enam Securities Direct Private Limited ("**ESDPL**"), Enam International Limited (UAE) ("**EIL**"), Enam Securities Europe Limited (UK) ("**ESEL**"), Enam Finance Private Limited ("**EFPL**").

10. The objects for which the First Transferor has been established are set out in its Memorandum of Association. The main objects of the First Transferor, *inter alia*, are set out hereunder:

"So long as the company is engaged in stock broking as member of any recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognized Stock Exchange is permitted to engage in under the securities and Contracts (Regulation) Rules, 1957, and the Bye-Laws & Regulations of the Stock Exchange. Subject to the forgoing, objects for which the Company is established are:

1. *To subscribe or acquire membership, dealership, permits, or to become a member of any one more Stock Exchanges, commodity exchanges including derivative segments of any exchanges whether in India or outside India, and co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.*

2. *To act as Merchant Banker registered, with SEBI and Financial and corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, agents connected with public*

issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities markets for takeover, bids, mergers, amalgamations, de-mergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/equity i.e GDR, ADR, bonds and other instruments. To carry on all kinds, of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law."

11. The details of the issued, subscribed and paid-up share capital of the First Transferor are set out in Clause 12(i) of the Scheme.

BACKGROUND OF THE SECOND TRANSFEREE

12. The Second Transferee was incorporated on the 6th day of December, 2005 in the State of Maharashtra, under the provisions of the Act, in the name and style of UBL Sales Limited. The name of UBL Sales Limited was subsequently changed to Axis Sales Limited on 10th August, 2007 and the name of Axis Sales Limited has been changed to its current name i.e. Axis Securities and Sales Limited on 5th April 2010. The Second Transferee is a wholly owned subsidiary of Axis Bank Limited.

13. The registered office of the Second Transferee is at Axis House, 8th Floor, Bombay Dyeing Mills Compound, P.B.Marg, Worli, Mumbai – 400 025.

14. The Second Transferee Company is primarily engaged in the business of retail broking and marketing & distribution of financial products.

15. The objects for which the Second Transferee has been established are set out in its Memorandum of Association. The main objects of the Second Transferee are set out hereunder:

"So long as the Company is engaged in stock broking as a member of any recognized stock exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities Contracts (Regulation) Rules, 1957, and the Rules, Bye-laws and Regulations of the Stock Exchange. Subject to the foregoing, the objects for which the Company is established are:

1. *To acquire the membership of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carry on business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and/or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.*

   1A. ***To subscribe or acquire membership, dealership, permits, or to become a member of any one or more Stock Exchanges and cooperate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.*

   1B. ***To act as a merchant banker registered with SEBI and Financial and Corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, investment banking,*

agents connected with public issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities market for takeover bids, mergers, amalgamations, demergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/Equity i.e., GDR, ADR, bonds and other instruments, to carry on all kinds of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law.

2. *To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publicising, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education loans, travel loans, and other retail loans and financial products, insurance products (including life, non-life, general insurance and any other insurance), mutual funds schemes, all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing of portfolio management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisement, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the Company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company.*

   To subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securitised or not, including shares, stocks, securities debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organisations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity."

16. The details of the authorized, issued, subscribed and paid-up share capital of the Second Transferee are set out in Clause 12(iii) of the Scheme.

17. The Second Transferee is presently a wholly owned subsidiary of the Applicant Company.

BACKGROUND TO THE SCHEME

18. The Scheme provides for:

    (i) the transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) of the First Transferor to the Applicant Company and the issuance of shares by the Applicant Company, to the

shareholders of the First Transferor in consideration for the demerger as set out in the Scheme; and upon such demerger; and

(ii) simultaneously and concurrently with the aforesaid demerger, the transfer by way of sale of the Transferred Business Undertaking (as defined in the Scheme) of the Applicant Company to the Second Transferee for consideration, as set out in the Scheme;

and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme, pursuant to Sections 391 to 394 and other relevant provisions of the Act and applicable law.

19. Upon sanction and effectiveness of the Scheme, the shareholders of the First Transferor shall become shareholders of the Applicant Company.

RATIONALE FOR THE SCHEME

20. The rationale and significant benefits of the demerger of the Demerged Undertaking to the Applicant Company and the sale of the Transferred Business Undertaking of the Applicant Company to the Second Transferee pursuant to the Scheme would *inter alia* include:

(i) Having the Transferred Business Undertaking under one umbrella providing the entire gamut of services relating to primary and secondary markets would create a comprehensive capital market intermediary with optimum size, greater financial strength and flexibility;

(ii) The consolidation of the financial services business of the First Transferor and the Second Transferee will lead to synergies of operations and would enable the Second Transferee to participate more vigorously and profitably in an increasingly competitive and liberalized market;

(iii) Enhancing the scale of operations will result in reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources; and

(iv) The Scheme will help the Applicant Company together with its group companies to enhance its presence in the equity / financial services market in India and abroad.

CORPORATE APPROVALS FOR THE SCHEME

21. The Scheme was placed before the board of directors of the Applicant Company on 27th April 2012, at which time a report dated 27th April 2012 of Harbibhakti & Co, Mumbai, an independent valuer, on the share entitlement ratio (the "**Share Entitlement Report**") was placed before the board of directors of the Applicant Company. Macquarie Capital Advisors (India) Pvt. Ltd., Mumbai, an independent entity, was engaged by the Applicant Company to provide a fairness opinion and in connection with such engagement, Macquarie Capital Advisors (India) Pvt. Ltd. has issued an opinion dated 27th April 2012 (the "**Fairness Opinion**") which states that, as of such date, and based upon and subject to various assumptions, limitations and considerations set forth in such written opinion, the share entitlement ratio of 5 (Five) equity shares of the face value of Rs. 10/- (Rupees Ten only) of the Applicant Company for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) of the First Transferor as recommended by the Share Entitlement Report is fair to the shareholders of the Applicant Company. The Share Entitlement Report and the Fairness Opinion are available for inspection and shareholders should read the aforesaid Share Entitlement Report and Fairness Opinion in their entirety for information regarding the assumptions made and factors considered in rendering the same.

22. The board of directors of the Applicant Company has, based on and relying upon the aforesaid Share Entitlement Report and Fairness Opinion, and on the basis of its independent evaluation and judgment, come to the conclusion that the proposed share entitlement ratio is fair and reasonable and has decided to incorporate the same in the Scheme, and approved the Scheme at its meeting on 27th April 2012. Similarly, the board of directors of each of the First Transferor and the Second Transferee have, on the basis of their independent evaluation and judgment approved the Scheme at their meetings on 27th April 2012.

SALIENT FEATURES OF THE SCHEME

23. The salient features of the Scheme are set out below:-

(i) The Scheme provides for: (a) the Demerged Undertaking to be transferred by way of demerger from the First Transferor to the Applicant Company; and (b) simultaneously and concurrently with the aforesaid demerger, the Transferred Business Undertaking to be transferred by way of sale from the Applicant Company to the Second Transferee; in accordance with the Scheme and other relevant provisions of the Act.

(ii) The "*Demerger Appointed Date*" means the opening of business on 1st April 2010.

(iii) The "*Effective Date*" means the last of the dates on which the conditions and matters mentioned in Clause 49 of the Scheme (and set out in paragraph (xxii) below) occur or have been fulfilled or waived in accordance with the Scheme.

(iv) "*Encumbrance*" means any options, pledge, mortgage, hypothecation, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;

(v) The "*Demerged Undertaking*" means the First Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business (as defined in the Scheme) of the First Transferor, on a going concern basis meaning and including (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the First Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the First Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the Financial Services Business;

(ii) all permits, quotas, registrations, rights, entitlements, licenses including the licenses issued by the Securities and Exchange Board of India for the First Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) *patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business;*

(iv) *all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and*

(v) *all present and future liabilities (including contingent liabilities and the First Transferor Transferred Liabilities) pertaining or relatable to the Financial Services Business as set out in Clause 16 of this Scheme.*

(vi) The "*Financial Services Business*" means the business of the First Transferor in the following areas: (a) investment banking, (b) equity capital markets, (c) debt capital markets, (d) stock broking (retail and institutional), (e) IPO application financing and loans against shares for the purpose of share acquisitions, (f) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, RBI bonds) and other financial products, (g) advisory services in relation to (a) to (f) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, ESDPL, EIL, ESEL and EFPL.

(vii) The "*First Transferor Remaining Business*" means:

"*means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of ESPL, other than those comprised in the Demerged Undertaking. For the avoidance of doubt it is clarified that the membership of NSE and MCX-SX Exchanges for currency derivatives, any commodity broking or derivative business and all related assets, liabilities, operations and businesses undertaken by the Transferor in relation to the same shall form part of the Remaining Business.*"

(viii) The "*Sale Appointed Date*" means 1st April 2010, immediately after giving effect to the demerger as set out in Part II of the Scheme;

(ix) The "*Second Transferor Remaining Business*" means:

"*means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of Axis Bank, other than those comprised in the Transferred Business Undertaking*"

(x) The "*Transferred Business Undertaking*" means (without limitation):

(i) *all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the Second Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the Second Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities;*

(ii) *all permits, quotas, registrations, rights, entitlements, licenses in relation to the Financal Services Business including the licenses issued by the Securities and Exchange Board of India for the Second Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,*

(iii) *patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business including but not limited to the websites www.enamdirect.in and www.enamdirect.co.in owned and operated by ESDPL;*

(iv) *all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and*

(v) *all present and future liabilities (including contingent liabilities and the Second Transferor Transferred Liabilities) appertaining or relatable to the Financial Services Business as set out in Clause 35 of this Scheme.*

(xi) Part II of the Scheme envisages the demerger of the Financial Services Business in the following manner:

(a) Transfer of assets: Upon the coming into effect of the Scheme and with effect from the Demerger Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of Clause 13 of the Scheme in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be demerged from the First Transferor and be transferred to and vested in or shall be deemed to have been demerged from the First Transferor and transferred to and vested in the First Transferee as a going concern so as to become as and from the Demerger Appointed Date, the estate, assets, rights, claims, title, interest authorities of the First Transferee subject to the provisions of the Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

(b) Contracts, deeds, licenses, etc.: Upon the coming into effect of the Scheme and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the First Transferor is a party or to the benefit of which the First Transferor may be eligible

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

(c) Transfer of liabilities: Upon the coming into effect of the Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the First Transferor as on the Demerger Appointed Date relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the First Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the First Transferee:

1. all the liabilities which arose out of the activities or operations of the Demerged Undertaking;

2. the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking as set out in the Demerged Undertaking Opening Financial Statement (enclosed as Schedule I to the Scheme); and

3. in cases other than (1) or (2) above, so much of the amounts of general or multipurpose borrowings, if any, of the First Transferor, as, in the aggregate, stand in the same proportion which the value of assets being transferred to the First Transferee pursuant to the demerger bears to the total value of the assets of the First Transferor on the Demerger Appointed Date. The amount of the general or multipurpose borrowings of the First Transferor which are transferred on this basis are reflected in the Demerged Undertaking Opening Financial Statement.

(d) Transfer at book value: All the assets and liabilities of the Demerged Undertaking shall be transferred to the First Transferee at the values appearing in the books of the First Transferor.

(e) Legal, taxation and other proceedings: Upon the coming into effect of the Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the First Transferor and relating to the Demerged Undertaking, under any statute, whether pending on the Demerger Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the First Transferee after the Effective Date. The First Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the First Transferor.

(f) Employees, consultants, etc.: Upon the coming into effect of the Scheme all permanent employees of the First Transferor engaged in the Demerged Undertaking as on the Effective Date shall become the permanent employees of the First Transferee, subject to the provisions of the Scheme without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the First Transferor in the Demerged Undertaking and without any interruption of service as a result of the transfer of the Demerged Undertaking.

(xii) Part II of the Scheme also provides for the conduct of the business of the Demerged Undertaking and in this regard, with effect from the Demerger Appointed Date and up to and including the Effective Date:

(a) the First Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the First Transferor Remaining Business for and on its own behalf;

(b) all profits accruing to the First Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the First Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the First Transferor; and

(c) all assets and properties acquired by the First Transferor in relation to the First Transferor Remaining Business on and after the Demerger Appointed Date shall belong to and continue to remain vested in the First Transferor.

(xiii) Part II of the Scheme also states that in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee in accordance with the provisions of the Scheme, the issue and allotment of equity shares by the First Transferee to the shareholders of the First Transferor as provided in the Scheme shall be as follows:

(a) Upon the Effective Date and in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee pursuant to Part II of the Scheme, the First Transferee shall, without any further act or deed, issue and allot to each member of the First Transferor whose name is recorded in the register of members as a member of the First Transferor on the Effective Date, equity shares in the First Transferee in the ratio of 5 (Five) equity shares in the First Transferee of Rs. 10/- (Rupees Ten Only) each credited as fully paidup for every 1 (One) equity share of Rs. 10/ (Rupees Ten Only) each fully paid up held by such member in the First Transferor (the "**Share Entitlement Ratio**");

(b) If any shareholder of the First Transferor becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the First Transferee in accordance with Clause 28 of the Scheme, the board of directors of the First Transferee 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 First Transferee (the "**Trustee**"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to the First Transferee, the net sale proceeds thereof and any additions and accretions, whereupon the First Transferee shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor in proportion to their respective fractional entitlements;

(c) The Share Entitlement Ratio shall be subject to appropriate adjustments as set forth in the Scheme to the extent necessary for corporate actions by the First Transferee such as bonus issues, rights issues, stock splits or any other similar capital restructuring which are approved after the date of approval of the Scheme by any of the board of directors of the First Transferor or the First Transferee but prior to the Effective Date;

(d) The equity shares of the First Transferee issued in terms of the Scheme will be listed and/ or admitted to trading on the stock exchanges where the shares of the First Transferee are listed and/ or admitted to trading on the BSE and the NSE. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system in accordance with applicable directions in relation to listing/trading that are given by the relevant stock exchanges.

(xiv) Part III of the Scheme envisages the transfer by way of sale and vesting of the Transferred Business Undertaking and in consideration for such sale of the Transferred Business Undertaking and upon the coming into effect of the Scheme, a lumpsum purchase consideration of Rs. 274,15,02,154

(Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid in cash by the Second Transferee to the Second Transferor (the "**Sale Consideration**").

(xv) In this regard, Part III of the Scheme envisages the following:

(a) Transfer of assets: Upon the coming into effect of the Scheme and with effect from the Sale Appointed Date, the Transferred Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Business Undertaking) shall, subject to the provisions of Clause 32 of the Scheme in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be transferred, by way of slump sale, from the Second Transferor and be transferred to or shall be deemed to have been transferred from the Second Transferor and transferred to and vested in the Second Transferee as a going concern so as to become as and from the Sale Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Second Transferee subject to the provisions of the Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions and shall be deemed to be due compliance of the provisions of Section 293 and the other relevant and applicable provisions of the Act.

(b) Contracts, deeds, licenses, etc: Upon the coming into effect of the Scheme and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Business Undertaking, to which the Second Transferor is a party or to the benefit of which the Second Transferor may be eligible or for the obligations of which the Second Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Second Transferee and may be enforced as fully and effectually as if, instead of the Second Transferor, the Second Transferee had been a party or beneficiary or obligee thereto.

(c) Transfer of liabilities: Upon the coming into effect of the Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the Second Transferor as on the Sale Appointed Date relating to the Transferred Business Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Second Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Second Transferee:

1. all the liabilities which arose out of the activities or operations of the Transferred Business Undertaking; and

2. the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Business Undertaking as set out in the Transferred Business Undertaking Opening Financial Statement (enclosed as Schedule II to the Scheme).

(d) Legal, taxation and other proceedings: Upon the coming into effect of the Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Second Transferor or the First Transferor and relating to the Transferred Business Undertaking, under any statute, whether pending on the Sale Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Second Transferee after the Effective Date. The Second Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Second Transferor.

(e) Employees, consultants, etc.: Pursuant to completion of Part II of the Scheme all permanent employees of the Second Transferor engaged in the Transferred Business Undertaking as on the Effective Date shall become the permanent employees of the Second Transferee, subject to the provisions of the Scheme without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the Second Transferor in the Transferred Business Undertaking and without any interruption of service as a result of the transfer of the Transferred Business Undertaking.

(xvi) Part III of the Scheme also provides that with effect from the designated Sale Appointed Date and up to and including the Effective Date:

(a) the Second Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Second Transferor Remaining Business for and on its own behalf;

(b) all profits accruing to the Second Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Second Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Second Transferor; and

(c) all assets and properties acquired by the Second Transferor in relation to the Second Transferor Remaining Business on and after the Sale Appointed Date shall belong to and continue to remain vested in the Second Transferor.

(xvii) Part IV of the Scheme provides for the accounting treatment in the books of the First Transferor as follows:

(a) Upon coming into effect of the Scheme, the book values of the assets and liabilities pertaining to the Financial Services Business transferred by the First Transferor to the First Transferee shall be reduced from the book values of the assets and liabilities appearing in the books of the First Transferor as on the date immediately preceding the Demerger Appointed Date; and

(b) The excess of assets over liabilities of the Financial Services Business shall be adjusted against the balance in the profit and loss account as appearing on the date immediately preceding the Demerger Appointed Date in the books of the First Transferor. The balance in the profit and loss account shall stand reduced to that extent.

(xviii) Part IV of the Scheme provides for the accounting treatment in the books of the Applicant Company as follows:

(a) Accounting treatment for the demerger:

1. The book value of the assets appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the assets pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the demerger in terms of the Scheme;

2. The book value of the liabilities appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the demerger in terms of the Scheme;

3. The First Transferee shall credit its share capital account with the aggregate of the face value of the equity shares issued pursuant to the Scheme; and

4. The First Transferee shall credit its capital reserve account with the difference of the excess of the assets over liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee and the face value of the equity shares issued pursuant to the Scheme.

(b) Accounting treatment for the sale:

1. Upon coming into effect of the Scheme the book value of the assets and liabilities appearing in the books of the Second Transferor pursuant to completion of Part II of the Scheme and as on the Sale Appointed Date shall be reduced by the book value of the assets and liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the sale in terms of the Scheme;

2. The Second Transferor shall debit its cash account with the Sale Consideration, being the amount received from the Second Transferee for the assets and liabilities pertaining to the Transferred Business Undertaking transferred in terms of the Scheme.

(xix) Part IV of the Scheme provides for the accounting treatment in the books of the Second Transferee as follows:

(a) The book value of the assets and liabilities appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the assets and liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the sale in terms of the Scheme;

(b) The Second Transferee shall credit its cash account with the Sale Consideration, being the amount paid to the Second Transferor for the assets and liabilities pertaining to the Transferred Business Undertaking acquired in terms of the Scheme.

(xx) Part IV of the Scheme also clarifies the other aspects of the tax treatment for the demerger and the sale in the following manner:

(a) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the First Transferor in respect of the operations and/or the profits of the Demerged Undertaking before the Demerger Appointed Date, shall be on account of the First Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the First Transferor in respect of the profits or activities or operation of the Demerged Undertaking after the Demerger Appointed Date, the same shall be deemed to be the corresponding item paid by the First Transferee and shall, in all proceedings, be dealt with accordingly; and

(b) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Second Transferor in respect of the operations and/or the profits of the Transferred Business Undertaking before the Sale Appointed Date, shall be on account of the Second Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Second Transferor in respect of the profits or activities or operation of the Transferred Business Undertaking after the Sale Appointed Date, the same shall be deemed to be the corresponding item paid by the Second Transferee and shall, in all proceedings, be dealt with accordingly.

(xxi) In addition, Part IV of the Scheme states that the First Transferor and the Second Transferee shall make necessary applications before the High Court of Judicature at Bombay and the Applicant Company shall make necessary applications before the High Court of Gujarat for the sanction of the Scheme under Sections 391 and 394 of the Act.

