IndusInd Bank

Date: June 13, 2019

The Asst. Vice President
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra–Kurla Complex
Bandra (East), Mumbai – 400 051

NSE Symbol: INDUSINDBK

The Deputy General Manager
Corporate Relationship Dept.
BSE Ltd.
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001

BSE Scrip Code: 532187

Dear Madam / Sir,

Subject: **(1) Composite scheme of arrangement among Bharat Financial Inclusion Limited, IndusInd Bank Limited ("Bank"), IndusInd Financial Inclusion Limited and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.**

(2) Receipt of certified true copy of the order of National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT").

(3) Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in furtherance of our letter dated June 11, 2019 wherein we had intimated that the composite scheme of arrangement among Bharat Financial Inclusion Limited, the Bank, IndusInd Financial Inclusion Limited and their respective shareholders and creditors ("**Scheme**") had been approved by the Hon'ble NCLT on June 10, 2019.

We are pleased to inform you that the Bank has received the certified true copy of the order passed by the Hon'ble NCLT sanctioning the Scheme today i.e., on June 13, 2019. The certified true copy of the order is attached for your records.

The certified true copy of the order passed by the Hon'ble NCLT sanctioning the Scheme is also available on the Bank's website at www.indusind.com

Request you to kindly take this on record.

Thanking you,

For **IndusInd Bank Limited**

Haresh Gajwani
Company Secretary

CC: Chief Regulatory Officer,
India International Exchange

IN THE NATIONAL COMPANY LAW TRIBUNAL,

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CP (CAA) 4648 /230-232/NCLT/MB/MAH/2018

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

In the matter of:

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

And

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

Order Date: 10.06.2019

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

For the Petitioner Companies: Mr. Gaurav Joshi, Senior Advocate
Mr. AshishKamat, Advocate
Mr. TapanDeshpande, Advocate
Ms. PriyaPatwa, Advocate

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

PerseRavikumar Duraisamy, Member

ORDER

1. Heard Learned Senior Advocate appearing for the Petitioner Companies, and Officers of the Regional Director, Western Region, Mumbai. No shareholder or creditor of any of the Petitioner Companies,has appeared before this Tribunal to oppose the present Company Scheme Petition.

2. The Senior Advocate for the Petitioner Companies states that the Company Scheme Petition has been filed to seek sanction to the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited (**"Amalgamating Company"/ "Petitioner Company 1"**), IndusInd Bank Limited (**"Amalgamated Company"/ "Petitioner Company 2"**) and IndusInd Financial Inclusion Limited (**"Transferee Company"/ "Petitioner Company 3"**)and their respective shareholders and creditors (**"Scheme" or "Scheme of Arrangement"**).

3. Petitioner Company 1 is engaged primarily in the businesses of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business

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

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

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

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

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

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

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

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

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

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

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

(i) In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-(IND AS-8) etc.;

(ii) As per Part-I, General Clause - A(2) of the scheme, it is stated that "the equity shares of the amalgamated company (IndusInd Bank Limited) are listed in the Stock Exchanges and its Global Depository Receipts (GDR) are listed (GDR) are listed on Luxembourg Stock Exchange" in this regard it is submitted that the petitioner to produce NOC from the above said stock Exchange;

(iii) As per Part-1, General Clause - B (4) of the scheme, it is stated that "BFIL and IBL have entered into implementation agreement dated 14th October 2017 pursuant to which the parties thereto have agree inter alia to the amalgamation of BFIL in to IBL in accordance with the RBI Amalgamation Directions and

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

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

(v) ***As per Part-I, Definitions Clause - (Q) of the scheme,*** ***"Effective Date"*** *means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived; In this regard it is submitted that the* ***"Effective Date"shall be 1st January, 2018*** *as per provisions of section 232(6) of the*

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

(vi) ***As per Part-I, Definitions Clause - (Y) of the scheme,"Exclusivity Agreement Date"*** *shall mean September 11, 2017 i.e. the date of execution of the confidentiality, exclusivity and standstill agreement between IBL and BFIL. In this regard it is submitted that the petitioners be directed to file the said agreement in a sealed envelope to this Tribunal for perusal form a considered opinion;*

(vii) ***As per Part-I, Definitions Clause - (BB) of the scheme, "Implementation Agreement Execution Date"*** *shall mean October 14, 2017, in this regard it is submitted that the petitioners be directed to file an affidavit regarding the relevancy of the said date to the appointed date;*

(viii) ***As per Part-I, Definitions Clause - (OO) of the scheme, "Regulatory Authority"*** *means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body, tax authorities or tribunal, including but not limited to the CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought. In this regard it is submitted the petitioners be directed to submit NOC from CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;*

(ix) ***As per Part - II Section -1- Clause - (18) - (v) - of the Scheme - Transfer of Existing BFIL Options it is stated*** *that "The exercise price payable for each IBL Share*

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

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

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

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

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

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

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

(xiv) ***As per Part-IV-Section-7- Clause 65 of the Scheme-Change of Name by the Transferee Company. In this regard it is submitted that the same is subject to compliance with the provisions of section 4(2) & (3) of the Companies Act, 2013 r/w rule 8(8) of the Company (Incorporation) Rules, 2014;***

(xv) ***As per Part-V-Section-7- Clause 68 of the Scheme-Grant of Special Incentives IBL Employees- clause 68(i) it is stated that "Upon Part II of this Scheme becoming effective, the Amalgamated Company shall, in order to ensure continuity and retention of the BFIL Employees with IBL, create a New IBL ESOP Scheme in***