(xxii) Moreover, in terms of Part IV of the Scheme, the coming into effect of the Scheme is conditional upon and subject to the following:

(a) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the First Transferor, the Applicant Company and the Second Transferee as required under the Act and the requisite orders of the High Court of Judicature at Bombay and the High Court of Gujarat being obtained;

(b) the certified copies of the orders of the High Court of Judicature at Bombay and the High Court of Gujarat approving the Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Gujarat;

(c) receipt of the approvals of (1) the RBI for the acquisition of the Demerged Undertaking and the issuance of shares of the Applicant Company to the shareholders of the First Transferor, and the sale of the Transferred Business Undertaking, in terms of the Scheme; (2) the Securities and Exchange Board of India (the "**SEBI**") (under the Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992, the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993) (3) the BSE and NSE (x) for the Scheme; and (y) in relation to the change of dominant promoter group of the Demerged Undertaking and the Transferred Business Undertaking; (4) approval from the CCI under the Competition Act, 2002 for the demerger and the sale (if necessary); and (5) any other approval as may be required for the acquisition of the Demerged Undertaking and the issuance of the shares of the Applicant Company to the shareholders of First Transferor, and the transfer of the Transferred Business Undertaking in terms of the Scheme as a result of a change in law, rule or regulation or written requirement of a relevant authority on or after November 17, 2010 or interpretation of any existing law, rule or regulation on or after the relevant date; but shall not include the Other Approvals (as defined in the Scheme);

(d) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (b) and (c) above are satisfied;

(e) It is however clarified that the Second Transferee and the Applicant Company (through their respective board of directors) shall have the right to waive any of the conditions referred to in this paragraph (xxii) (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

(xxiii) In the event that the Scheme does not come into effect by June 30, 2013 or by such later date as may be agreed by the respective Boards of Directors of the First Transferor, the Second Transferee and Axis Bank, the Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the parties to the Scheme or their shareholders or creditors or employees or any other person. In such case each party to the Scheme shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

(xxiv) Further, notwithstanding anything to the contrary contained in the Scheme, in the event any approval required from (a) the Financial Services Authority, the Dubai Financial Services Authority, RBI and SEBI in relation to the transfer of EIL and ESEL in terms of the demerger and the sale (but not including the approval required from RBI and SEBI as listed in paragraph (xxii) above); (b) the

National Securities Depository Ltd. in relation to the demerger and the sale, (c) Central Depository Services (India) Limited in relation to the demerger and the sale, and (d) United Stock Exchange of India in relation to the demerger and the sale is not received by the Effective Date, the portion of the Financial Services Business to which the Other Approval relates shall continue to be held by the First Transferor in trust for First Transferee or by the Second Transferor in trust for the Second Transferee, as the case may be, and following the effectiveness of the Scheme shall be operated in accordance with the directions of the First Transferee or the Second Transferee, as the case may be, and be transferred to the First Transferee and immediately thereafter to the Second Transferee upon receipt of such Other Approval; provided that if the Other Approval is rejected or not obtained within a period of 6 (six) months from the effectiveness of the Scheme, the First Transferor or the Second Transferor, as the case may be, shall cease all operations with respect to such part of the Demerged Undertaking or Transferred Business Undertaking as pertains thereto and has not been transferred in terms of the Scheme.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only the salient features thereof.

24. The rights and interests of the members and the creditors of the Applicant Company will not be prejudicially affected by the Scheme.

25. The Applicant Company has received no objection letters from the BSE dated 30th April 2012 and the NSE dated 2nd May 2012 for filing the Scheme with the High Court of Gujarat at Ahmedabad.

26. Pursuant to the Scheme, the equity shares of the Applicant Company that are proposed to be issued to the shareholders of the First Transferor in the prescribed share entitlement ratio are to be listed on the same stock exchanges on which the equity shares of the Applicant Company are listed, i.e. the BSE and the NSE. The NSE and the BSE in its no objection letter has prescribed, *inter alia*, that the Resulting Company will have to fulfil the Stock Exchanges' criteria for listing and also comply with the provisions contained in the SEBI circular no. SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009, Rules, Byelaws and Regulations of the NSE and the BSE and other applicable statutory requirements.

27. The no objection letters from the BSE and the NSE are available for inspection at the registered office of the Applicant Company and should be read in their entirety for information regarding the conditions imposed by the stock exchanges, which the Applicant Company shall comply with. The Applicant Company has received a no-objection letter from the RBI on March 30, 2012 in relation to the transaction contemplated under the Scheme subject to certain conditions (which conditions will be satisfied by the Applicant Company), including *inter alia*, ensuring compliance with regulatory limits on investment in subsidiaries, conversion of all step down subsidiaries into direct subsidiaries of the Applicant Company in a time bound manner with no overlapping of activities of domestic subsidiaries of the Applicant Company, and prohibition on any subsidiary undertaking activities which are not permitted to be undertaken by banks in terms of the Banking Regulation Act, 1949 or as per the RBI's policy in this regard.

28. No investigation proceedings have been instituted and/or are pending in relation to the Applicant Company under Sections 235 and 250A of the Act, or under the provisions of the Monopolies and Restrictive Trade Practices Act, 1969. To the knowledge of the Applicant Company no winding up proceedings have been filed or are pending against the Applicant Company under the Act.

29. The First Transferor and the Second Transferee have made the necessary applications before the High Court of Judicature at Bombay and Axis Bank shall make necessary applications before the High Court of Gujarat at Ahmedabad for the sanction of the Scheme under Sections 391 and 394 of the Act.

30. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies that are the subject of the Scheme, or to the extent the said directors are common directors in the companies, or to the extent the said directors are

the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies.

31. The details of the present directors of the Applicant Company are as follows:

Sr. No.	Name	Age	Position	Equity Shares held in Applicant Company
1.	Dr. Adarsh Kishore	04-12-1946 65 years	Chairman	Nil
2.	Smt. Shikha Sharma	19-11-1958 53 years	Managing Director & CEO	15,000
3.	Smt. Rama Bijapurkar	12-02-1957 55 years	Director	Nil
4.	K. N. Prithviraj	03-03-1947 65 years	Director	Nil
5.	V. R. Kaundinya	13-02-1956 56 years	Director	Nil
6.	S. B. Mathur	11-10-1944 67 years	Director	200
7.	Prasad R. Menon	23-01-1946 66 years	Director	Nil
8.	R.N. Bhattacharyya	30-12-1942 69 years	Director	Nil
9.	Prof. Samir Barua	23-09-1951 60 years	Director	Nil
10.	A. K. Dasgupta	01-02-1952 60 years	Director	Nil
11.	Som Mittal	07-02-1952 60 years	Director	Nil

32. The pre and post restructuring share capital structure of the Applicant Company are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	500,000,000 equity shares of Rs.10/- each	500,000,000 equity shares of Rs.10/- each
Total	**Rs. 5,000,000,000/-**	**Rs. 5,000,000,000/-**
Issued, Subscribed and Paid-up Share Capital	413,813,736 equity shares of Rs.10/- each	425,903,736 equity shares of Rs.10/- each
Total	**Rs. 4,138,137,360/-**	**Rs. 4,259,037,360/-**

33. The pre and post restructuring share capital structure of the First Transferor are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-(Rupees Twenty Five Million Only)	2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-(Rupees Twenty Five Million Only)
Total	**Rs. 50,000,000/-**	**Rs. 50,000,000/-**
Issued, Subscribed and Paid-up Share Capital	2,418,000 equity shares of Rs.10/- each	2,418,000 equity shares of Rs.10/- each
Total	**Rs. 24,180,000/-**	**Rs. 24,180,000/-**

34. The pre and post restructuring share capital structure of the Second Transferee are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	120,000,000 equity shares of Rs.10/- each	120,000,000 equity shares of Rs.10/- each
Total	**Rs. 1,200,000,000/-**	**Rs. 1,200,000,000/-**
Issued, Subscribed and Paid-up Share Capital	120,000,000 equity shares of Rs.10/- each	120,000,000 equity shares of Rs.10/- each
Total	**Rs. 1,200,000,000/-**	**Rs. 1,200,000,000/-**

35. Corporate members/creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than 48 hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.

36. An equity shareholder/creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member /creditor of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 hours prior to the commencement of the meeting.

37. The following documents will be open for inspection by the equity shareholders and unsecured creditors including fixed deposit holders of the Applicant Company up to 1 (one) day prior to the date of the meetings at its registered office between 11:00 a.m. and 2:00 p.m. on all working days, except Saturday:

(i) Papers and proceedings in Company Application No. 207 of 2012 including certified copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad in the said Company Application directing the convening and holding of the meetings of the equity shareholders and unsecured creditors including the fixed deposit holders of the Applicant Company;

(ii) Proposed Scheme;

(iii) Implementation Agreement dated November 17, 2010 (together with the amendments thereto);

(iv) Brand License and Co-Branding Agreement dated November 17, 2010 (together with the amendments thereto);

(v) Indemnity Agreement dated September 16, 2011 (together with the amendment thereto);

(vi) Indenture of Trust dated November 17, 2010 (together with the amendments thereto);

(vii) Escrow Agreement dated March 15, 2011 (together with the amendments thereto);

(viii) Memorandum and Articles of Association of the Applicant Company, the First Transferor and the Second Transferee;

(ix) Annual Report of the Applicant Company for the financial year ended March 31, 2012;

(x) Annual Report of the First Transferor for the financial year ended March 31, 2012;

(xi) Annual Report of the Second Transferee for the financial year ended March 31, 2012

(xii) Audited Statement of Accounts of the Applicant Company as on March 31, 2012;

(xiii) Audited Statement of Accounts of the First Transferor as on March 31, 2012

(xiv) Audited Statement of Accounts of the Second Transferee as on March 31, 2012;

(xv) Copies of No Objection letters dated 30th April 2012 and 2nd May 2012 from the BSE and the NSE respectively, received by the Applicant Company;

(xvi) Copies of the RBI no-objection letters;

(xvii) Copy of the Share Entitlement Report dated 27th April 2012 issued by Haribhakti & Co., Mumbai;

(xviii) Copy of the Fairness Opinion dated 27th April 2012 issued by Macquarie Capital Advisors (India) Pvt. Ltd., Mumbai; and

(xix) Details of assets and liabilities of the Demerged Undertaking as on March 31, 2012.

This statement be treated as the statement under Section 393 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the Applicant Company during ordinary business hours on weekdays.

Dated this 19th day of May, 2012

Sd/-
Prof. Samir K. Barua
Chairman appointed for the meeting.

Registered Office:

Axis Bank Limited,
'Trishul', 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad – 380 006, Gujarat

SCHEME OF ARRANGEMENT

AMONG

ENAM SECURITIES PRIVATE LIMITED

AND

AXIS BANK LIMITED

AND

AXIS SECURITIES AND SALES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

1. Enam Securities Private Limited is a private limited company incorporated under the Act (as defined hereunder), having its registered office at 24 BD Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023, Maharashtra ("**ESPL**" or the "**First Transferor**") . The First Transferor is engaged primarily in the business of (i) investment banking, (ii) equity capital markets, (iii) debt capital markets, (iv) stock broking (retail and institutional), (v) initial public offering ("**IPO**") application financing and loans against shares for the purpose of share acquisitions, (vi) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, RBI bonds) and other financial products, (vi) advisory services in relation to (i) to (v) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, ESDPL (as defined hereunder), EIL (as defined hereunder), ESEL (as defined hereunder), and EFPL (as defined hereunder) (collectively, the "**Financial Services Business**").

2. The First Transferor also holds a membership of NSE and MCX-SX Exchanges for currency derivatives ("**Currency Broking Business**"), holds other assets including investments in listed and unlisted shares and securities and also holds the domain rights for its website www.enam.com (the "**Enam Website**").

3. Axis Bank Limited is a company incorporated under the Act and having its registered office at 'Trishul', 3rd floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat ("**Axis Bank**") Axis Bank is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of Axis Bank are listed on The Bombay Stock Exchange Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**).

4. Axis Securities & Sales Limited is a company incorporated under the Act and having its registered office at Corporate Office, Bombay Dyeing Mills Compund, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra (the "**Second Transferee**"). The Second Transferee is a wholly owned subsidiary of Axis Bank. The main objects of the Second Transferee include *inter alia*:

    1. To acquire the membership of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carry on business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.

1A. To subscribe or acquire membership, dealership, permits, or to become a member of any one or more Stock Exchanges and cooperate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.

1B. To act as a merchant banker registered with SEBI and Financial and Corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, investment banking, agents connected with public issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities market for takeover bids, mergers, amalgamations, demergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/Equity i.e., GDR, ADR, bonds and other instruments. To carry on all kinds of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law.

2. To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publicising, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education loans, travel loans, and other retail loans and financial products, insurance products (including life, non-life, general insurance and any other insurance), mutual funds schemes , all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing of portfolio management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisements, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the Company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company.

3. To subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securitised or not, including shares, stocks, securities debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organisations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity.

5. The First Transferor, the Second Transferee, Axis Bank, Nemish Shanitlal Shah, Rekha Shah, Krutharth N. Shah, Advance Compuflow Services Private Limited, Lata Bhanshali, Vallabh R. Bhansali, Enam Investments Services Private Limited, Talma Chemicals Industries Private Limited, Jagdish Master and Manish Chokhani have entered into an Implementation Agreement dated November 17, 2010, as amended by the First Amendment Agreement dated December 7, 2010, the Second Amendment Agreement dated September 16, 2011, the Third Amendment Agreement dated February 8, 2012 and the Fourth Amendment Agreement dated April 27, 2012 (the "**Implementation Agreement**"), pursuant to which the parties thereto have agreed *inter alia*

to transfer the Demerged Undertaking (comprising the Financial Services Business of the First Transferor, as more particularly defined hereunder) as a going concern by way of a Demerger (as defined hereunder) to the First Transferee, and to effect such other transactions referred to therein, the terms and conditions relating to the same and the implementation thereof, in accordance with and subject to the terms and conditions of the Implementation Agreement. Further, the Second Transferor and the Second Transferee have agreed to transfer the Transferred Business Undertaking (as defined hereunder) by way of a Sale (as defined hereunder) from the Second Transferor to the Second Transferee.

6. In furtherance of the Implementation Agreement and the understanding between the parties thereto, this Scheme (as defined hereunder) provides for the Demerger of the Demerged Undertaking of the First Transferor to the First Transferee, the Sale of the Transferred Business Undertaking of the Second Transferor to the Second Transferee and various other matters consequential or otherwise integrally connected therewith, pursuant to Sections 391 to 394 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of Sections 2(19AA) and 2(41A) of the Income Tax Act, 1961.

7. The Demerger of the Demerged Undertaking to the First Transferee and the Sale of the Transferred Business Undertaking to the Second Transferee pursuant to this scheme of arrangement would *inter alia* have the following benefits:

   (i) Having the Transferred Business Undertaking under one umbrella providing the entire gamut of services relating to primary and secondary markets would create a comprehensive capital market intermediary with optimum size, greater financial strength and flexibility;

   (ii) The consolidation of the financial services business of the First Transferor and the Second Transferee will lead to synergies of operations and would enable the Second Transferee to participate more vigorously and profitably in an increasingly competitive and liberalized market;

   (iii) Enhancing the scale of operations will result in reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources; and

   (iv) The scheme of arrangement will help Axis Bank together with its group companies to enhance its presence in the equity / financial services market in India and abroad.

8. The Demerger of the Financial Services Business of the First Transferor is in full compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and always should be read and revised in any way if it is perceived to be not in compliance of the said Section, such that:

   (i) All the properties of the Demerged Undertaking, being transferred by the First Transferor, immediately before the Demerger become the properties of the First Transferee by virtue of the Demerger;

   (ii) All the liabilities relatable to the Demerged Undertaking, being transferred by the First Transferor, immediately before the Demerger become the liabilities of the First Transferee by virtue of the Demerger;

   (iii) The properties and the liabilities, if any, relatable to the Demerged Undertaking, being transferred by the First Transferor, are transferred to the First Transferee at the values appearing in the books of account of the First Transferor immediately before the Demerger;

   (iv) The First Transferee shall issue shares to the shareholders of the First Transferor in consideration of the Demerger on a proportionate basis;

   (v) All shareholders of the First Transferor shall become the shareholders of the First Transferee by virtue of the Demerger; and

   (vi) The transfer of the Demerged Undertaking will be on a going concern basis.

9. This Scheme is divided into the following parts:

   (i) Part I, which deals with the introduction and definitions;

   (ii) Part II, which deals with the Demerger of the Financial Services Business;

   (iii) Part III, which deals with the Sale of the Transferred Business Undertaking; and

   (iv) Part IV, which deals with the general terms and conditions applicable to the Scheme.

10. The Scheme also provides for various other maters consequential or otherwise internally connected herewith.

11. **Definitions**

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

(A) "**Act**" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;

(B) "**Axis Bank**" shall have the meaning ascribed to it in Clause 3 above;

(C) "**Axis Bank Shares**" shall have the meaning ascribed to it in Clause 27 below;

(D) "**BSE**" means The Bombay Stock Exchange Limited;

(E) "**Brand**" means all unregistered and registered trademarks, service marks, certification marks, designs, trade names relating to "Enam" owned by or licensed to or used by the First Transferor and slogans used in relation thereto, which for the avoidance of doubt, shall not include the websites www.enamdirect.in and www.enamdirect.co.in owned and operated by ESDPL;

(F) "**CCI**" means the Competition Commission of India, as established under the Competition Act, 2002;

(G) "**CDSL**" means the Central Depository Services (India) Limited;

(H) "**Courts**" or "**High Courts**" means the High Court of Judicature at Bombay and the High Court of Gujarat, and shall include the National Company Law Tribunal as applicable or such other forum or authority as may be vested with the powers of a High Court under Sections 391 to 394 of the Act;

(I) "**Demerger Appointed Date**" means the opening of business on April 1, 2010;

(J) "**Demerged Undertaking**" means the First Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business of the First Transferor, on a going concern basis and shall mean and include (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the First Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the First Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the Financial Services Business;

(ii) all permits, quotas, registrations, rights, entitlements, licenses including the licenses issued by the Securities and Exchange Board of India for the First Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or

conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business;

(iv) all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and

(v) all present and future liabilities (including contingent liabilities and the First Transferor Transferred Liabilities) pertaining or relatable to the Financial Services Business as set out in Clause 16 of this Scheme.

(K) "**Demerged Undertaking Opening Financial Statement**" means the duly audited opening balance sheet of the Demerged Undertaking as at the opening of business hours on the Demerger Appointed Date as set out in **Schedule I** hereto;

(L) "**Demerger**" means the transfer by way of demerger of the Demerged Undertaking of the First Transferor to the First Transferee pursuant to this Scheme and the consequent issuance of equity shares by the First Transferee to the shareholders of the First Transferor as set out in this Scheme;

(M) "**DFSA**" means the Dubai Financial Services Authority;

(N) "**EFPL**" means Enam Finance Private Limited, a company incorporated under the Act and having its registered office at Flat No. 11, 4th Floor, Vijay Deluxe Apartments, Door No 7/4 First Main Road City Colony Mylapore, Chennai, Tamil Nadu, 600004, and registered as a "non-banking finance company" with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934;

(O) "**EIL**" means Enam International Ltd. (UAE), a company incorporated under the laws of the United Arab Emirates and regulated by the DFSA;

(P) "**ESDPL**" means the Enam Securities Direct Private Limited, a company incorporated under the Act and having its registered office at 24 BD Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023, Maharashtra, India and registered as a stock broker with the SEBI;

(Q) "**ESEL**" means Enam Securities Europe Limited (UK), a company incorporated under the laws of the United Kingdom and regulated by the FSA;

(R) "**ESPL**" shall have the meaning ascribed to it in Clause 1 above;

(S) "**Effective Date**" means the last of the dates on which the conditions and matters referred to in Clause 49 hereof occur or have been fulfilled or waived;

References in this Scheme to the date of "**coming into effect of this Scheme**"" or "**effectiveness of this Scheme**" shall mean the Effective Date;

(T) "**Enam Website**" shall have the meaning ascribed to it in Clause 2 above;

(U) "**Encumbrance**" means any options, pledge, mortgage, hypothecation, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;

(V) "**Financial Services Business**" shall have the meaning set forth in Clause 1;

(W) "**First Transferee**" means Axis Bank, for the purposes of the Demerger pursuant to Part II of this Scheme;

(X) "**First Transferor**" shall have the meaning ascribed to it in Clause 1 above;

(Y) "**First Transferor Remaining Business**" means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of ESPL, other than those comprised in the Demerged Undertaking. For the avoidance

of doubt it is clarified that the membership of NSE and MCX-SX Exchanges for currency derivatives, any commodity broking or derivative business and all related assets, liabilities, operations and businesses undertaken by the Transferor in relation to the same shall form part of the Remaining Business;

(Z) "**First Transferor Transferred Liabilities**" shall have the meaning ascribed to it in Clause 16 (i) hereof;

(AA) "**FSA**" means the (United Kingdom) Financial Services Authority;

(BB) "**Implementation Agreement**" shall have the meaning ascribed to it in Clause 5 above;

(CC) "**Implementation Agreement Execution Date**" shall mean November 17, 2010;

(DD) "**NSDL**" means the National Securities Depository Limited;

(EE) "**NSE**" shall mean the National Stock Exchange of India Limited;

(FF) "**Offering**" shall have the meaning ascribed to it in Clause 28 (iii) below;

(GG) "**Other Approvals**" shall have the meaning ascribed to it in Clause 51 below;

(HH) "**RBI**" means the Reserve Bank of India;

(II) "**Regulatory Authority**" means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body (including any stock or commodity exchange), or court, including but not limited to the RBI, BSE, NSE, USE, NSDL, CDSL, SEBI, FSA, DFSA along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;

(JJ) "**Sale**" means the transfer, by way of a slump sale, of the Transferred Business Undertaking of the Second Transferor to the Second Transferee pursuant to this Scheme, in consideration for which a cash consideration of Rs. 274,15,02,154 (Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid by the Second Transferee to the Second Transferor on the Effective Date;

(KK) "**Sale Appointed Date**" means April 1, 2010, immediately after giving effect to the Demerger as set out in Part II of this Scheme;

(LL) "**Sale Consideration**" shall have the meaning ascribed to it in Clause 41 hereof;

(MM) "**Schedules**" shall mean schedules to this Scheme;

(NN) "**Scheme**" means this Scheme of Arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

(OO) "**SEBI**" means the Securities and Exchange Board of India;

(PP) "**Second Transferee**" shall have the meaning ascribed to it in Clause 4 above;

(QQ) "**Second Transferor**" means Axis Bank, after giving effect to the Demerger pursuant to Part II of this Scheme;

(RR) "**Second Transferor Remaining Business**" means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of Axis Bank, other than those comprised in the Transferred Business Undertaking.

(SS) "**Second Transferor Transferred Liabilities**" shall have the meaning ascribed to it in Clause 35 (i) hereof;

(TT) "**Share Entitlement Ratio**" shall have the meaning ascribed to it in Clause 28 hereof;

(UU) "**Stock Exchanges**" means the stock exchanges on which the shares of Axis Bank are listed, being the BSE and NSE;

(VV) "**Transferred Business Undertaking**" means the Second Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business demerged from the First Transferor to the First Transferee pursuant to the Demerger set forth in Part II of this Scheme, and shall mean and include (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the Second Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the Second Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities;

(ii) all permits, quotas, registrations, rights, entitlements, licenses in relation to the Financal Services Business including the licenses issued by the Securities and Exchange Board of India for the Second Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business including but not limited to the websites **www.enamdirect.in** and **www.enamdirect.co.in** owned and operated by ESDPL;

(iv) all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and

(v) all present and future liabilities (including contingent liabilities and the Second Transferor Transferred Liabilities) appertaining or relatable to the Financial Services Business as set out in Clause 35 of this Scheme.

(WW) "**Transferred Business Undertaking Opening Financial Statement**" means the duly audited opening balance sheet of the Transferred Business Undertaking as on the Sale Appointed Date as set out in **Schedule II** hereto;

(XX) "**Trustee**" shall have the meaning ascribed to it in Clause 28 (ii) hereof;

(YY) "**USE**" means the United Stock Exchange.

12. **Share Capital**

(i) The share capital structure of the First Transferor as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
Comprising 2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-.(Rupees Twenty Five Million Only)	Rs. 50,000,000
Issued, Subscribed and Paid-up	
Comprising of 2,418,000 equity shares of Rs. 10/- (Rupees Ten Only) each.	Rs. 24,180,000

(ii) The share capital structure of Axis Bank as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
Comprising 500,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 5,000,000,000/- (Rupees (Five Billion Only) Only).	Rs. 5,000,000,000
Issued, Subscribed and Paid-up	
Comprising 413,203,952 equity shares of Rs. 10/- (Rupees Ten Only) each	Rs. 4,132,039,520

The equity shares of Axis Bank are listed on BSE and NSE and the global depository receipts are listed on the London Stock Exchange.

(iii) The share capital structure of the Second Transferee as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
120,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each aggregating Rs. 1200,000,000- (Rupees One Thousand Two Hundred Million Only)	Rs. 1,200,000,000
Issued, Subscribed and Paid-up	
Comprising 120,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each	Rs. 1,200,000,000

PART II – DEMERGER OF THE FINANCIAL SERVICES BUSINESS

Section 1 - Transfer and Vesting of the Demerged Undertaking

13. *Transfer of Assets*

(i) Upon the coming into effect of this Scheme and with effect from the Demerger Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause 13 in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be demerged from the First Transferor and be transferred to and vested in or shall be deemed to have been demerged from the First Transferor and transferred to and vested in the First Transferee as a going concern so as to become as and from the Demerger Appointed Date, the estate, assets, rights, claims, title, interest authorities of the First Transferee subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

(ii) In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the First Transferor, and shall become the property of the First Transferee as an integral part of the Demerged Undertaking with effect from the Demerger Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be demerged from the First Transferor and transferred to and vested in and/or be deemed to be demerged from the First Transferor and transferred to and vested in the First Transferee upon the coming into effect of the Scheme and with effect from the Demerger Appointed Date pursuant to the provisions of Section 391 to Section 394 of the Act.

(iv) All assets, right, title or interest acquired by the First Transferor after the Demerger Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the First Transferee upon the coming into effect of this Scheme and with effect from the Demerger Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

(v) Upon the effectiveness of the Scheme, the First Transferor, the Second Transferee and Axis Bank shall enter into appropriate arrangements for licensing of the Brand in accordance with the Implementation Agreement.

14. *Contracts, Deeds, Licenses etc.*

(i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the First Transferor is a party or to the benefit of which the First Transferor may be eligible or for the obligations of which the First Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the First Transferee and may be enforced as fully and effectually as if, instead of the First Transferor, the First Transferee had been a party or beneficiary or obligee thereto.

(ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the First Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the First Transferor is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The First Transferee shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the First Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the First Transferor to be carried out or performed.

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the First Transferor in relation to the Demerged Undertaking shall stand transferred to the First Transferee as if the same were originally given by, issued to or executed in favour of the First Transferee, and the First Transferee 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 First Transferee. The First Transferee shall make applications to any Regulatory Authority as may be necessary in this behalf.

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

16. *Transfer of Liabilities*

(i) Upon the coming into effect of this Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the First Transferor as on the Demerger Appointed Date relating to the Demerged

Undertaking (collectively the **"First Transferor Transferred Liabilities"**) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the First Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the First Transferee:

(a) all the liabilities which arose out of the activities or operations of the Demerged Undertaking;

(b) the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking as set out in the Demerged Undertaking Opening Financial Statement; and

(c) in cases other than (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of the First Transferor, as, in the aggregate, stand in the same proportion which the value of assets being transferred to the First Transferee pursuant to the Demerger bears to the total value of the assets of the First Transferor on the Demerger Appointed Date. The amount of the general or multipurpose borrowings of the First Transferor which are transferred on this basis are reflected in the Demerged Undertaking Opening Financial Statement.

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

(iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the First Transferor for the operations of the Demerged Undertaking from the Demerger 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 First Transferee, 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 First Transferee and shall become the loans, debts, liabilities, duties and obligations of the First Transferee.

(iv) In so far as the existing Encumbrances in respect of the First Transferor Transferred Liabilities are concerned, or those, if any, created by the First Transferor after the Demerger Appointed Date in accordance with this Scheme and in relation to the liabilities being transferred to the First Transferee pursuant to Clause 16(i)(c) above, over the assets comprised in the Demerged Undertaking transferred to the First Transferee by virtue of this Scheme, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over such assets comprised in the Demerged Undertaking which have been Encumbered in relation to the aforesaid liabilities. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the First Transferee pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

(v) For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the First Transferor Remaining Business are concerned, the Encumbrances over such assets in relation to the liabilities of the Demerged Undertaking (including the First Transferor Transferred Liabilities) transferred to the First Transferee in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities which are not transferred pursuant to this Scheme (and which shall continue with the First Transferor), shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.

(vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the First Transferor and the First Transferee 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.

(vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the First Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

17. *Transfer of assets and liabilities at Book Values*

All the assets and liabilities of the Demerged Undertaking shall be transferred to the First Transferee at the values appearing in the books of the First Transferor.

18. *Legal, taxation and other proceedings*

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the First Transferor and relating to the Demerged Undertaking, under any statute, whether pending on the Demerger Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the First Transferee after the Effective Date. The First Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the First Transferor.

(ii) If proceedings are taken against the First Transferor in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the First Transferee and at the cost of the First Transferee, and the latter shall reimburse and indemnify the First Transferor against all liabilities and obligations incurred by the First Transferor in respect thereof.

19. *Employees, Consultants etc.*

(i) Upon the coming into effect of this Scheme (a) all permanent employees of the First Transferor engaged in the Demerged Undertaking as on the Effective Date shall become the permanent employees of the First Transferee, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the First Transferor in the Demerged Undertaking and without any interruption of service as a result of the transfer of the Demerged Undertaking.

The First Transferee agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such employees with the First Transferor shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(ii) In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the First Transferor for its employees are concerned, the First Transferee shall stand substituted for the First Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees. In relation to the gratuity fund of the First Transferor, the First Transferee shall stand substituted for the First Transferor in relation to the fund in its entirety and the First Transferor and the First Transferee shall co-operate and use best endeavours to obtain such approvals as may be necessary to effect the transfer of such proportion of the investments made by the gratuity fund which are transferred to the First Transferee and are referable to the employees of the First Transferor who do not form part of the Demerged Undertaking and are not transferred to the First Transferee pursuant to the Scheme; in the event the First Transferee receives any amounts in relation to such employees, it shall promptly repay these amounts to the First Transferor. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

(iii) In relation to any other fund created or existing for the benefit of the employees being transferred to the First Transferee, the First Transferee shall stand substituted for the First Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

Section 2 – Conduct of Business of Demerged Undertaking

20. The First Transferor, with effect from the Demerger Appointed Date and up to and including the Effective Date:

(i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments of the Demerged Undertaking for and on account of, and in trust for, the First Transferee;

(ii) all profits and income accruing to the First Transferor from the Demerged Undertaking, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), relating to the Demerged Undertaking for the period from the Demerger Appointed Date based on the accounts of the First Transferor shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the First Transferee; and

(iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the First Transferor shall be deemed to have been exercised by the First Transferor for and on behalf of, and in trust for and as an agent of the First Transferee. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the First Transferor shall be deemed to have been undertaken for and on behalf of and as an agent for the First Transferee; and

(iv) all assets acquired and all liabilities incurred by the First Transferor after the Demerger Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking 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 First Transferee 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.

21. Subject to paragraph 22, the First Transferor undertakes that it will preserve and carry on the business of the Demerged Undertaking with diligence and business prudence in the ordinary course consistent with past practice, in trust for the benefit of the First Transferee, and shall not, and shall ensure that its subsidiaries forming part of the Demerged Undertaking shall not, upto and including the Effective Date, save and except, (i) if the same is permitted under the Scheme or (ii) by obtaining the prior written consent of the board of directors of the First Transferee: (a) sell, transfer, alienate, charge, mortgage, or encumber the Demerged Undertaking or any part thereof except in the ordinary course of business as carried on by it consistent with past practice, including its shareholding in EIL, ESEL, EFPL and ESDPL (which, notwithstanding anything to the contrary, shall not be Encumbered in any manner without the prior written consent of the First Transferee); or (b) declare any dividend, conduct any buy back of securities or make any changes to their respective capital structure in any manner, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and/or convertible shares/debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner;

22. The First Transferee shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Demerger Appointed Date and prior to the Effective Date subject to applicable law and the Act. The First Transferor shall not be entitled to declare dividend on or prior to the Effective Date, provided that in the event of any declaration of dividend by the First Transferee after the Implementation Agreement Execution Date and prior to the Effective Date, the First Transferor shall be entitled to declare dividend (net of dividend distribution tax) to its shareholders as on the relevant record date of an amount equivalent to such amount as such shareholders of the First Transferor would have received from the First Transferee had they received Axis Bank Shares pursuant to the Demerger on the relevant record date for the distribution of dividend by the First Transferee.

23. 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 First Transferor and / or the First Transferee

or their respective subsidiaries to demand or to claim any dividends, which subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the First Transferor and subject, wherever necessary, to the approval of the shareholders of the First Transferor.

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

(i) the First Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the First Transferor Remaining Business for and on its own behalf;

(ii) all profits accruing to the First Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the First Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the First Transferor; and

(iii) all assets and properties acquired by the First Transferor in relation to the First Transferor Remaining Business on and after the Demerger Appointed Date shall belong to and continue to remain vested in the First Transferor.

Section 3 – First Transferor Remaining Business

25. The First Transferor Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the First Transferor subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.

26. (i) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the First Transferor under any statute, whether pending on the Demerger Appointed Date or which may be instituted at any time thereafter, and in each case relating to the First Transferor Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the First Transferor in respect of the First Transferor Remaining Business) shall be continued and enforced by or against the First Transferor after the Effective Date, which shall keep the First Transferee fully indemnified in that behalf.

(ii) If proceedings are taken against the First Transferee in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the First Transferor and at the cost of the First Transferor, and the latter shall reimburse and indemnify the First Transferee against all liabilities and obligations incurred by the First Transferee in respect thereof.

Section 4 - Issue of Shares for Demerger

27. In consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee in accordance with the provisions of this Scheme the issue and allotment of equity shares by the First Transferee to the shareholders of the First Transferor as provided in this Scheme (the **"Axis Bank Shares"**) shall be as an integral part of this Scheme, and deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act.

28. (i) Upon the Effective Date and in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee pursuant to Section 1 of Part II of this Scheme, the First Transferee shall, without any further act or deed, issue and allot to each member of the First Transferor whose name is recorded in the register of members as a member of the First Transferor on the Effective Date, equity shares in the First Transferee in the ratio of 5 (Five) equity shares in Axis Bank of Rs. 10/- (Rupees Ten Only) each credited as fully paid up for every 1 (One) equity share of Rs. 10/ (Rupees Ten Only) each fully paid up held by such member in the First Transferor (the **"Share Entitlement Ratio"**).

(ii) If any shareholder of the First Transferor becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the First Transferee in accordance with Clause 28 of this Scheme, the board of directors of the First Transferee 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 First Transferee (the **"Trustee"**), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in

the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to the First Transferee, the net sale proceeds thereof and any additions and accretions, whereupon the First Transferee shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor in proportion to their respective fractional entitlements.

(iii) The Share Entitlement Ratio shall be subject to appropriate adjustments as set forth below to the extent necessary for corporate actions by the First Transferee such as bonus issues, rights issues, stock splits or any other similar capital restructuring which are approved after the date of approval of the Scheme by any of the Boards of the First Transferor or the First Transferee but prior to the Effective Date.

Free distribution, bonus issue, division, consolidation and re-classification of Shares

If the First Transferee shall (a) make a bonus issue of its shares, (b) divide the face value of its outstanding equity shares, (c) consolidate its outstanding equity shares into a smaller number of shares, or (e) re-classify any of its equity shares into other securities of the First Transferee, between the date of filing of the Scheme with the High Court of Gujarat for the first time, and the Effective Date, then the Share Entitlement Ratio shall be appropriately adjusted to take into account the impact of such action on the number of shares to be received by the members of the First Transferor pursuant to the Scheme.

Rights Issues to Shareholders:

If the First Transferee shall, between the date of filing of this Scheme with the High Court of Gujarat for the first time, and the Effective Date, grant, issue or offer to the holders of its shares rights entitling them to subscribe for or purchase its shares or instruments **("Offering"),** the members of the First Transferor as on the record date of such rights issue shall, subject to applicable law, be treated as shareholders of the First Transferee as on the record date of such rights issue and shall be entitled to participate in such rights issue in accordance with their share entitlement in terms of the Share Entitlement Ratio, subject to such shareholder confirming their intention to subscribe to the First Transferee in accordance with the terms of the rights issue. Such confirmation shall be considered a binding commitment by the shareholder to participate in the rights issue and the rights entitlement of the members of the First Transferor (as on the relevant record date) will be kept in abeyance by the First Transferee till the issuance of Axis Bank Shares to such member of the First Transferor pursuant to Clause 28 of this Scheme, and upon such issuance, the shareholder shall pay the subscription monies towards the rights entitlement to Axis Bank which shall be appropriated towards such entitlement and the entitlement given effect to by Axis Bank.

29. The shares issued by the First Transferee to the members of the First Transferor pursuant to Clause 28 above shall be issued in dematerialized form, unless otherwise notified in writing by the shareholders of the First Transferor to the First Transferee on or before such date as may be determined by the Board of Directors of the First Transferee or a committee thereof. In the event such notice has not been received by the First Transferee in respect of any of the members of the First Transferor, the equity shares shall be issued to such members in dematerialized form provided that the members of the First Transferor shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the First Transferee has received notice from any of the members of the First Transferor that equity shares are to be issued in physical form or if any member of the First Transferor has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member of the First Transferor do not permit electronic credit of the shares of the First Transferee, then the First Transferee shall issue equity shares in physical form to such member(s) of the First Transferor.

30. The equity shares of the First Transferee issued in terms of this Scheme will be listed and/or admitted to trading on the stock exchanges where the shares of the First Transferee are listed and/ or admitted to trading on the BSE and the NSE. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system in accordance with applicable directions in relation to listing/trading are given by the relevant stock exchanges.

31. The equity shares to be issued and allotted by the First Transferee in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the First Transferee and shall rank pari passu in all respects with the then existing equity shares of the First Transferee.

PART III – SALE OF THE TRANSFERRED BUSINESS

Section 1 - Transfer by way of Sale and Vesting of the Transferred Business Undertaking

32. *Transfer of Assets*

(i) Upon the coming into effect of this Scheme and with effect from the Sale Appointed Date, the Transferred Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Business Undertaking) shall, subject to the provisions of this Clause 32 in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be transferred, by way of slump sale, from the Second Transferor and be transferred to or shall be deemed to have been transferred from the Second Transferor and transferred to and vested in the Second Transferee as a going concern so as to become as and from the Sale Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Second Transferee subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions and shall be deemed to be due compliance of the provisions of Section 293 and the other relevant and applicable provisions of the Act.

(ii) In respect of such of the assets of the Transferred Business Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, payment or by endorsement and delivery, the same may be so transferred by the Second Transferor, and shall become the property of the Second Transferee as an integral part of the Transferred Business Undertaking with effect from the Sale Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Transferred Business Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred from the Second Transferor and transferred to and vested in the Second Transferee upon the coming into effect of the Scheme and with effect from the Sale Appointed Date pursuant to the provisions of Section 391 to Section 394 of the Act.

(iv) All assets, right, title or interest acquired by the Second Transferor after the Sale Appointed Date but prior to the Effective Date in relation to the Transferred Business Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Second Transferee upon the coming into effect of this Scheme and with effect from the Sale Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

33. *Contracts, Deeds, Licenses etc.*

(i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Business Undertaking, to which the Second Transferor is a party or to the benefit of which the Second Transferor may be eligible or for the obligations of which the Second Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Second Transferee and may be enforced as fully and effectually as if, instead of the Second Transferor, the Second Transferee had been a party or beneficiary or obligee thereto.

(ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Business Undertaking occurs by virtue of this Scheme itself, the Second Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Second Transferor is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Second Transferee shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Second Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Second Transferor to be carried out or performed.

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Second Transferor in relation to the Transferred Business Undertaking shall stand transferred to the Second Transferee as if the same were originally given by, issued to or executed in favour of the Second Transferee, and the Second Transferee 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 Second Transferee. The Second Transferee shall make applications to any Regulatory Authority as may be necessary in this behalf.

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

35. *Transfer of Liabilities*

(i) Upon the coming into effect of this Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the Second Transferor as on the Sale Appointed Date relating to the Transferred Business Undertaking (collectively the **"Second Transferor Transferred Liabilities"**) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Second Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Second Transferee:

(a) all the liabilities which arose out of the activities or operations of the Transferred Business Undertaking; and

(b) the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Business Undertaking as set out in the Transferred Business Undertaking Opening Financial Statement.

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

(iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the Second Transferor for the operations of the Transferred Business Undertaking from the Sale 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 Second Transferee, 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 Second Transferee and shall become the loans, debts, liabilities, duties and obligations of the Second Transferee.

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

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

liabilities of the Transferred Business Undertaking (including the Second Transferor Transferred Liabilities) transferred to the Second Transferee in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Transferred Business Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities which are not transferred pursuant to this Scheme (and which shall continue with the Second Transferor), shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.

(vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Second Transferor and the Second Transferee 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.

(vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Second Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

36. *Legal, taxation and other proceedings*

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Second Transferor or the First Transferor and relating to the Transferred Business Undertaking, under any statute, whether pending on the Sale Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Second Transferee after the Effective Date. The Second Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Second Transferor.

(ii) If proceedings are taken against the Second Transferor or the First Transferor in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the Second Transferee and at the cost of the Second Transferee, and the latter shall reimburse and indemnify the Second Transferor or the First Transferor against all liabilities and obligations incurred by the Second Transferor or the First Transferor in respect thereof.

37. *Employees, Consultants etc.*

(i) Pursuant to completion of Part II of this Scheme (a) all permanent employees of the Second Transferor engaged in the Transferred Business Undertaking as on the Effective Date shall become the permanent employees of the Second Transferee, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the Second Transferor in the Transferred Business Undertaking and without any interruption of service as a result of the transfer of the Transferred Business Undertaking.

The Second Transferee agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such employees with the Second Transferor shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(ii) In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Second Transferor for its employees are concerned, the Second Transferee shall stand substituted for the Second Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees. In

relation to the gratuity fund of the Second Transferor, the Second Transferee shall stand substituted for the Second Transferor in relation to the fund in its entirety and the Second Transferor and the Second Transferee shall co-operate and use best endeavours to obtain such approvals as may be necessary to effect the transfer of such proportion of the investments made by the gratuity fund which are transferred to the Second Transferee and are referable to the employees of the Second Transferor who do not form part of the Transferred Business Undertaking and are not transferred to the Second Transferee pursuant to the Scheme; in the event the Second Transferee receives any amounts in relation to such employees, it shall promptly repay these amounts to the Second Transferor. It is clarified that the services of the employees of the Transferred Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

(iii) In relation to any other fund created or existing for the benefit of the employees being transferred to the Second Transferee, the Second Transferee shall stand substituted for the Second Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

Section 2 – Second Transferor Remaining Business

38. The Second Transferor Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Second Transferor subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.

39. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Second Transferor under any statute, whether pending on the Sale Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Second Transferor Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Second Transferor in respect of the Second Transferor Remaining Business) shall be continued and enforced by or against the Second Transferor after the Effective Date, which shall keep the Second Transferee fully indemnified in that behalf.

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

(i) the Second Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Second Transferor Remaining Business for and on its own behalf;

(ii) all profits accruing to the Second Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Second Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Second Transferor; and

(iii) all assets and properties acquired by the Second Transferor in relation to the Second Transferor Remaining Business on and after the Sale Appointed Date shall belong to and continue to remain vested in the Second Transferor.

Section 3 - Consideration for the Sale of the Transferred Business Undertaking

41. In consideration for the Sale of the Transferred Business Undertaking and upon the coming into effect of the Scheme, a lumpsum purchase consideration of Rs. 274,15,02,154 (Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid in cash by the Second Transferee to the Second Transferor (the **"Sale Consideration"**).

PART IV – GENERAL TERMS AND CONDITIONS

Section 1 - Accounting Treatment

42. *Accounting treatment in the books of the First Transferor*

(i) Upon coming into effect of this Scheme, the book values of the assets and liabilities pertaining to the Financial Services Business transferred by the First Transferor to the First Transferee shall be reduced from the book values of the assets and liabilities appearing in the books of the First Transferor as on the date immediately preceding the Demerger Appointed Date.

(ii) The excess of assets over liabilities of the Financial Services Business shall be adjusted against the balance

in the Profit and Loss account as appearing on the date immediately preceding the Demerger Appointed Date in the books of the First Transferor. The balance in the Profit & Loss Account shall stand reduced to that extent.

43. *Accounting treatment in the books of Axis Bank*

(i) For the Demerger

(a) The book value of the assets appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the assets pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the Demerger in terms of this Scheme.

(b) The book value of the liabilities appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the Demerger in terms of this Scheme.

(c) The First Transferee shall credit its Share Capital account with the aggregate of the face value of the equity shares issued pursuant to Clause 28 of this Scheme.

(d) The First Transferee shall credit its Capital Reserve Account with the difference of the excess of the assets over liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee and the face value of the equity shares issued pursuant to Clause 28 of this Scheme.

(ii) For the Sale

(a) Upon coming into effect of this Scheme the book value of the assets appearing in the books of the Second Transferor pursuant to completion of Part II of this Scheme and as on the Sale Appointed Date shall be reduced by the book value of the assets pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(b) Upon coming into effect of this Scheme the book value of the liabilities appearing in the books of the Second Transferor pursuant to completion of Part II of this Scheme and as on the Sale Appointed Date shall be reduced by the book value of the liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(c) The Second Transferor shall debit its Cash account with the Sale Consideration, being the amount received from the Second Transferee for the assets and liabilities pertaining to the Transferred Business Undertaking transferred in terms of the Scheme.

44. *Accounting Treatment in the books of the Second Transferee*

(i) The book value of the assets appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the assets pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(ii) The book value of the liabilities appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(iii) The Second Transferee shall credit its Cash account with the Sale Consideration, being the amount paid to the Second Transferor for the assets and liabilities pertaining to the Transferred Business Undertaking acquired in terms of the Scheme.

45. *Taxes*

(i) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the First Transferor in respect of the operations and/or the profits of the Demerged Undertaking before the Demerger Appointed Date, shall be on account of the First Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the First Transferor in respect of the profits or activities or operation of the Demerged Undertaking after the Demerger Appointed Date, the same shall be deemed to be the corresponding item paid by the First Transferee and shall, in all proceedings, be dealt with accordingly.

(ii) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Second Transferor in respect of the operations and/or the profits of the Transferred Business Undertaking before the Sale Appointed Date, shall be on account of the Second Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Second Transferor in respect of the profits or activities or operation of the Transferred Business Undertaking after the Sale Appointed Date, the same shall be deemed to be the corresponding item paid by the Second Transferee and shall, in all proceedings, be dealt with accordingly.

Section 2 – Other Terms and Conditions

46. The First Transferor, Second Transferee shall make necessary applications before the High Court of Judicature at Bombay and Axis Bank shall make necessary applications before the High Court of Gujarat for the sanction of this Scheme under Sections 391 and 394 of the Act.

47. The First Transferor (by its Board of Directors), Axis Bank (by its Board of Directors) and Second Transferee (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

(i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which a High Court may deem fit to approve or impose, and/or effect any other modification or amendment which the boards of the First Transferor, Axis Bank and the Second Transferee may jointly and mutually agree in writing, consider necessary or desirable and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

(ii) any modification to this Scheme by a High Court shall not be binding on the First Transferor, Axis Bank or the Second Transferee except where its prior consent has been obtained.

(iii) give such directions (acting jointly) as may be mutually agreed in writing by the First Transferor, Axis Bank and the Second Transferee as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law).

(iv) in their full and absolute discretion and by mutual agreement in writing by the First Transferor, Axis Bank and the Second Transferee modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

(v) determine jointly by mutual agreement in writing by the First Transferor, Axis Bank and the Second Transferee any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Demerged Undertaking or the Transferred Business Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

48. *Severability*

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 First Transferor, Axis Bank and the Second Transferee, affect the validity or implementation of the other parts and/or provisions of this Scheme.

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

(i) this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the First Transferor, Axis Bank and the Second Transferee as required under the Act and the requisite orders of the High Courts being obtained;

(ii) the certified copies of the orders of the High Courts approving this Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Gujarat;

(iii) receipt of the approvals of (i) the RBI for the acquisition of the Demerged Undertaking and the issuance of the Axis Bank Shares to the shareholders of ESPL, and the Sale of the Transferred Business Undertaking, and the Sale of the Transferred Business Undertaking, in terms of this Scheme; (ii) SEBI (under the Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992, the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993) (iii) the BSE and NSE (x) for the Scheme; and (y) in relation to the change of dominant promoter group of the Demerged Undertaking and the Transferred Business Undertaking; (iv) approval from the CCI under the Competition Act, 2002 for the Demerger and the Sale (if necessary); and (v) any other approval as may be required for the acquisition of the Demerged Undertaking and the issuance of the Axis Bank Shares to the shareholders of First Transferor, and the transfer of the Transferred Business Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Relevant Authority on or after the Agreement Date or interpretation of any existing law, rule or regulation on or after the Relevant Date; but shall not include the Other Approvals.

(iv) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (ii) and (iii) are satisfied.

The Second Transferee and Axis Bank (through their respective Board of Directors) shall have the right to waive any of the conditions referred to in Clause 49 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

50. In the event of this Scheme does not come into effect by June 30, 2013 or by such later date as may be agreed by the respective Boards of Directors of the First Transferor, the Second Transferee and Axis Bank, this Scheme shall stand revoked, cancelled and be of no effect and 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 party shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

51. Further, notwithstanding anything to the contrary contained in this Scheme, in the event any approval required from (i) the FSA, DFSA, RBI and SEBI in relation to the transfer of EIL and ESEL in terms of the Demerger and the Sale (but not including the approval required from RBI and SEBI listed in Clause 49 above); (ii) the NSDL in relation to the Demerger and the Sale, (iii) CDSL in relation to the Demerger and the Sale, and (iv) USE in relation to the Demerger and the Sale **("Other Approvals")** is not received by the Effective Date, the portion of the Financial Services Business to which the Other Approval relates shall continue to be held by the First Transferor in trust for First Transferee or by the Second Transferor in trust for the Second Transferee, as the case may be, and following the effectiveness of the Scheme shall be operated in accordance with the directions of the First Transferee or the Second Transferee, as the case may be, and be transferred to the First Transferee and immediately thereafter to the Second Transferee upon receipt of such Other Approval; provided that if the Other Approval is rejected or not obtained within a period of 6 (six) months from the effectiveness of the Scheme, the First Transferor or the Second Transferor, as the case may be, shall cease all operations with respect to such part of the Demerged Undertaking or Transferred Business Undertaking as pertains thereto and has not been transferred in terms of this Scheme.

52. Each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the High Courts. Provided that, all expenses and related costs incurred by the Second Transferor in relation to or in connection with or incidental to this Scheme shall be reimbursed by the Second Transferee to the Second Transferor.

SCHEDULE I

Opening Balance Sheet of Demerged Business Undertaking as on Demerger Appointed Date	
Particulars	**Demerged Business**
Sources of Funds	
Shareholders' Funds	
Share Capital	
24,18,000 Equity Shares of Rs. 10 each fully paid up	-
Reserves & Surplus	2,741,502,154
Total	**2,741,502,154**
Application Of Funds	
Fixed Assets	
Gross Block	140,952,627
Less: Accumulated Depriciation	87,963,583
Net Block	**52,989,044**
Quoted & Unquoted	
Investment in Subsidiaries	1,059,711,175
Current Investments	525,182,141
Investments	**1,584,893,316**
Current Assets and Loans and Advances	5,451,544,997
Less: Current Liabilities & Provisions	4,347,925,203
Net Current Assets	**1,103,619,794**
Deferred Tax Assets	-
Total	**2,741,502,154**

SCHEDULE II

Opening Balance Sheet of Transferred Business Undertaking as in the sale Appointed Date	
Particulars	**Transferred Business**
Sources of Funds	
Cash Consideration to Axis Bank Ltd	2,741,502,154
Total	**2,741,502,154**
Application Of Funds	
Fixed Assets	
Gross Block	140,952,627
Less: Accumulated Depriciation	87,963,583
Net Block	**52,989,044**
Quoted & Unquoted	
Investment in Subsidiaries	1,059,711,175
Current Investments	525,182,141
Investments	**1,584,893,316**
Current Assets and Loans and Advances	5,451,544,997
Less: Current Liabilities & Provisions	4,347,925,203
Net Current Assets	**1,103,619,794**
Total	**2,741,502,154**

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 207 OF 2012

In the matter of the Companies Act, 1956;

-And-

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

-And-

In the matter of Axis Bank Limited [CIN: L65110GJ1993PLC020769], a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006;

-And-

In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

Axis Bank Limited,

[CIN: L65110GJ1993PLC020769]

a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006) ...Applicant Company

FORM OF PROXY

I/We, the undersigned equity shareholder/s of the Applicant Company hereby appoint Mr./ Ms. _____ _____ of _____ and failing him/her Mr./ Ms. _____ of _____ as my/our proxy, to act for me/us at the meeting of the equity shareholders of the Applicant Company to be held on Saturday, the 23rd day of June, 2012 at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat at 11:00 a.m. (1100 hours) in the forenoon, for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors (the "Scheme") under Sections 391 to 394 of the Companies Act, 1956 and at such meetings and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert 'for'; 'if against', insert 'against') the said Scheme, either with or without modification*, as my/our proxy may approve.

Affix Re. 1/- Revenue Stamp

** Strike out what is not necessary.*

Dated this _____ day of _____ 2012

(Signature)

Name: _____

Address: _____

_____

No. of shares held: _____

(For Demat holding)

DP Id. _____ Client Id. _____

(For Physical holding)

Folio No. _____

Signature of Shareholder(s) : Sole holder / First holder - _____

Second holder - _____

Third holder - _____

Signature of Proxy: _____

NOTES:

1. Alterations, if any, made in the Form of Proxy should be initialed.
2. Proxy forms must be deposited at the registered office of the Applicant Company at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, not later than FORTY EIGHT hours before the scheduled time of the commencement of the said meeting.
3. In case of multiple proxies, the proxy later in time shall be accepted.

AXIS BANK LIMITED

Regd. Office: 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the meeting of the equity shareholders of the Applicant Company, convened pursuant to an Order dated Wednesday the 9th day of May, 2012 of the Hon'ble High Court of Gujarat at Ahmedabad, convened and held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat on Saturday, the 23rd day of June, 2012 at 11:00 a.m. (11.00 hours), in the forenoon.

Name and address of the equity shareholder: _____

_____

Folio No.: _____ DP ID No.*: _____

Client ID No.*: _____ No. of share(s) held: _____

Signature: _____ Name of the proxy holder/ Authorised representative: _____

** Applicable for shareholder(s) holding shares in dematerialised form.*

Note: Shareholders attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the meeting hall.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956.

AMONG

ENAM SECURITIES PRIVATE LIMITED

AND

AXIS BANK LIMITED

AND

AXIS SECURITIES AND SALES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 207 OF 2012

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-And-

In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

Axis Bank Limited,

[CIN: L65110GJ1993PLC020769]

a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006

...Applicant Company

NOTICE CONVENING MEETING OF UNSECURED CREDITORS INCLUDING FIXED DEPOSIT HOLDERS

To,
The Unsecured Creditor(s) including Fixed Deposit holder(s) of Axis Bank Ltd. (the **Applicant Company**).
Address:

Take Notice that by an order made on Wednesday, the 9th day of May, 2012, the Hon'ble High Court of Gujarat at Ahmedabad has directed a meeting of the unsecured creditors including the fixed deposit holders of the Applicant Company to be held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat, on Saturday the 23rd day of June, 2012, at 12:00 noon (12.00 hours), or so soon thereafter after the conclusion of the meeting of the equity shareholders of the Applicant Company, for the purpose of considering, and if thought fit, approving, with or without modification, Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors (the **"Scheme"**).

Take further notice that in pursuance of the said order, a meeting of the unsecured creditors including fixed deposit holders of the Applicant Company will be held at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat on Saturday the 23rd day of June, 2012, at 12:00 noon (12.00 hours), or so soon thereafter after the conclusion of the meeting of the equity shareholders of the Applicant Company, when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, not later than 48 hours before the scheduled time of the commencement of the said meeting.

The High Court of Gujarat at Ahmedabad has appointed Prof. Samir K. Barua, Director of Applicant Company and in his absence, Mr. K. N. Prithviraj, Director of the Applicant Company and in his absence Mr. V. R. Kaundinya, Director of the Applicant Company, as the Chairman of the said meeting.

A copy each of the Scheme, the statement under Section 393 of the Companies Act, 1956 and a form of proxy are enclosed.

Dated this 19th day of May, 2012

Sd/-
Prof. Samir K. Barua
Chairman appointed for the meeting.

Registered Office:

Axis Bank Limited,
'Trishul', 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad – 380 006, Gujarat

Notes:

(1) All alterations made in the form of proxy should be initialled.

(2) The authorised representative of a body corporate which is an unsecured creditor including fixed deposit holders of the Applicant Company may attend and vote at the unsecured creditors' meeting, provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such a representative to attend and vote at the unsecured creditors' meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the said meeting.

Encl: as above.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 207 OF 2012

In the matter of the Companies Act, 1956;

-And-

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

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In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

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a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006 ...Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 READ WITH SECTION 173 OF THE COMPANIES ACT, 1956

1. Pursuant to the Order dated Wednesday, 9th day of May, 2012 passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application referred to above, meetings of the equity shareholders and unsecured creditors including fixed deposit holders of the Applicant Company are being convened and held for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme of Arrangement among Enam Securities Private Limited ("**ESPL**" or the "**First Transferor**") and Axis Bank Limited (the "**Applicant Company**" or "**Axis Bank**" or the "**First Transferee**" or the "**Second Transferor**") and Axis Securities and Sales Limited ("**ASSL**" or the "**Second Transferee**") and their respective shareholders and creditors (the "**Scheme**") under Sections 391-394 of the Companies Act, 1956 (the "**Act**").

2. A copy of the Scheme is attached to the notice of the meeting.

BACKGROUND OF THE APPLICANT COMPANY

3. The Applicant Company was incorporated on the 3rd December, 1993 in the State of Gujarat, under the provisions of the Act and licensed as a banking company by the Reserve Bank of India under the provisions of the Banking Regulation Act, 1949, in the name and style of UTI Bank Limited. The name of Axis Bank has been changed to its current name i.e. Axis Bank Limited on 30th July, 2007.

4. The registered office of the Applicant Company is at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006.

5. The Applicant Company is primarily engaged in the business of banking. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main objects of the Applicant Company, *inter alia*, are set out hereunder:

"1. To carry on the business of banking, that is to say, accepting for the purpose of lending or investment deposits of money from the public, repayable on demand or otherwise, and without prejudice to the generality hereof, to carry on the business of,

(a) borrowing, raising, or taking up of money;

(b) lending or advancing of money either upon or without security;

(c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchanges, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;

(d) granting and issuing of letter of credits, travellers' cheques and circulars notes;

(e) buying, selling and dealing in bullions and specie; buying and selling on commission;

(f) underwriting and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;

(g) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, constituents or others;

(h) negotiating of loans and advances;

(i) receiving of all kinds for bonds, scrips or valuable on deposits for safe custody or otherwise;

(j) providing of safe deposit vaults;

(k) collecting and transmitting of money and securities;

(l) issuing credit cards, meal vouchers and extending any other credits and to carry on any other business specified in clause (b) to clause (n) of sub-section (1) of section 6 of the Banking Regulation

Act, 1949 (10 of 1949) and such other forms of business which the Central Government 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;

2. *To carry on the business of merchant banking, investment banking, portfolio investment management, and corporate consultants and advisors;*

3. *To carry on the business of mutual fund, equipment leasing and hire purchase;*

4. *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. The details of the authorised, issued, subscribed and paid-up share capital of the Applicant Company are set out in Clause 12(ii) of the Scheme. The equity shares of the Applicant Company are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), (together the "**Stock Exchanges**"). The global depository receipts of the Applicant Company are listed on the London Stock Exchange.

BACKGROUND OF THE FIRST TRANSFEROR

7. The First Transferor was incorporated on the 30th March, 2005, in the State of Maharashtra, under the provisions of the Act in the name and style of Enam Shares & Securities Private Limited. By an order dated 21st April, 2006 passed by the Bombay High Court, a Scheme of Arrangement between Enam Securities Private Limited and Enam Financial Consultants Private Limited and Enam Shares & Securities Private Limited was sanctioned. Pursuant to the said sanctioned Scheme the name of Enam Securities Private Limited was changed to Enam Capital Private Limited and the name of Enam Shares & Securities Private Limited was changed to the current name of the First Transferor Company i.e. Enam Securities Private Limited.

8. The registered office of the First Transferor is at 24 BD, Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023.

9. The First Transferor is *inter alia* engaged primarily in the business of: (i) investment banking, (ii) equity capital markets, (iii) debt capital markets, (iv) stock broking (retail and institutional), (v) initial public offering ("**IPO**") application financing and loans against shares for the purpose of share acquisitions, (vi) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, Reserve Bank of India ("**RBI**") bonds) and other financial products, (vii) advisory services in relation to (i) to (vi) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, Enam Securities Direct Private Limited ("**ESDPL**"), Enam International Limited (UAE) ("**EIL**"), Enam Securities Europe Limited (UK) ("**ESEL**"), Enam Finance Private Limited ("**EFPL**").

10. The objects for which the First Transferor has been established are set out in its Memorandum of Association. The main objects of the First Transferor, *inter alia*, are set out hereunder:

"So long as the company is engaged in stock broking as member of any recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognized Stock Exchange is permitted to engage in under the securities and Contracts (Regulation) Rules, 1957, and the Bye-Laws & Regulations of the Stock Exchange. Subject to the forgoing, objects for which the Company is established are:

1. *To subscribe or acquire membership, dealership, permits, or to become a member of any one more Stock Exchanges, commodity exchanges including derivative segments of any exchanges whether in India or outside India, and co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.*

2. *To act as Merchant Banker registered, with SEBI and Financial and corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, agents connected with public*

issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities markets for takeover, bids, mergers, amalgamations, de-mergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/equity i.e GDR, ADR, bonds and other instruments. To carry on all kinds, of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law."

11. The details of the issued, subscribed and paid-up share capital of the First Transferor are set out in Clause 12(i) of the Scheme.

BACKGROUND OF THE SECOND TRANSFEREE

12. The Second Transferee was incorporated on the 6th day of December, 2005 in the State of Maharashtra, under the provisions of the Act, in the name and style of UBL Sales Limited. The name of UBL Sales Limited was subsequently changed to Axis Sales Limited on 10th August, 2007 and the name of Axis Sales Limited has been changed to its current name i.e. Axis Securities and Sales Limited on 5th April 2010. The Second Transferee is a wholly owned subsidiary of Axis Bank Limited.

13. The registered office of the Second Transferee is at Axis House, 8th Floor, Bombay Dyeing Mills Compound, P.B.Marg, Worli, Mumbai – 400 025.

14. The Second Transferee Company is primarily engaged in the business of retail broking and marketing & distribution of financial products.

15. The objects for which the Second Transferee has been established are set out in its Memorandum of Association. The main objects of the Second Transferee are set out hereunder:

"So long as the Company is engaged in stock broking as a member of any recognized stock exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities Contracts (Regulation) Rules, 1957, and the Rules, Bye-laws and Regulations of the Stock Exchange. Subject to the foregoing, the objects for which the Company is established are:

1. *To acquire the membership of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carry on business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and/or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.*

1A. ***To subscribe or acquire membership, dealership, permits, or to become a member of any one or more Stock Exchanges and cooperate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.*

1B. ***To act as a merchant banker registered with SEBI and Financial and Corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, investment banking,*

agents connected with public issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities market for takeover bids, mergers, amalgamations, demergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/Equity i.e., GDR, ADR, bonds and other instruments, to carry on all kinds of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law.

2. *To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publicising, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education loans, travel loans, and other retail loans and financial products, insurance products (including life, non-life, general insurance and any other insurance), mutual funds schemes, all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing of portfolio management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisement, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the Company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company.*

   To subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securitised or not, including shares, stocks, securities debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organisations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity."

16. The details of the authorized, issued, subscribed and paid-up share capital of the Second Transferee are set out in Clause 12(iii) of the Scheme.

17. The Second Transferee is presently a wholly owned subsidiary of the Applicant Company.

BACKGROUND TO THE SCHEME

18. The Scheme provides for:

    (i) the transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) of the First Transferor to the Applicant Company and the issuance of shares by the Applicant Company, to the

shareholders of the First Transferor in consideration for the demerger as set out in the Scheme; and upon such demerger; and

(ii) simultaneously and concurrently with the aforesaid demerger, the transfer by way of sale of the Transferred Business Undertaking (as defined in the Scheme) of the Applicant Company to the Second Transferee for consideration, as set out in the Scheme;

and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme, pursuant to Sections 391 to 394 and other relevant provisions of the Act and applicable law.

19. Upon sanction and effectiveness of the Scheme, the shareholders of the First Transferor shall become shareholders of the Applicant Company.

RATIONALE FOR THE SCHEME

20. The rationale and significant benefits of the demerger of the Demerged Undertaking to the Applicant Company and the sale of the Transferred Business Undertaking of the Applicant Company to the Second Transferee pursuant to the Scheme would *inter alia* include:

(i) Having the Transferred Business Undertaking under one umbrella providing the entire gamut of services relating to primary and secondary markets would create a comprehensive capital market intermediary with optimum size, greater financial strength and flexibility;

(ii) The consolidation of the financial services business of the First Transferor and the Second Transferee will lead to synergies of operations and would enable the Second Transferee to participate more vigorously and profitably in an increasingly competitive and liberalized market;

(iii) Enhancing the scale of operations will result in reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources; and

(iv) The Scheme will help the Applicant Company together with its group companies to enhance its presence in the equity / financial services market in India and abroad.

CORPORATE APPROVALS FOR THE SCHEME

21. The Scheme was placed before the board of directors of the Applicant Company on 27th April 2012, at which time a report dated 27th April 2012 of Harbibhakti & Co, Mumbai, an independent valuer, on the share entitlement ratio (the "**Share Entitlement Report**") was placed before the board of directors of the Applicant Company. Macquarie Capital Advisors (India) Pvt. Ltd., Mumbai, an independent entity, was engaged by the Applicant Company to provide a fairness opinion and in connection with such engagement, Macquarie Capital Advisors (India) Pvt. Ltd. has issued an opinion dated 27th April 2012 (the "**Fairness Opinion**") which states that, as of such date, and based upon and subject to various assumptions, limitations and considerations set forth in such written opinion, the share entitlement ratio of 5 (Five) equity shares of the face value of Rs. 10/- (Rupees Ten only) of the Applicant Company for every 1 (One) equity share of Rs. 10/- (Rupees Ten only) of the First Transferor as recommended by the Share Entitlement Report is fair to the shareholders of the Applicant Company. The Share Entitlement Report and the Fairness Opinion are available for inspection and shareholders should read the aforesaid Share Entitlement Report and Fairness Opinion in their entirety for information regarding the assumptions made and factors considered in rendering the same.

22. The board of directors of the Applicant Company has, based on and relying upon the aforesaid Share Entitlement Report and Fairness Opinion, and on the basis of its independent evaluation and judgment, come to the conclusion that the proposed share entitlement ratio is fair and reasonable and has decided to incorporate the same in the Scheme, and approved the Scheme at its meeting on 27th April 2012. Similarly, the board of directors of each of the First Transferor and the Second Transferee have, on the basis of their independent evaluation and judgment approved the Scheme at their meetings on 27th April 2012.

SALIENT FEATURES OF THE SCHEME

23. The salient features of the Scheme are set out below:-

(i) The Scheme provides for: (a) the Demerged Undertaking to be transferred by way of demerger from the First Transferor to the Applicant Company; and (b) simultaneously and concurrently with the aforesaid demerger, the Transferred Business Undertaking to be transferred by way of sale from the Applicant Company to the Second Transferee; in accordance with the Scheme and other relevant provisions of the Act.

(ii) The "*Demerger Appointed Date*" means the opening of business on 1st April 2010.

(iii) The "*Effective Date*" means the last of the dates on which the conditions and matters mentioned in Clause 49 of the Scheme (and set out in paragraph (xxii) below) occur or have been fulfilled or waived in accordance with the Scheme.

(iv) "*Encumbrance*" means any options, pledge, mortgage, hypothecation, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;

(v) The "*Demerged Undertaking*" means the First Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business (as defined in the Scheme) of the First Transferor, on a going concern basis meaning and including (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the First Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the First Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the Financial Services Business;

(ii) all permits, quotas, registrations, rights, entitlements, licenses including the licenses issued by the Securities and Exchange Board of India for the First Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) *patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business;*

(iv) *all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and*

(v) *all present and future liabilities (including contingent liabilities and the First Transferor Transferred Liabilities) pertaining or relatable to the Financial Services Business as set out in Clause 16 of this Scheme.*

(vi) The "*Financial Services Business*" means the business of the First Transferor in the following areas: (a) investment banking, (b) equity capital markets, (c) debt capital markets, (d) stock broking (retail and institutional), (e) IPO application financing and loans against shares for the purpose of share acquisitions, (f) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, RBI bonds) and other financial products, (g) advisory services in relation to (a) to (f) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, ESDPL, EIL, ESEL and EFPL.

(vii) The "*First Transferor Remaining Business*" means:

"*means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of ESPL, other than those comprised in the Demerged Undertaking. For the avoidance of doubt it is clarified that the membership of NSE and MCX-SX Exchanges for currency derivatives, any commodity broking or derivative business and all related assets, liabilities, operations and businesses undertaken by the Transferor in relation to the same shall form part of the Remaining Business.*"

(viii) The "*Sale Appointed Date*" means 1st April 2010, immediately after giving effect to the demerger as set out in Part II of the Scheme;

(ix) The "*Second Transferor Remaining Business*" means:

"*means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of Axis Bank, other than those comprised in the Transferred Business Undertaking*"

(x) The "*Transferred Business Undertaking*" means (without limitation):

(i) *all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the Second Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the Second Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities;*

(ii) *all permits, quotas, registrations, rights, entitlements, licenses in relation to the Financal Services Business including the licenses issued by the Securities and Exchange Board of India for the Second Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,*

(iii) *patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business including but not limited to the websites www.enamdirect.in and www.enamdirect.co.in owned and operated by ESDPL;*

(iv) *all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and*

(v) *all present and future liabilities (including contingent liabilities and the Second Transferor Transferred Liabilities) appertaining or relatable to the Financial Services Business as set out in Clause 35 of this Scheme.*

(xi) Part II of the Scheme envisages the demerger of the Financial Services Business in the following manner:

(a) Transfer of assets: Upon the coming into effect of the Scheme and with effect from the Demerger Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of Clause 13 of the Scheme in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be demerged from the First Transferor and be transferred to and vested in or shall be deemed to have been demerged from the First Transferor and transferred to and vested in the First Transferee as a going concern so as to become as and from the Demerger Appointed Date, the estate, assets, rights, claims, title, interest authorities of the First Transferee subject to the provisions of the Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

(b) Contracts, deeds, licenses, etc.: Upon the coming into effect of the Scheme and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the First Transferor is a party or to the benefit of which the First Transferor may be eligible

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

(c) Transfer of liabilities: Upon the coming into effect of the Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the First Transferor as on the Demerger Appointed Date relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the First Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the First Transferee:

1. all the liabilities which arose out of the activities or operations of the Demerged Undertaking;

2. the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking as set out in the Demerged Undertaking Opening Financial Statement (enclosed as Schedule I to the Scheme); and

3. in cases other than (1) or (2) above, so much of the amounts of general or multipurpose borrowings, if any, of the First Transferor, as, in the aggregate, stand in the same proportion which the value of assets being transferred to the First Transferee pursuant to the demerger bears to the total value of the assets of the First Transferor on the Demerger Appointed Date. The amount of the general or multipurpose borrowings of the First Transferor which are transferred on this basis are reflected in the Demerged Undertaking Opening Financial Statement.

(d) Transfer at book value: All the assets and liabilities of the Demerged Undertaking shall be transferred to the First Transferee at the values appearing in the books of the First Transferor.

(e) Legal, taxation and other proceedings: Upon the coming into effect of the Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the First Transferor and relating to the Demerged Undertaking, under any statute, whether pending on the Demerger Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the First Transferee after the Effective Date. The First Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the First Transferor.

(f) Employees, consultants, etc.: Upon the coming into effect of the Scheme all permanent employees of the First Transferor engaged in the Demerged Undertaking as on the Effective Date shall become the permanent employees of the First Transferee, subject to the provisions of the Scheme without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the First Transferor in the Demerged Undertaking and without any interruption of service as a result of the transfer of the Demerged Undertaking.

(xii) Part II of the Scheme also provides for the conduct of the business of the Demerged Undertaking and in this regard, with effect from the Demerger Appointed Date and up to and including the Effective Date:

(a) the First Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the First Transferor Remaining Business for and on its own behalf;

(b) all profits accruing to the First Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the First Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the First Transferor; and

(c) all assets and properties acquired by the First Transferor in relation to the First Transferor Remaining Business on and after the Demerger Appointed Date shall belong to and continue to remain vested in the First Transferor.

(xiii) Part II of the Scheme also states that in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee in accordance with the provisions of the Scheme, the issue and allotment of equity shares by the First Transferee to the shareholders of the First Transferor as provided in the Scheme shall be as follows:

(a) Upon the Effective Date and in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee pursuant to Part II of the Scheme, the First Transferee shall, without any further act or deed, issue and allot to each member of the First Transferor whose name is recorded in the register of members as a member of the First Transferor on the Effective Date, equity shares in the First Transferee in the ratio of 5 (Five) equity shares in the First Transferee of Rs. 10/- (Rupees Ten Only) each credited as fully paidup for every 1 (One) equity share of Rs. 10/ (Rupees Ten Only) each fully paid up held by such member in the First Transferor (the "**Share Entitlement Ratio**");

(b) If any shareholder of the First Transferor becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the First Transferee in accordance with Clause 28 of the Scheme, the board of directors of the First Transferee 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 First Transferee (the "**Trustee**"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to the First Transferee, the net sale proceeds thereof and any additions and accretions, whereupon the First Transferee shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor in proportion to their respective fractional entitlements;

(c) The Share Entitlement Ratio shall be subject to appropriate adjustments as set forth in the Scheme to the extent necessary for corporate actions by the First Transferee such as bonus issues, rights issues, stock splits or any other similar capital restructuring which are approved after the date of approval of the Scheme by any of the board of directors of the First Transferor or the First Transferee but prior to the Effective Date;

(d) The equity shares of the First Transferee issued in terms of the Scheme will be listed and/ or admitted to trading on the stock exchanges where the shares of the First Transferee are listed and/ or admitted to trading on the BSE and the NSE. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system in accordance with applicable directions in relation to listing/trading that are given by the relevant stock exchanges.

(xiv) Part III of the Scheme envisages the transfer by way of sale and vesting of the Transferred Business Undertaking and in consideration for such sale of the Transferred Business Undertaking and upon the coming into effect of the Scheme, a lumpsum purchase consideration of Rs. 274,15,02,154

(Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid in cash by the Second Transferee to the Second Transferor (the "**Sale Consideration**").

(xv) In this regard, Part III of the Scheme envisages the following:

(a) Transfer of assets: Upon the coming into effect of the Scheme and with effect from the Sale Appointed Date, the Transferred Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Business Undertaking) shall, subject to the provisions of Clause 32 of the Scheme in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be transferred, by way of slump sale, from the Second Transferor and be transferred to or shall be deemed to have been transferred from the Second Transferor and transferred to and vested in the Second Transferee as a going concern so as to become as and from the Sale Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Second Transferee subject to the provisions of the Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions and shall be deemed to be due compliance of the provisions of Section 293 and the other relevant and applicable provisions of the Act.

(b) Contracts, deeds, licenses, etc: Upon the coming into effect of the Scheme and subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Business Undertaking, to which the Second Transferor is a party or to the benefit of which the Second Transferor may be eligible or for the obligations of which the Second Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Second Transferee and may be enforced as fully and effectually as if, instead of the Second Transferor, the Second Transferee had been a party or beneficiary or obligee thereto.

(c) Transfer of liabilities: Upon the coming into effect of the Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the Second Transferor as on the Sale Appointed Date relating to the Transferred Business Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Second Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Second Transferee:

1. all the liabilities which arose out of the activities or operations of the Transferred Business Undertaking; and

2. the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Business Undertaking as set out in the Transferred Business Undertaking Opening Financial Statement (enclosed as Schedule II to the Scheme).

(d) Legal, taxation and other proceedings: Upon the coming into effect of the Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Second Transferor or the First Transferor and relating to the Transferred Business Undertaking, under any statute, whether pending on the Sale Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Second Transferee after the Effective Date. The Second Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Second Transferor.

(e) Employees, consultants, etc.: Pursuant to completion of Part II of the Scheme all permanent employees of the Second Transferor engaged in the Transferred Business Undertaking as on the Effective Date shall become the permanent employees of the Second Transferee, subject to the provisions of the Scheme without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the Second Transferor in the Transferred Business Undertaking and without any interruption of service as a result of the transfer of the Transferred Business Undertaking.

(xvi) Part III of the Scheme also provides that with effect from the designated Sale Appointed Date and up to and including the Effective Date:

(a) the Second Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Second Transferor Remaining Business for and on its own behalf;

(b) all profits accruing to the Second Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Second Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Second Transferor; and

(c) all assets and properties acquired by the Second Transferor in relation to the Second Transferor Remaining Business on and after the Sale Appointed Date shall belong to and continue to remain vested in the Second Transferor.

(xvii) Part IV of the Scheme provides for the accounting treatment in the books of the First Transferor as follows:

(a) Upon coming into effect of the Scheme, the book values of the assets and liabilities pertaining to the Financial Services Business transferred by the First Transferor to the First Transferee shall be reduced from the book values of the assets and liabilities appearing in the books of the First Transferor as on the date immediately preceding the Demerger Appointed Date; and

(b) The excess of assets over liabilities of the Financial Services Business shall be adjusted against the balance in the profit and loss account as appearing on the date immediately preceding the Demerger Appointed Date in the books of the First Transferor. The balance in the profit and loss account shall stand reduced to that extent.

(xviii) Part IV of the Scheme provides for the accounting treatment in the books of the Applicant Company as follows:

(a) Accounting treatment for the demerger:

1. The book value of the assets appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the assets pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the demerger in terms of the Scheme;

2. The book value of the liabilities appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the demerger in terms of the Scheme;

3. The First Transferee shall credit its share capital account with the aggregate of the face value of the equity shares issued pursuant to the Scheme; and

4. The First Transferee shall credit its capital reserve account with the difference of the excess of the assets over liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee and the face value of the equity shares issued pursuant to the Scheme.

(b) Accounting treatment for the sale:

1. Upon coming into effect of the Scheme the book value of the assets and liabilities appearing in the books of the Second Transferor pursuant to completion of Part II of the Scheme and as on the Sale Appointed Date shall be reduced by the book value of the assets and liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the sale in terms of the Scheme;

2. The Second Transferor shall debit its cash account with the Sale Consideration, being the amount received from the Second Transferee for the assets and liabilities pertaining to the Transferred Business Undertaking transferred in terms of the Scheme.

(xix) Part IV of the Scheme provides for the accounting treatment in the books of the Second Transferee as follows:

(a) The book value of the assets and liabilities appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the assets and liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the sale in terms of the Scheme;

(b) The Second Transferee shall credit its cash account with the Sale Consideration, being the amount paid to the Second Transferor for the assets and liabilities pertaining to the Transferred Business Undertaking acquired in terms of the Scheme.

(xx) Part IV of the Scheme also clarifies the other aspects of the tax treatment for the demerger and the sale in the following manner:

(a) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the First Transferor in respect of the operations and/or the profits of the Demerged Undertaking before the Demerger Appointed Date, shall be on account of the First Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the First Transferor in respect of the profits or activities or operation of the Demerged Undertaking after the Demerger Appointed Date, the same shall be deemed to be the corresponding item paid by the First Transferee and shall, in all proceedings, be dealt with accordingly; and

(b) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Second Transferor in respect of the operations and/or the profits of the Transferred Business Undertaking before the Sale Appointed Date, shall be on account of the Second Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Second Transferor in respect of the profits or activities or operation of the Transferred Business Undertaking after the Sale Appointed Date, the same shall be deemed to be the corresponding item paid by the Second Transferee and shall, in all proceedings, be dealt with accordingly.

(xxi) In addition, Part IV of the Scheme states that the First Transferor and the Second Transferee shall make necessary applications before the High Court of Judicature at Bombay and the Applicant Company shall make necessary applications before the High Court of Gujarat for the sanction of the Scheme under Sections 391 and 394 of the Act.

(xxii) Moreover, in terms of Part IV of the Scheme, the coming into effect of the Scheme is conditional upon and subject to the following:

(a) the Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the First Transferor, the Applicant Company and the Second Transferee as required under the Act and the requisite orders of the High Court of Judicature at Bombay and the High Court of Gujarat being obtained;

(b) the certified copies of the orders of the High Court of Judicature at Bombay and the High Court of Gujarat approving the Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Gujarat;

(c) receipt of the approvals of (1) the RBI for the acquisition of the Demerged Undertaking and the issuance of shares of the Applicant Company to the shareholders of the First Transferor, and the sale of the Transferred Business Undertaking, in terms of the Scheme; (2) the Securities and Exchange Board of India (the "**SEBI**") (under the Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992, the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993) (3) the BSE and NSE (x) for the Scheme; and (y) in relation to the change of dominant promoter group of the Demerged Undertaking and the Transferred Business Undertaking; (4) approval from the CCI under the Competition Act, 2002 for the demerger and the sale (if necessary); and (5) any other approval as may be required for the acquisition of the Demerged Undertaking and the issuance of the shares of the Applicant Company to the shareholders of First Transferor, and the transfer of the Transferred Business Undertaking in terms of the Scheme as a result of a change in law, rule or regulation or written requirement of a relevant authority on or after November 17, 2010 or interpretation of any existing law, rule or regulation on or after the relevant date; but shall not include the Other Approvals (as defined in the Scheme);

(d) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (b) and (c) above are satisfied;

(e) It is however clarified that the Second Transferee and the Applicant Company (through their respective board of directors) shall have the right to waive any of the conditions referred to in this paragraph (xxii) (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

(xxiii) In the event that the Scheme does not come into effect by June 30, 2013 or by such later date as may be agreed by the respective Boards of Directors of the First Transferor, the Second Transferee and Axis Bank, the Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the parties to the Scheme or their shareholders or creditors or employees or any other person. In such case each party to the Scheme shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

(xxiv) Further, notwithstanding anything to the contrary contained in the Scheme, in the event any approval required from (a) the Financial Services Authority, the Dubai Financial Services Authority, RBI and SEBI in relation to the transfer of EIL and ESEL in terms of the demerger and the sale (but not including the approval required from RBI and SEBI as listed in paragraph (xxii) above); (b) the

National Securities Depository Ltd. in relation to the demerger and the sale, (c) Central Depository Services (India) Limited in relation to the demerger and the sale, and (d) United Stock Exchange of India in relation to the demerger and the sale is not received by the Effective Date, the portion of the Financial Services Business to which the Other Approval relates shall continue to be held by the First Transferor in trust for First Transferee or by the Second Transferor in trust for the Second Transferee, as the case may be, and following the effectiveness of the Scheme shall be operated in accordance with the directions of the First Transferee or the Second Transferee, as the case may be, and be transferred to the First Transferee and immediately thereafter to the Second Transferee upon receipt of such Other Approval; provided that if the Other Approval is rejected or not obtained within a period of 6 (six) months from the effectiveness of the Scheme, the First Transferor or the Second Transferor, as the case may be, shall cease all operations with respect to such part of the Demerged Undertaking or Transferred Business Undertaking as pertains thereto and has not been transferred in terms of the Scheme.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only the salient features thereof.

24. The rights and interests of the members and the creditors of the Applicant Company will not be prejudicially affected by the Scheme.

25. The Applicant Company has received no objection letters from the BSE dated 30th April, 2012 and the NSE dated 2nd May, 2012 for filing the Scheme with the High Court of Gujarat at Ahmedabad.

26. Pursuant to the Scheme, the equity shares of the Applicant Company that are proposed to be issued to the shareholders of the First Transferor in the prescribed share entitlement ratio are to be listed on the same stock exchanges on which the equity shares of the Applicant Company are listed, i.e. the BSE and the NSE. The NSE and the BSE in its no objection letter has prescribed, *inter alia*, that the Resulting Company will have to fulfil the Stock Exchanges' criteria for listing and also comply with the provisions contained in the SEBI circular no. SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009, Rules, Byelaws and Regulations of the NSE and the BSE and other applicable statutory requirements.

27. The no objection letters from the BSE and the NSE are available for inspection at the registered office of the Applicant Company and should be read in their entirety for information regarding the conditions imposed by the stock exchanges, which the Applicant Company shall comply with. The Applicant Company has received a no-objection letter from the RBI on March 30, 2012 in relation to the transaction contemplated under the Scheme subject to certain conditions (which conditions will be satisfied by the Applicant Company), including *inter alia*, ensuring compliance with regulatory limits on investment in subsidiaries, conversion of all step down subsidiaries into direct subsidiaries of the Applicant Company in a time bound manner with no overlapping of activities of domestic subsidiaries of the Applicant Company, and prohibition on any subsidiary undertaking activities which are not permitted to be undertaken by banks in terms of the Banking Regulation Act, 1949 or as per the RBI's policy in this regard.

28. No investigation proceedings have been instituted and/or are pending in relation to the Applicant Company under Sections 235 and 250A of the Act, or under the provisions of the Monopolies and Restrictive Trade Practices Act, 1969. To the knowledge of the Applicant Company no winding up proceedings have been filed or are pending against the Applicant Company under the Act.

29. The First Transferor and the Second Transferee have made the necessary applications before the High Court of Judicature at Bombay and Axis Bank shall make necessary applications before the High Court of Gujarat at Ahmedabad for the sanction of the Scheme under Sections 391 and 394 of the Act.

30. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies that are the subject of the Scheme, or to the extent the said directors are common directors in the companies, or to the extent the said directors are

the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies.

31. The details of the present directors of the Applicant Company are as follows:

Sr. No.	Name	Age	Position	Equity Shares held in Applicant Company
1.	Dr. Adarsh Kishore	04-12-1946 65 years	Chairman	Nil
2.	Smt. Shikha Sharma	19-11-1958 53 years	Managing Director & CEO	15,000
3.	Smt. Rama Bijapurkar	12-02-1957 55 years	Director	Nil
4.	K. N. Prithviraj	03-03-1947 65 years	Director	Nil
5.	V. R. Kaundinya	13-02-1956 56 years	Director	Nil
6.	S. B. Mathur	11-10-1944 67 years	Director	200
7.	Prasad R. Menon	23-01-1946 66 years	Director	Nil
8.	R.N. Bhattacharyya	30-12-1942 69 years	Director	Nil
9.	Prof. Samir Barua	23-09-1951 60 years	Director	Nil
10.	A. K. Dasgupta	01-02-1952 60 years	Director	Nil
11.	Som Mittal	07-02-1952 60 years	Director	Nil

32. The pre and post restructuring share capital structure of the Applicant Company are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	500,000,000 equity shares of Rs.10/- each	500,000,000 equity shares of Rs.10/- each
Total	**Rs. 5,000,000,000/-**	**Rs. 5,000,000,000/-**
Issued, Subscribed and Paid-up Share Capital	413,813,736 equity shares of Rs.10/- each	425,903,736 equity shares of Rs.10/- each
Total	**Rs. 4,138,137,360/-**	**Rs. 4,259,037,360/-**

33. The pre and post restructuring share capital structure of the First Transferor are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-(Rupees Twenty Five Million Only)	2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-(Rupees Twenty Five Million Only)
Total	**Rs. 50,000,000/-**	**Rs. 50,000,000/-**
Issued, Subscribed and Paid-up Share Capital	2,418,000 equity shares of Rs.10/- each	2,418,000 equity shares of Rs.10/- each
Total	**Rs. 24,180,000/-**	**Rs. 24,180,000/-**

34. The pre and post restructuring share capital structure of the Second Transferee are as follows:

Amount in Rupees

	Pre Scheme	Post Scheme
Authorized Share Capital	120,000,000 equity shares of Rs.10/- each	120,000,000 equity shares of Rs.10/- each
Total	**Rs. 1,200,000,000/-**	**Rs. 1,200,000,000/-**
Issued, Subscribed and Paid-up Share Capital	120,000,000 equity shares of Rs.10/- each	120,000,000 equity shares of Rs.10/- each
Total	**Rs. 1,200,000,000/-**	**Rs. 1,200,000,000/-**

35. Corporate members/creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than 48 hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.

36. An equity shareholder/creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member /creditor of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 hours prior to the commencement of the meeting.

37. The following documents will be open for inspection by the equity shareholders and unsecured creditors including fixed deposit holders of the Applicant Company up to 1 (one) day prior to the date of the meetings at its registered office between 11:00 a.m. and 2:00 p.m. on all working days, except Saturday:

(i) Papers and proceedings in Company Application No. 207 of 2012 including certified copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad in the said Company Application directing the convening and holding of the meetings of the equity shareholders and unsecured creditors including the fixed deposit holders of the Applicant Company;

(ii) Proposed Scheme;

(iii) Implementation Agreement dated November 17, 2010 (together with the amendments thereto);

(iv) Brand License and Co-Branding Agreement dated November 17, 2010 (together with the amendments thereto);

(v) Indemnity Agreement dated September 16, 2011 (together with the amendment thereto);

(vi) Indenture of Trust dated November 17, 2010 (together with the amendments thereto);

(vii) Escrow Agreement dated March 15, 2011 (together with the amendments thereto);

(viii) Memorandum and Articles of Association of the Applicant Company, the First Transferor and the Second Transferee;

(ix) Annual Report of the Applicant Company for the financial year ended March 31, 2012;

(x) Annual Report of the First Transferor for the financial year ended March 31, 2012;

(xi) Annual Report of the Second Transferee for the financial year ended March 31, 2012

(xii) Audited Statement of Accounts of the Applicant Company as on March 31, 2012;

(xiii) Audited Statement of Accounts of the First Transferor as on March 31, 2012

(xiv) Audited Statement of Accounts of the Second Transferee as on March 31, 2012;

(xv) Copies of No Objection letters dated 30th April, 2012 and 2nd May, 2012 from the BSE and the NSE respectively, received by the Applicant Company;

(xvi) Copies of the RBI no-objection letters;

(xvii) Copy of the Share Entitlement Report dated 27th April, 2012 issued by Haribhakti & Co., Mumbai;

(xviii) Copy of the Fairness Opinion dated 27th April, 2012 issued by Macquarie Capital Advisors (India) Pvt. Ltd., Mumbai; and

(xix) Details of assets and liabilities of the Demerged Undertaking as on March 31, 2012.

This statement may be treated as the statement under Section 393 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the Applicant Company during ordinary business hours on weekdays.

Dated this 19th day of May, 2012

Sd/-
Prof. Samir K. Barua
Chairman appointed for the meeting.

Registered Office:

Axis Bank Limited,
'Trishul', 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad – 380 006, Gujarat

SCHEME OF ARRANGEMENT

AMONG

ENAM SECURITIES PRIVATE LIMITED

AND

AXIS BANK LIMITED

AND

AXIS SECURITIES AND SALES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

1. Enam Securities Private Limited is a private limited company incorporated under the Act (as defined hereunder), having its registered office at 24 BD Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023, Maharashtra ("**ESPL**" or the "**First Transferor**") . The First Transferor is engaged primarily in the business of (i) investment banking, (ii) equity capital markets, (iii) debt capital markets, (iv) stock broking (retail and institutional), (v) initial public offering ("**IPO**") application financing and loans against shares for the purpose of share acquisitions, (vi) distribution of third party products (including broking and commission of mutual funds, equity IPOs, capital gain bonds, fixed deposits, RBI bonds) and other financial products, (vi) advisory services in relation to (i) to (v) and research, directly and through its wholly owned subsidiaries in India and overseas, namely, ESDPL (as defined hereunder), EIL (as defined hereunder), ESEL (as defined hereunder), and EFPL (as defined hereunder) (collectively, the "**Financial Services Business**").

2. The First Transferor also holds a membership of NSE and MCX-SX Exchanges for currency derivatives ("**Currency Broking Business**"), holds other assets including investments in listed and unlisted shares and securities and also holds the domain rights for its website www.enam.com (the "**Enam Website**").

3. Axis Bank Limited is a company incorporated under the Act and having its registered office at 'Trishul', 3rd floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat ("**Axis Bank**") Axis Bank is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of Axis Bank are listed on The Bombay Stock Exchange Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**).

4. Axis Securities & Sales Limited is a company incorporated under the Act and having its registered office at Corporate Office, Bombay Dyeing Mills Compund, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra (the "**Second Transferee**"). The Second Transferee is a wholly owned subsidiary of Axis Bank. The main objects of the Second Transferee include *inter alia*:

    1. To acquire the membership of any recognized Stock Exchange, Trade Association, Commodity Exchange, Clearing House, Society, Company, Management Association, Depository Trust Company, etc. in India or elsewhere to carry on business as broker or trading by conventional, internet or any other medium and buy, sell, deal, borrow, lend in any Government, State, Dominion, Sovereign Body, Commission, Statutory Corporations, Public Body or Authority whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, in shares, stocks, debt instruments, debentures, debenture-stocks, units of Mutual Funds, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital instruments, obligations and securities, issued or guaranteed by any corporate, body, any person, firm, society or association, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and/or to act as clearing member of any stock exchange(s), sub-broker, agent, dealer, market-maker, depository participant, trader or in any other capacity.

1A. To subscribe or acquire membership, dealership, permits, or to become a member of any one or more Stock Exchanges and cooperate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company.

1B. To act as a merchant banker registered with SEBI and Financial and Corporate Advisor including to act as manager to public issue of securities, underwriters and sub underwriters, investment banking, agents connected with public issue management business, to act as advisor for private placement of securities, to be a primary dealer of government securities, to provide corporate advisory services relating to securities market for takeover bids, mergers, amalgamations, demergers, acquisitions, divestments, consolidations, rehabilitation or restructuring, to provide advisory services for any new projects, to act as advisory and arranger for syndication of loans, external commercial borrowings and to manage/advise on international offerings of Debt/Equity i.e., GDR, ADR, bonds and other instruments. To carry on all kinds of underwriting and portfolio management and financial advisory services whether fund based or non-fund based activities as may be permitted under the law.

2. To establish and carry on directly or indirectly, the business of providing services of sourcing, marketing, promoting, publicizing, marketing and distributing credit cards, debit cards, currency cards, or any cards in the nature of such credit, debit or currency cards, being third party products, directly or indirectly through any channels or means; sourcing, marketing, promoting, publicising, marketing loans and advances, credit and loan products including personal loans, housing loans, vehicle loans, loans for furniture and fixtures, loans against securities, education loans, travel loans, and other retail loans and financial products, insurance products (including life, non-life, general insurance and any other insurance), mutual funds schemes , all being third party products to any specific person(s) or a group of persons or the public in general directly or indirectly through any channels or means, for various third party clients of the Company from time to time including individuals, trusts, pension funds, charities, association, registered societies, mutual funds, and other persons or bodies of persons whether incorporated or not, financial institutions, Banks and other companies and to undertake the activities of providing services relating to price support services, door-to-door agents for the collections received or payment of money, providing contract staffing and resource management services and to act as agent for or render the services to the clients and to undertake market research, market survey, provide telemarketing services, services relating to marketing of portfolio management services and all kinds of financial advisory services, investment supervisory services, undertaking publicity, marketing and sales campaigns, advertisements, issuing promotional materials/brochures etc. relating to third party products and services marketed or to be marketed by the Company and undertaking all types of advertisement and promotional activities for the said third party products and services marketed or to be marketed by the Company and to generally undertake marketing, promotions, sales, distribution, sourcing, publicity and any or all of the aforesaid functions and services relating to any financial products or services offered by the clients of the Company.

3. To subscribe to buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure underwrite, guarantee, give comfort for pledge, hypothecate, charge, mortgage, procure or mobilize funds, deposits or subscriptions, bid for or arrange placement of or otherwise engage in India or abroad in trade and investment instruments of all kinds and types, whether securitised or not, including shares, stocks, securities debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial paper, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, currencies, drafts, traveler's cheques, factoring of debt, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by companies, governments corporations, banks, co-operative firms, organisations, mutual benefit societies in India or abroad and trade in either as principal, broker, agent, dealer, stockist, trader, consignee or any other capacity.

5. The First Transferor, the Second Transferee, Axis Bank, Nemish Shanitlal Shah, Rekha Shah, Krutharth N. Shah, Advance Compuflow Services Private Limited, Lata Bhanshali, Vallabh R. Bhansali, Enam Investments Services Private Limited, Talma Chemicals Industries Private Limited, Jagdish Master and Manish Chokhani have entered into an Implementation Agreement dated November 17, 2010, as amended by the First Amendment Agreement dated December 7, 2010, the Second Amendment Agreement dated September 16, 2011, the Third Amendment Agreement dated February 8, 2012 and the Fourth Amendment Agreement dated April 27, 2012 (the "**Implementation Agreement**"), pursuant to which the parties thereto have agreed *inter alia*

to transfer the Demerged Undertaking (comprising the Financial Services Business of the First Transferor, as more particularly defined hereunder) as a going concern by way of a Demerger (as defined hereunder) to the First Transferee, and to effect such other transactions referred to therein, the terms and conditions relating to the same and the implementation thereof, in accordance with and subject to the terms and conditions of the Implementation Agreement. Further, the Second Transferor and the Second Transferee have agreed to transfer the Transferred Business Undertaking (as defined hereunder) by way of a Sale (as defined hereunder) from the Second Transferor to the Second Transferee.

6. In furtherance of the Implementation Agreement and the understanding between the parties thereto, this Scheme (as defined hereunder) provides for the Demerger of the Demerged Undertaking of the First Transferor to the First Transferee, the Sale of the Transferred Business Undertaking of the Second Transferor to the Second Transferee and various other matters consequential or otherwise integrally connected therewith, pursuant to Sections 391 to 394 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of Sections 2(19AA) and 2(41A) of the Income Tax Act, 1961.

7. The Demerger of the Demerged Undertaking to the First Transferee and the Sale of the Transferred Business Undertaking to the Second Transferee pursuant to this scheme of arrangement would *inter alia* have the following benefits:

   (i) Having the Transferred Business Undertaking under one umbrella providing the entire gamut of services relating to primary and secondary markets would create a comprehensive capital market intermediary with optimum size, greater financial strength and flexibility;

   (ii) The consolidation of the financial services business of the First Transferor and the Second Transferee will lead to synergies of operations and would enable the Second Transferee to participate more vigorously and profitably in an increasingly competitive and liberalized market;

   (iii) Enhancing the scale of operations will result in reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources; and

   (iv) The scheme of arrangement will help Axis Bank together with its group companies to enhance its presence in the equity / financial services market in India and abroad.

8. The Demerger of the Financial Services Business of the First Transferor is in full compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and always should be read and revised in any way if it is perceived to be not in compliance of the said Section, such that:

   (i) All the properties of the Demerged Undertaking, being transferred by the First Transferor, immediately before the Demerger become the properties of the First Transferee by virtue of the Demerger;

   (ii) All the liabilities relatable to the Demerged Undertaking, being transferred by the First Transferor, immediately before the Demerger become the liabilities of the First Transferee by virtue of the Demerger;

   (iii) The properties and the liabilities, if any, relatable to the Demerged Undertaking, being transferred by the First Transferor, are transferred to the First Transferee at the values appearing in the books of account of the First Transferor immediately before the Demerger;

   (iv) The First Transferee shall issue shares to the shareholders of the First Transferor in consideration of the Demerger on a proportionate basis;

   (v) All shareholders of the First Transferor shall become the shareholders of the First Transferee by virtue of the Demerger; and

   (vi) The transfer of the Demerged Undertaking will be on a going concern basis.

9. This Scheme is divided into the following parts:

   (i) Part I, which deals with the introduction and definitions;

   (ii) Part II, which deals with the Demerger of the Financial Services Business;

   (iii) Part III, which deals with the Sale of the Transferred Business Undertaking; and

   (iv) Part IV, which deals with the general terms and conditions applicable to the Scheme.

10. The Scheme also provides for various other maters consequential or otherwise internally connected herewith.

11. **Definitions**

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

(A) "**Act**" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;

(B) "**Axis Bank**" shall have the meaning ascribed to it in Clause 3 above;

(C) "**Axis Bank Shares**" shall have the meaning ascribed to it in Clause 27 below;

(D) "**BSE**" means The Bombay Stock Exchange Limited;

(E) "**Brand**" means all unregistered and registered trademarks, service marks, certification marks, designs, trade names relating to "Enam" owned by or licensed to or used by the First Transferor and slogans used in relation thereto, which for the avoidance of doubt, shall not include the websites www.enamdirect.in and www.enamdirect.co.in owned and operated by ESDPL;

(F) "**CCI**" means the Competition Commission of India, as established under the Competition Act, 2002;

(G) "**CDSL**" means the Central Depository Services (India) Limited;

(H) "**Courts**" or "**High Courts**" means the High Court of Judicature at Bombay and the High Court of Gujarat, and shall include the National Company Law Tribunal as applicable or such other forum or authority as may be vested with the powers of a High Court under Sections 391 to 394 of the Act;

(I) "**Demerger Appointed Date**" means the opening of business on April 1, 2010;

(J) "**Demerged Undertaking**" means the First Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business of the First Transferor, on a going concern basis and shall mean and include (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the First Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the First Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the Financial Services Business;

(ii) all permits, quotas, registrations, rights, entitlements, licenses including the licenses issued by the Securities and Exchange Board of India for the First Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or

conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business;

(iv) all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and

(v) all present and future liabilities (including contingent liabilities and the First Transferor Transferred Liabilities) pertaining or relatable to the Financial Services Business as set out in Clause 16 of this Scheme.

(K) "**Demerged Undertaking Opening Financial Statement**" means the duly audited opening balance sheet of the Demerged Undertaking as at the opening of business hours on the Demerger Appointed Date as set out in **Schedule I** hereto;

(L) "**Demerger**" means the transfer by way of demerger of the Demerged Undertaking of the First Transferor to the First Transferee pursuant to this Scheme and the consequent issuance of equity shares by the First Transferee to the shareholders of the First Transferor as set out in this Scheme;

(M) "**DFSA**" means the Dubai Financial Services Authority;

(N) "**EFPL**" means Enam Finance Private Limited, a company incorporated under the Act and having its registered office at Flat No. 11, 4th Floor, Vijay Deluxe Apartments, Door No 7/4 First Main Road City Colony Mylapore, Chennai, Tamil Nadu, 600004, and registered as a "non-banking finance company" with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934;

(O) "**EIL**" means Enam International Ltd. (UAE), a company incorporated under the laws of the United Arab Emirates and regulated by the DFSA;

(P) "**ESDPL**" means the Enam Securities Direct Private Limited, a company incorporated under the Act and having its registered office at 24 BD Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai – 400023, Maharashtra, India and registered as a stock broker with the SEBI;

(Q) "**ESEL**" means Enam Securities Europe Limited (UK), a company incorporated under the laws of the United Kingdom and regulated by the FSA;

(R) "**ESPL**" shall have the meaning ascribed to it in Clause 1 above;

(S) "**Effective Date**" means the last of the dates on which the conditions and matters referred to in Clause 49 hereof occur or have been fulfilled or waived;

References in this Scheme to the date of "**coming into effect of this Scheme**"" or "**effectiveness of this Scheme**" shall mean the Effective Date;

(T) "**Enam Website**" shall have the meaning ascribed to it in Clause 2 above;

(U) "**Encumbrance**" means any options, pledge, mortgage, hypothecation, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;

(V) "**Financial Services Business**" shall have the meaning set forth in Clause 1;

(W) "**First Transferee**" means Axis Bank, for the purposes of the Demerger pursuant to Part II of this Scheme;

(X) "**First Transferor**" shall have the meaning ascribed to it in Clause 1 above;

(Y) "**First Transferor Remaining Business**" means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of ESPL, other than those comprised in the Demerged Undertaking. For the avoidance

of doubt it is clarified that the membership of NSE and MCX-SX Exchanges for currency derivatives, any commodity broking or derivative business and all related assets, liabilities, operations and businesses undertaken by the Transferor in relation to the same shall form part of the Remaining Business;

(Z) "**First Transferor Transferred Liabilities**" shall have the meaning ascribed to it in Clause 16 (i) hereof;

(AA) "**FSA**" means the (United Kingdom) Financial Services Authority;

(BB) "**Implementation Agreement**" shall have the meaning ascribed to it in Clause 5 above;

(CC) "**Implementation Agreement Execution Date**" shall mean November 17, 2010;

(DD) "**NSDL**" means the National Securities Depository Limited;

(EE) "**NSE**" shall mean the National Stock Exchange of India Limited;

(FF) "**Offering**" shall have the meaning ascribed to it in Clause 28 (iii) below;

(GG) "**Other Approvals**" shall have the meaning ascribed to it in Clause 51 below;

(HH) "**RBI**" means the Reserve Bank of India;

(II) "**Regulatory Authority**" means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body (including any stock or commodity exchange), or court, including but not limited to the RBI, BSE, NSE, USE, NSDL, CDSL, SEBI, FSA, DFSA along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;

(JJ) "**Sale**" means the transfer, by way of a slump sale, of the Transferred Business Undertaking of the Second Transferor to the Second Transferee pursuant to this Scheme, in consideration for which a cash consideration of Rs. 274,15,02,154 (Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid by the Second Transferee to the Second Transferor on the Effective Date;

(KK) "**Sale Appointed Date**" means April 1, 2010, immediately after giving effect to the Demerger as set out in Part II of this Scheme;

(LL) "**Sale Consideration**" shall have the meaning ascribed to it in Clause 41 hereof;

(MM) "**Schedules**" shall mean schedules to this Scheme;

(NN) "**Scheme**" means this Scheme of Arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

(OO) "**SEBI**" means the Securities and Exchange Board of India;

(PP) "**Second Transferee**" shall have the meaning ascribed to it in Clause 4 above;

(QQ) "**Second Transferor**" means Axis Bank, after giving effect to the Demerger pursuant to Part II of this Scheme;

(RR) "**Second Transferor Remaining Business**" means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of Axis Bank, other than those comprised in the Transferred Business Undertaking.

(SS) "**Second Transferor Transferred Liabilities**" shall have the meaning ascribed to it in Clause 35 (i) hereof;

(TT) "**Share Entitlement Ratio**" shall have the meaning ascribed to it in Clause 28 hereof;

(UU) "**Stock Exchanges**" means the stock exchanges on which the shares of Axis Bank are listed, being the BSE and NSE;

(VV) "**Transferred Business Undertaking**" means the Second Transferor's undertakings, business, activities and operations pertaining to the Financial Services Business demerged from the First Transferor to the First Transferee pursuant to the Demerger set forth in Part II of this Scheme, and shall mean and include (without limitation):

(i) all assets, including investments and property of, and required for, the Financial Services Business wherever situate, whether movable or immovable, tangible or intangible, in possession or reversion, including but not limited to securities held by the Second Transferor in ESDPL, EFPL, EIL, ESEL, securitised assets, receivables and security receipts, all mutual fund investments held by the Second Transferor, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities;

(ii) all permits, quotas, registrations, rights, entitlements, licenses in relation to the Financal Services Business including the licenses issued by the Securities and Exchange Board of India for the Second Transferor to act as a stock broker of the BSE, a stock broker of the NSE, a trading and clearing member of the BSE, a trading and clearing member of NSE, license to act as a depositary participant, license to act as a merchant banker, license to act as a self-clearing member of the derivatives segment of the BSE, claims, permissions, approvals, authorities, consents, benefits of any kind including benefit of any deposits, privileges, exemptions including tax exemptions, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the Financial Services Business,

(iii) patents, copyrights, all other intellectual property including trade and service names and service marks, goodwill, receivables, belonging to or utilized for and trademarks belonging to the Financial Services Business including but not limited to the websites **www.enamdirect.in** and **www.enamdirect.co.in** owned and operated by ESDPL;

(iv) all records, files, papers, engineering and process information, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Financial Services Business; and

(v) all present and future liabilities (including contingent liabilities and the Second Transferor Transferred Liabilities) appertaining or relatable to the Financial Services Business as set out in Clause 35 of this Scheme.

(WW) "**Transferred Business Undertaking Opening Financial Statement**" means the duly audited opening balance sheet of the Transferred Business Undertaking as on the Sale Appointed Date as set out in **Schedule II** hereto;

(XX) "**Trustee**" shall have the meaning ascribed to it in Clause 28 (ii) hereof;

(YY) "**USE**" means the United Stock Exchange.

12. **Share Capital**

(i) The share capital structure of the First Transferor as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
Comprising 2,500,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 25,000,000/- (Rupees Twenty Five Million Only) and 250,000 4% redeemable non-cumulative preference shares of Rs. 100/- (Rupees One Hundred Only) each aggregating to Rs. 25,000,000/-.(Rupees Twenty Five Million Only)	Rs. 50,000,000
Issued, Subscribed and Paid-up	
Comprising of 2,418,000 equity shares of Rs. 10/- (Rupees Ten Only) each.	Rs. 24,180,000

(ii) The share capital structure of Axis Bank as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
Comprising 500,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each, aggregating Rs. 5,000,000,000/- (Rupees (Five Billion Only) Only).	Rs. 5,000,000,000
Issued, Subscribed and Paid-up	
Comprising 413,203,952 equity shares of Rs. 10/- (Rupees Ten Only) each	Rs. 4,132,039,520

The equity shares of Axis Bank are listed on BSE and NSE and the global depository receipts are listed on the London Stock Exchange.

(iii) The share capital structure of the Second Transferee as on March 31, 2012 was as follows:

Authorized Capital	**Rupees**
120,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each aggregating Rs. 1200,000,000- (Rupees One Thousand Two Hundred Million Only)	Rs. 1,200,000,000
Issued, Subscribed and Paid-up	
Comprising 120,000,000 equity shares of Rs. 10/- (Rupees Ten Only) each	Rs. 1,200,000,000

PART II – DEMERGER OF THE FINANCIAL SERVICES BUSINESS

Section 1 - Transfer and Vesting of the Demerged Undertaking

13. *Transfer of Assets*

(i) Upon the coming into effect of this Scheme and with effect from the Demerger Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause 13 in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be demerged from the First Transferor and be transferred to and vested in or shall be deemed to have been demerged from the First Transferor and transferred to and vested in the First Transferee as a going concern so as to become as and from the Demerger Appointed Date, the estate, assets, rights, claims, title, interest authorities of the First Transferee subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

(ii) In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the First Transferor, and shall become the property of the First Transferee as an integral part of the Demerged Undertaking with effect from the Demerger Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be demerged from the First Transferor and transferred to and vested in and/or be deemed to be demerged from the First Transferor and transferred to and vested in the First Transferee upon the coming into effect of the Scheme and with effect from the Demerger Appointed Date pursuant to the provisions of Section 391 to Section 394 of the Act.

(iv) All assets, right, title or interest acquired by the First Transferor after the Demerger Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the First Transferee upon the coming into effect of this Scheme and with effect from the Demerger Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

(v) Upon the effectiveness of the Scheme, the First Transferor, the Second Transferee and Axis Bank shall enter into appropriate arrangements for licensing of the Brand in accordance with the Implementation Agreement.

14. *Contracts, Deeds, Licenses etc.*

(i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the First Transferor is a party or to the benefit of which the First Transferor may be eligible or for the obligations of which the First Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the First Transferee and may be enforced as fully and effectually as if, instead of the First Transferor, the First Transferee had been a party or beneficiary or obligee thereto.

(ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the First Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the First Transferor is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The First Transferee shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the First Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the First Transferor to be carried out or performed.

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the First Transferor in relation to the Demerged Undertaking shall stand transferred to the First Transferee as if the same were originally given by, issued to or executed in favour of the First Transferee, and the First Transferee 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 First Transferee. The First Transferee shall make applications to any Regulatory Authority as may be necessary in this behalf.

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

16. *Transfer of Liabilities*

(i) Upon the coming into effect of this Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the First Transferor as on the Demerger Appointed Date relating to the Demerged

Undertaking (collectively the **"First Transferor Transferred Liabilities"**) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the First Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the First Transferee:

(a) all the liabilities which arose out of the activities or operations of the Demerged Undertaking;

(b) the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking as set out in the Demerged Undertaking Opening Financial Statement; and

(c) in cases other than (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of the First Transferor, as, in the aggregate, stand in the same proportion which the value of assets being transferred to the First Transferee pursuant to the Demerger bears to the total value of the assets of the First Transferor on the Demerger Appointed Date. The amount of the general or multipurpose borrowings of the First Transferor which are transferred on this basis are reflected in the Demerged Undertaking Opening Financial Statement.

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

(iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the First Transferor for the operations of the Demerged Undertaking from the Demerger 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 First Transferee, 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 First Transferee and shall become the loans, debts, liabilities, duties and obligations of the First Transferee.

(iv) In so far as the existing Encumbrances in respect of the First Transferor Transferred Liabilities are concerned, or those, if any, created by the First Transferor after the Demerger Appointed Date in accordance with this Scheme and in relation to the liabilities being transferred to the First Transferee pursuant to Clause 16(i)(c) above, over the assets comprised in the Demerged Undertaking transferred to the First Transferee by virtue of this Scheme, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over such assets comprised in the Demerged Undertaking which have been Encumbered in relation to the aforesaid liabilities. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the First Transferee pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

(v) For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the First Transferor Remaining Business are concerned, the Encumbrances over such assets in relation to the liabilities of the Demerged Undertaking (including the First Transferor Transferred Liabilities) transferred to the First Transferee in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities which are not transferred pursuant to this Scheme (and which shall continue with the First Transferor), shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.

(vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the First Transferor and the First Transferee 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.

(vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the First Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

17. *Transfer of assets and liabilities at Book Values*

All the assets and liabilities of the Demerged Undertaking shall be transferred to the First Transferee at the values appearing in the books of the First Transferor.

18. *Legal, taxation and other proceedings*

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the First Transferor and relating to the Demerged Undertaking, under any statute, whether pending on the Demerger Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the First Transferee after the Effective Date. The First Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the First Transferor.

(ii) If proceedings are taken against the First Transferor in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the First Transferee and at the cost of the First Transferee, and the latter shall reimburse and indemnify the First Transferor against all liabilities and obligations incurred by the First Transferor in respect thereof.

19. *Employees, Consultants etc.*

(i) Upon the coming into effect of this Scheme (a) all permanent employees of the First Transferor engaged in the Demerged Undertaking as on the Effective Date shall become the permanent employees of the First Transferee, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the First Transferor in the Demerged Undertaking and without any interruption of service as a result of the transfer of the Demerged Undertaking.

The First Transferee agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such employees with the First Transferor shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(ii) In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the First Transferor for its employees are concerned, the First Transferee shall stand substituted for the First Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees. In relation to the gratuity fund of the First Transferor, the First Transferee shall stand substituted for the First Transferor in relation to the fund in its entirety and the First Transferor and the First Transferee shall co-operate and use best endeavours to obtain such approvals as may be necessary to effect the transfer of such proportion of the investments made by the gratuity fund which are transferred to the First Transferee and are referable to the employees of the First Transferor who do not form part of the Demerged Undertaking and are not transferred to the First Transferee pursuant to the Scheme; in the event the First Transferee receives any amounts in relation to such employees, it shall promptly repay these amounts to the First Transferor. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

(iii) In relation to any other fund created or existing for the benefit of the employees being transferred to the First Transferee, the First Transferee shall stand substituted for the First Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

Section 2 – Conduct of Business of Demerged Undertaking

20. The First Transferor, with effect from the Demerger Appointed Date and up to and including the Effective Date:

(i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments of the Demerged Undertaking for and on account of, and in trust for, the First Transferee;

(ii) all profits and income accruing to the First Transferor from the Demerged Undertaking, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), relating to the Demerged Undertaking for the period from the Demerger Appointed Date based on the accounts of the First Transferor shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the First Transferee; and

(iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the First Transferor shall be deemed to have been exercised by the First Transferor for and on behalf of, and in trust for and as an agent of the First Transferee. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the First Transferor shall be deemed to have been undertaken for and on behalf of and as an agent for the First Transferee; and

(iv) all assets acquired and all liabilities incurred by the First Transferor after the Demerger Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking 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 First Transferee 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.

21. Subject to paragraph 22, the First Transferor undertakes that it will preserve and carry on the business of the Demerged Undertaking with diligence and business prudence in the ordinary course consistent with past practice, in trust for the benefit of the First Transferee, and shall not, and shall ensure that its subsidiaries forming part of the Demerged Undertaking shall not, upto and including the Effective Date, save and except, (i) if the same is permitted under the Scheme or (ii) by obtaining the prior written consent of the board of directors of the First Transferee: (a) sell, transfer, alienate, charge, mortgage, or encumber the Demerged Undertaking or any part thereof except in the ordinary course of business as carried on by it consistent with past practice, including its shareholding in EIL, ESEL, EFPL and ESDPL (which, notwithstanding anything to the contrary, shall not be Encumbered in any manner without the prior written consent of the First Transferee); or (b) declare any dividend, conduct any buy back of securities or make any changes to their respective capital structure in any manner, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and/or convertible shares/debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner;

22. The First Transferee shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Demerger Appointed Date and prior to the Effective Date subject to applicable law and the Act. The First Transferor shall not be entitled to declare dividend on or prior to the Effective Date, provided that in the event of any declaration of dividend by the First Transferee after the Implementation Agreement Execution Date and prior to the Effective Date, the First Transferor shall be entitled to declare dividend (net of dividend distribution tax) to its shareholders as on the relevant record date of an amount equivalent to such amount as such shareholders of the First Transferor would have received from the First Transferee had they received Axis Bank Shares pursuant to the Demerger on the relevant record date for the distribution of dividend by the First Transferee.

23. 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 First Transferor and / or the First Transferee

or their respective subsidiaries to demand or to claim any dividends, which subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the First Transferor and subject, wherever necessary, to the approval of the shareholders of the First Transferor.

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

(i) the First Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the First Transferor Remaining Business for and on its own behalf;

(ii) all profits accruing to the First Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the First Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the First Transferor; and

(iii) all assets and properties acquired by the First Transferor in relation to the First Transferor Remaining Business on and after the Demerger Appointed Date shall belong to and continue to remain vested in the First Transferor.

Section 3 – First Transferor Remaining Business

25. The First Transferor Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the First Transferor subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.

26. (i) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the First Transferor under any statute, whether pending on the Demerger Appointed Date or which may be instituted at any time thereafter, and in each case relating to the First Transferor Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the First Transferor in respect of the First Transferor Remaining Business) shall be continued and enforced by or against the First Transferor after the Effective Date, which shall keep the First Transferee fully indemnified in that behalf.

(ii) If proceedings are taken against the First Transferee in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the First Transferor and at the cost of the First Transferor, and the latter shall reimburse and indemnify the First Transferee against all liabilities and obligations incurred by the First Transferee in respect thereof.

Section 4 - Issue of Shares for Demerger

27. In consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee in accordance with the provisions of this Scheme the issue and allotment of equity shares by the First Transferee to the shareholders of the First Transferor as provided in this Scheme (the **"Axis Bank Shares"**) shall be as an integral part of this Scheme, and deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act.

28. (i) Upon the Effective Date and in consideration of the transfer and vesting of the Demerged Undertaking in the First Transferee pursuant to Section 1 of Part II of this Scheme, the First Transferee shall, without any further act or deed, issue and allot to each member of the First Transferor whose name is recorded in the register of members as a member of the First Transferor on the Effective Date, equity shares in the First Transferee in the ratio of 5 (Five) equity shares in Axis Bank of Rs. 10/- (Rupees Ten Only) each credited as fully paid up for every 1 (One) equity share of Rs. 10/ (Rupees Ten Only) each fully paid up held by such member in the First Transferor (the **"Share Entitlement Ratio"**).

(ii) If any shareholder of the First Transferor becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the First Transferee in accordance with Clause 28 of this Scheme, the board of directors of the First Transferee 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 First Transferee (the **"Trustee"**), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in

the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to the First Transferee, the net sale proceeds thereof and any additions and accretions, whereupon the First Transferee shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor in proportion to their respective fractional entitlements.

(iii) The Share Entitlement Ratio shall be subject to appropriate adjustments as set forth below to the extent necessary for corporate actions by the First Transferee such as bonus issues, rights issues, stock splits or any other similar capital restructuring which are approved after the date of approval of the Scheme by any of the Boards of the First Transferor or the First Transferee but prior to the Effective Date.

Free distribution, bonus issue, division, consolidation and re-classification of Shares

If the First Transferee shall (a) make a bonus issue of its shares, (b) divide the face value of its outstanding equity shares, (c) consolidate its outstanding equity shares into a smaller number of shares, or (e) re-classify any of its equity shares into other securities of the First Transferee, between the date of filing of the Scheme with the High Court of Gujarat for the first time, and the Effective Date, then the Share Entitlement Ratio shall be appropriately adjusted to take into account the impact of such action on the number of shares to be received by the members of the First Transferor pursuant to the Scheme.

Rights Issues to Shareholders:

If the First Transferee shall, between the date of filing of this Scheme with the High Court of Gujarat for the first time, and the Effective Date, grant, issue or offer to the holders of its shares rights entitling them to subscribe for or purchase its shares or instruments **("Offering"),** the members of the First Transferor as on the record date of such rights issue shall, subject to applicable law, be treated as shareholders of the First Transferee as on the record date of such rights issue and shall be entitled to participate in such rights issue in accordance with their share entitlement in terms of the Share Entitlement Ratio, subject to such shareholder confirming their intention to subscribe to the First Transferee in accordance with the terms of the rights issue. Such confirmation shall be considered a binding commitment by the shareholder to participate in the rights issue and the rights entitlement of the members of the First Transferor (as on the relevant record date) will be kept in abeyance by the First Transferee till the issuance of Axis Bank Shares to such member of the First Transferor pursuant to Clause 28 of this Scheme, and upon such issuance, the shareholder shall pay the subscription monies towards the rights entitlement to Axis Bank which shall be appropriated towards such entitlement and the entitlement given effect to by Axis Bank.

29. The shares issued by the First Transferee to the members of the First Transferor pursuant to Clause 28 above shall be issued in dematerialized form, unless otherwise notified in writing by the shareholders of the First Transferor to the First Transferee on or before such date as may be determined by the Board of Directors of the First Transferee or a committee thereof. In the event such notice has not been received by the First Transferee in respect of any of the members of the First Transferor, the equity shares shall be issued to such members in dematerialized form provided that the members of the First Transferor shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the First Transferee has received notice from any of the members of the First Transferor that equity shares are to be issued in physical form or if any member of the First Transferor has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member of the First Transferor do not permit electronic credit of the shares of the First Transferee, then the First Transferee shall issue equity shares in physical form to such member(s) of the First Transferor.

30. The equity shares of the First Transferee issued in terms of this Scheme will be listed and/or admitted to trading on the stock exchanges where the shares of the First Transferee are listed and/ or admitted to trading on the BSE and the NSE. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system in accordance with applicable directions in relation to listing/trading are given by the relevant stock exchanges.

31. The equity shares to be issued and allotted by the First Transferee in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the First Transferee and shall rank pari passu in all respects with the then existing equity shares of the First Transferee.

PART III – SALE OF THE TRANSFERRED BUSINESS

Section 1 - Transfer by way of Sale and Vesting of the Transferred Business Undertaking

32. *Transfer of Assets*

(i) Upon the coming into effect of this Scheme and with effect from the Sale Appointed Date, the Transferred Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Business Undertaking) shall, subject to the provisions of this Clause 32 in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act, deed, matter or thing, be transferred, by way of slump sale, from the Second Transferor and be transferred to or shall be deemed to have been transferred from the Second Transferor and transferred to and vested in the Second Transferee as a going concern so as to become as and from the Sale Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Second Transferee subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions and shall be deemed to be due compliance of the provisions of Section 293 and the other relevant and applicable provisions of the Act.

(ii) In respect of such of the assets of the Transferred Business Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, payment or by endorsement and delivery, the same may be so transferred by the Second Transferor, and shall become the property of the Second Transferee as an integral part of the Transferred Business Undertaking with effect from the Sale Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same.

(iii) In respect of such of the assets belonging to the Transferred Business Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred from the Second Transferor and transferred to and vested in the Second Transferee upon the coming into effect of the Scheme and with effect from the Sale Appointed Date pursuant to the provisions of Section 391 to Section 394 of the Act.

(iv) All assets, right, title or interest acquired by the Second Transferor after the Sale Appointed Date but prior to the Effective Date in relation to the Transferred Business Undertaking shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Second Transferee upon the coming into effect of this Scheme and with effect from the Sale Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

33. *Contracts, Deeds, Licenses etc.*

(i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Business Undertaking, to which the Second Transferor is a party or to the benefit of which the Second Transferor may be eligible or for the obligations of which the Second Transferor may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Second Transferee and may be enforced as fully and effectually as if, instead of the Second Transferor, the Second Transferee had been a party or beneficiary or obligee thereto.

(ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Business Undertaking occurs by virtue of this Scheme itself, the Second Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Second Transferor is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Second Transferee shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Second Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Second Transferor to be carried out or performed.

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Second Transferor in relation to the Transferred Business Undertaking shall stand transferred to the Second Transferee as if the same were originally given by, issued to or executed in favour of the Second Transferee, and the Second Transferee 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 Second Transferee. The Second Transferee shall make applications to any Regulatory Authority as may be necessary in this behalf.

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

35. *Transfer of Liabilities*

(i) Upon the coming into effect of this Scheme, the following debts, liabilities, loans raised and used, duties and obligations of the Second Transferor as on the Sale Appointed Date relating to the Transferred Business Undertaking (collectively the **"Second Transferor Transferred Liabilities"**) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Second Transferee to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Second Transferee:

(a) all the liabilities which arose out of the activities or operations of the Transferred Business Undertaking; and

(b) the specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Business Undertaking as set out in the Transferred Business Undertaking Opening Financial Statement.

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

(iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the Second Transferor for the operations of the Transferred Business Undertaking from the Sale 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 Second Transferee, 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 Second Transferee and shall become the loans, debts, liabilities, duties and obligations of the Second Transferee.

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

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

liabilities of the Transferred Business Undertaking (including the Second Transferor Transferred Liabilities) transferred to the Second Transferee in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Transferred Business Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities which are not transferred pursuant to this Scheme (and which shall continue with the Second Transferor), shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.

(vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Second Transferor and the Second Transferee 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.

(vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Second Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

36. *Legal, taxation and other proceedings*

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Second Transferor or the First Transferor and relating to the Transferred Business Undertaking, under any statute, whether pending on the Sale Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Second Transferee after the Effective Date. The Second Transferee shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Second Transferor.

(ii) If proceedings are taken against the Second Transferor or the First Transferor in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the Second Transferee and at the cost of the Second Transferee, and the latter shall reimburse and indemnify the Second Transferor or the First Transferor against all liabilities and obligations incurred by the Second Transferor or the First Transferor in respect thereof.

37. *Employees, Consultants etc.*

(i) Pursuant to completion of Part II of this Scheme (a) all permanent employees of the Second Transferor engaged in the Transferred Business Undertaking as on the Effective Date shall become the permanent employees of the Second Transferee, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions not less favourable than those on which they are engaged by the Second Transferor in the Transferred Business Undertaking and without any interruption of service as a result of the transfer of the Transferred Business Undertaking.

The Second Transferee agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such employees with the Second Transferor shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

(ii) In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Second Transferor for its employees are concerned, the Second Transferee shall stand substituted for the Second Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees. In

relation to the gratuity fund of the Second Transferor, the Second Transferee shall stand substituted for the Second Transferor in relation to the fund in its entirety and the Second Transferor and the Second Transferee shall co-operate and use best endeavours to obtain such approvals as may be necessary to effect the transfer of such proportion of the investments made by the gratuity fund which are transferred to the Second Transferee and are referable to the employees of the Second Transferor who do not form part of the Transferred Business Undertaking and are not transferred to the Second Transferee pursuant to the Scheme; in the event the Second Transferee receives any amounts in relation to such employees, it shall promptly repay these amounts to the Second Transferor. It is clarified that the services of the employees of the Transferred Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

(iii) In relation to any other fund created or existing for the benefit of the employees being transferred to the Second Transferee, the Second Transferee shall stand substituted for the Second Transferor, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

Section 2 – Second Transferor Remaining Business

38. The Second Transferor Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Second Transferor subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.

39. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Second Transferor under any statute, whether pending on the Sale Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Second Transferor Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Second Transferor in respect of the Second Transferor Remaining Business) shall be continued and enforced by or against the Second Transferor after the Effective Date, which shall keep the Second Transferee fully indemnified in that behalf.

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

(i) the Second Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Second Transferor Remaining Business for and on its own behalf;

(ii) all profits accruing to the Second Transferor thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Second Transferor Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Second Transferor; and

(iii) all assets and properties acquired by the Second Transferor in relation to the Second Transferor Remaining Business on and after the Sale Appointed Date shall belong to and continue to remain vested in the Second Transferor.

Section 3 - Consideration for the Sale of the Transferred Business Undertaking

41. In consideration for the Sale of the Transferred Business Undertaking and upon the coming into effect of the Scheme, a lumpsum purchase consideration of Rs. 274,15,02,154 (Rupees Two Hundred Seventy Four Crores Fifteen Lakhs Two Thousand One Hundred and Fifty Four Only) shall be paid in cash by the Second Transferee to the Second Transferor (the **"Sale Consideration"**).

PART IV – GENERAL TERMS AND CONDITIONS

Section 1 - Accounting Treatment

42. *Accounting treatment in the books of the First Transferor*

(i) Upon coming into effect of this Scheme, the book values of the assets and liabilities pertaining to the Financial Services Business transferred by the First Transferor to the First Transferee shall be reduced from the book values of the assets and liabilities appearing in the books of the First Transferor as on the date immediately preceding the Demerger Appointed Date.

(ii) The excess of assets over liabilities of the Financial Services Business shall be adjusted against the balance

in the Profit and Loss account as appearing on the date immediately preceding the Demerger Appointed Date in the books of the First Transferor. The balance in the Profit & Loss Account shall stand reduced to that extent.

43. *Accounting treatment in the books of Axis Bank*

(i) For the Demerger

(a) The book value of the assets appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the assets pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the Demerger in terms of this Scheme.

(b) The book value of the liabilities appearing in the books of the First Transferee as on the date immediately preceding the Demerger Appointed Date shall be increased by the book value of the liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee pursuant to the Demerger in terms of this Scheme.

(c) The First Transferee shall credit its Share Capital account with the aggregate of the face value of the equity shares issued pursuant to Clause 28 of this Scheme.

(d) The First Transferee shall credit its Capital Reserve Account with the difference of the excess of the assets over liabilities pertaining to the Financial Services Business demerged by the First Transferor into the First Transferee and the face value of the equity shares issued pursuant to Clause 28 of this Scheme.

(ii) For the Sale

(a) Upon coming into effect of this Scheme the book value of the assets appearing in the books of the Second Transferor pursuant to completion of Part II of this Scheme and as on the Sale Appointed Date shall be reduced by the book value of the assets pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(b) Upon coming into effect of this Scheme the book value of the liabilities appearing in the books of the Second Transferor pursuant to completion of Part II of this Scheme and as on the Sale Appointed Date shall be reduced by the book value of the liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(c) The Second Transferor shall debit its Cash account with the Sale Consideration, being the amount received from the Second Transferee for the assets and liabilities pertaining to the Transferred Business Undertaking transferred in terms of the Scheme.

44. *Accounting Treatment in the books of the Second Transferee*

(i) The book value of the assets appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the assets pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(ii) The book value of the liabilities appearing in the books of the Second Transferee as on the date immediately preceding the Sale Appointed Date shall be increased by the book value of the liabilities pertaining to the Transferred Business Undertaking transferred by the Second Transferor to the Second Transferee pursuant to the Sale in terms of this Scheme.

(iii) The Second Transferee shall credit its Cash account with the Sale Consideration, being the amount paid to the Second Transferor for the assets and liabilities pertaining to the Transferred Business Undertaking acquired in terms of the Scheme.

45. *Taxes*

(i) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the First Transferor in respect of the operations and/or the profits of the Demerged Undertaking before the Demerger Appointed Date, shall be on account of the First Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the First Transferor in respect of the profits or activities or operation of the Demerged Undertaking after the Demerger Appointed Date, the same shall be deemed to be the corresponding item paid by the First Transferee and shall, in all proceedings, be dealt with accordingly.

(ii) All taxes including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Second Transferor in respect of the operations and/or the profits of the Transferred Business Undertaking before the Sale Appointed Date, shall be on account of the Second Transferee and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Second Transferor in respect of the profits or activities or operation of the Transferred Business Undertaking after the Sale Appointed Date, the same shall be deemed to be the corresponding item paid by the Second Transferee and shall, in all proceedings, be dealt with accordingly.

Section 2 – Other Terms and Conditions

46. The First Transferor, Second Transferee shall make necessary applications before the High Court of Judicature at Bombay and Axis Bank shall make necessary applications before the High Court of Gujarat for the sanction of this Scheme under Sections 391 and 394 of the Act.

47. The First Transferor (by its Board of Directors), Axis Bank (by its Board of Directors) and Second Transferee (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

(i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which a High Court may deem fit to approve or impose, and/or effect any other modification or amendment which the boards of the First Transferor, Axis Bank and the Second Transferee may jointly and mutually agree in writing, consider necessary or desirable and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

(ii) any modification to this Scheme by a High Court shall not be binding on the First Transferor, Axis Bank or the Second Transferee except where its prior consent has been obtained.

(iii) give such directions (acting jointly) as may be mutually agreed in writing by the First Transferor, Axis Bank and the Second Transferee as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law).

(iv) in their full and absolute discretion and by mutual agreement in writing by the First Transferor, Axis Bank and the Second Transferee modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

(v) determine jointly by mutual agreement in writing by the First Transferor, Axis Bank and the Second Transferee any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Demerged Undertaking or the Transferred Business Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

48. *Severability*

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 First Transferor, Axis Bank and the Second Transferee, affect the validity or implementation of the other parts and/or provisions of this Scheme.

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

(i) this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the First Transferor, Axis Bank and the Second Transferee as required under the Act and the requisite orders of the High Courts being obtained;

(ii) the certified copies of the orders of the High Courts approving this Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Gujarat;

(iii) receipt of the approvals of (i) the RBI for the acquisition of the Demerged Undertaking and the issuance of the Axis Bank Shares to the shareholders of ESPL, and the Sale of the Transferred Business Undertaking, and the Sale of the Transferred Business Undertaking, in terms of this Scheme; (ii) SEBI (under the Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992, the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993) (iii) the BSE and NSE (x) for the Scheme; and (y) in relation to the change of dominant promoter group of the Demerged Undertaking and the Transferred Business Undertaking; (iv) approval from the CCI under the Competition Act, 2002 for the Demerger and the Sale (if necessary); and (v) any other approval as may be required for the acquisition of the Demerged Undertaking and the issuance of the Axis Bank Shares to the shareholders of First Transferor, and the transfer of the Transferred Business Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Relevant Authority on or after the Agreement Date or interpretation of any existing law, rule or regulation on or after the Relevant Date; but shall not include the Other Approvals.

(iv) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (ii) and (iii) are satisfied.

The Second Transferee and Axis Bank (through their respective Board of Directors) shall have the right to waive any of the conditions referred to in Clause 49 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

50. In the event of this Scheme does not come into effect by June 30, 2013 or by such later date as may be agreed by the respective Boards of Directors of the First Transferor, the Second Transferee and Axis Bank, this Scheme shall stand revoked, cancelled and be of no effect and 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 party shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

51. Further, notwithstanding anything to the contrary contained in this Scheme, in the event any approval required from (i) the FSA, DFSA, RBI and SEBI in relation to the transfer of EIL and ESEL in terms of the Demerger and the Sale (but not including the approval required from RBI and SEBI listed in Clause 49 above); (ii) the NSDL in relation to the Demerger and the Sale, (iii) CDSL in relation to the Demerger and the Sale, and (iv) USE in relation to the Demerger and the Sale **("Other Approvals")** is not received by the Effective Date, the portion of the Financial Services Business to which the Other Approval relates shall continue to be held by the First Transferor in trust for First Transferee or by the Second Transferor in trust for the Second Transferee, as the case may be, and following the effectiveness of the Scheme shall be operated in accordance with the directions of the First Transferee or the Second Transferee, as the case may be, and be transferred to the First Transferee and immediately thereafter to the Second Transferee upon receipt of such Other Approval; provided that if the Other Approval is rejected or not obtained within a period of 6 (six) months from the effectiveness of the Scheme, the First Transferor or the Second Transferor, as the case may be, shall cease all operations with respect to such part of the Demerged Undertaking or Transferred Business Undertaking as pertains thereto and has not been transferred in terms of this Scheme.

52. Each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the High Courts. Provided that, all expenses and related costs incurred by the Second Transferor in relation to or in connection with or incidental to this Scheme shall be reimbursed by the Second Transferee to the Second Transferor.

SCHEDULE I

Opening Balance Sheet of Demerged Business Undertaking as on Demerger Appointed Date	
Particulars	**Demerged Business**
Sources of Funds	
Shareholders' Funds	
Share Capital	-
24,18,000 Equity Shares of Rs. 10 each fully paid up	2,741,502,154
Reserves & Surplus	**2,741,502,154**
Total	
Application Of Funds	
Fixed Assets	140,952,627
Gross Block	87,963,583
Less: Accumulated Depriciation	**52,989,044**
Net Block	
Quoted & Unquoted	1,059,711,175
Investment in Subsidiaries	525,182,141
Current Investments	**1,584,893,316**
Investments	5,451,544,997
Current Assets and Loans and Advances	4,347,925,203
Less: Current Liabilities & Provisions	**1,103,619,794**
Net Current Assets	-
Deferred Tax Assets	**2,741,502,154**
Total	

SCHEDULE II

Opening Balance Sheet of Transferred Business Undertaking as in the sale Appointed Date	
Particulars	**Transferred Business**
Sources of Funds	
Cash Consideration to Axis Bank Ltd	2,741,502,154
Total	**2,741,502,154**
Application Of Funds	
Fixed Assets	
Gross Block	140,952,627
Less: Accumulated Depriciation	87,963,583
Net Block	**52,989,044**
Quoted & Unquoted	
Investment in Subsidiaries	1,059,711,175
Current Investments	525,182,141
Investments	**1,584,893,316**
Current Assets and Loans and Advances	5,451,544,997
Less: Current Liabilities & Provisions	4,347,925,203
Net Current Assets	**1,103,619,794**
Total	**2,741,502,154**

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 207 OF 2012

In the matter of the Companies Act, 1956;

-And-

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

-And-

In the matter of Axis Bank Limited [CIN: L65110GJ1993PLC020769], a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006;

-And-

In the matter of Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors.

Axis Bank Limited,

[CIN: L65110GJ1993PLC020769]

a company incorporated under the Companies Act, 1956 and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949, having its registered office at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006.) ...Applicant Company

FORM OF PROXY

I/We, the undersigned unsecured creditor/s of the Applicant Company hereby appoint Mr./ Ms. _____ of _____ and failing him/her Mr./ Ms. _____ of _____ as my/our proxy, to act for me/us at the meeting of the unsecured creditors including the fixed deposit holders of the Applicant Company to be held on Saturday, the 23rd day of June, 2012 at J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat at 12:00 noon (1200 hours), or so soon thereafter after the conclusion of the meeting of the equity shareholders of the Applicant Company, for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors (the **"Scheme"**) under Sections 391 to 394 of the Companies Act, 1956 (and at such meetings and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert **'for'**; 'if against', insert **'against'**) the said Scheme, *either with or without modification**, as my/our proxy may approve.

* *Strike out what is not necessary.*

Affix Re. 1/- Revenue Stamp

Dated this _____ day of _____ 2012

(Signature)

Name: _____

Address: _____

_____

Signature of unsecured creditor(s) - _____

Signature of Proxy: - _____

NOTES:

1. Alterations, if any, made in the Form of Proxy should be initialed.
2. Proxy forms must be deposited at the registered office of the Applicant Company at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat, not later than FORTY EIGHT hours before the scheduled time of the commencement of the said meeting.
3. In case of multiple proxies, the proxy later in time shall be accepted.

AXIS BANK LIMITED

Regd. Office: 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the meeting of the unsecured creditors including fixed deposit holders of the Applicant Company, convened pursuant to an Order dated Wednesday 9th May, 2012 of the Hon'ble High Court of Gujarat at Ahmedabad, held at J.B.Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat on Saturday, the 23rd day of June, 2012 at 12:00 noon (1200 hours).

Name and address of the unsecured creditor(s): _____

_____

Signature of the unsecured creditor(s): _____

Name of the proxy holder/
Authorised representative: _____

Signature: _____

Note: Unsecured creditors attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the meeting hall.