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

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

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

8. The observations made by the RD have been dealt with by the Petitioner Companies in their respective Affidavits and copies of the said Affidavits were served upon the RD on 2nd April, 2019. Petitioner Company 2 in its Affidavit dated 1st April, 2019 ("**IBL Affidavit**"), has dealt with the observations of the RD. Petitioner Company1 *vide*its Affidavit dated 2nd April, 2019 while adopting the contents of the Affidavit filed by Petitioner Company 2,has also dealt with the observations specifically related to Petitioner Company 1, made in paragraphsIV (xv) and (xvi) of the Report. Similarly, Petitioner Company 3 *vide*its Affidavit dated 1st April,

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

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

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

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

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

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

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

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

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

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

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

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15. As regards observation in paragraph IV (vii) of the said Report, Petitioner Company 2 has, in paragraph 12 of the IBL Affidavit dated 1st April, 2019, stated that the Implementation Agreement Execution Date i.e. 14th October, 2017 has no relevance to the Appointed Date, and therefore a separate affidavit regarding the relevance of the said date to the Appointed Date was not required to be filed with this Tribunal.

16. As regards observation in paragraph IV (viii) of the said Report, Petitioner Company 2 has, in paragraph 13 of the IBL Affidavit dated 1st April, 2019, stated that the letters issued by the Competition Commission of India, the Reserve Bank of India, the BSE and the NSE to Petitioner Company 1 and Petitioner Company 2 respectively, conveying their "No objections" to the proposed Scheme, are annexed to the Company Scheme Petition, as Exhibit "L-Colly", " M", "E", "F", "J" and "K" respectively. Copies of the lettersare also annexed to the IBL Affidavit dealing with the Report. The Scheme has been approved by the aforesaid regulators and such their decisions are binding on the Petitioner Companies. The said approvals are not the subject matter of any appeals.

17. As regards observation in paragraph IV (ix) of the said Report, Petitioner Company 2 has, in paragraph 14 of the IBL Affidavit dated 1st April, 2019, stated that the equation for determining the exercise price payable for each IBL Share (*as defined in the*

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Scheme) is provided in the IBL Affidavits, with an illustration. For the sake of ready reference the same is reproduced hereunder:

"Exercise price payable for each IBL Share = $\frac{\text{Exercise price for the Amalgamating Company Share}}{0.639}$

Illustration:

(a) Amalgamated Company Options held by an Eligible Employee = 1000

(b) Exercise Price at which the Amalgamating Company Options have been issued to the Eligible Employee = Rs. 500

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

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

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

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

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

20. As regards observation in paragraph IV (xii) of the said Report, the Petitioner Company 2 has, in paragraph 17 of the IBL Affidavit dated 1st April, 2019, given an undertaking to this Tribunal that the fee, if any, payable by Petitioner Company 2

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

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

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

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

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

23. As regards observation in paragraph IV (xv) of the said Report, Petitioner Company 2 has, in paragraph 20 of the IBL

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

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

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

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

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

26. As regards observation in paragraph IV (xvii) of the said Report, Petitioner Company 2, in paragraph 23 of the IBL Affidavit dated 1st April, 2019, stated that the Scheme enclosed to the Company Scheme Application and to the Company Scheme Petition, are one and same and there is no discrepancy for changemade therein.

27. Learned Senior Advocate states that the office of the RD has filed a Supplementary Report dated 4th April, 2019 with this Tribunal, dealing with Affidavits filed by the Petitioner Companies dealing with the Report. In the said Supplementary Report, the RD has found the responses given by the Petitioner Companies in relation to most of the observations, satisfactory. In relation to the observations made in paragraphs IV (ii), (iii), (vi), (ix), (xiii)and (xv) of the Report, the RD in its Supplementary Report has stated that "this Tribunal to pass

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

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

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

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

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

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

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

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

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

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

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

(b) As regards the Exclusivity Agreement,Senior Advocate for the Petitioner Companies reiterated the submissions recorded in paragraph 14 hereinabove and further submitted that it was entered into in compliance with the provisions of the applicable SEBI regulations, and the parties made requisite disclosures to

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

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

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

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

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33. The clarifications and undertakings given by the Petitioner Companies are accepted.

34. The Official Liquidator has filed his Report dated 11thDecember, 2018stating that the affairs of Petitioner Company 1 have been conducted in a proper manner and that Petitioner Company 1 may be ordered to be dissolved without winding up.

35. Affidavit dated 04.06.2019 submitted on behalf of the Petitioner Company 1 and the affidavits dated 03.05.2019 submitted on behalf of the Petitioner Company 2 and 3 have been taken on record.

36. With regard to Regional Director's observation in para- IV (ix), (xiii), (xv) petitioner companies are directed to ensure strict compliance with applicable provisions of SEBI Act, Rules, Regulations, Circulars etc. and in case of any violation/non-compliance SEBI is free to take appropriate action as deemed fit.

37. From the material on recordand after perusing the clarifications and submissions of the Petitioner Companies to the Reports of the RD, the Scheme appears to be fair and reasonable and *prima-facie*is not violative of any provisions of law and is not contrary to public policy.

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38. All Petitioner Companies are liable to pay applicable Income Tax/Capital Gains Tax etc. pursuant to this composite scheme of arrangement.

39. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 4648 of 2018 filed by the Petitioner Companies is made absolute in terms of prayer clauses (a) and (b) fixed appointed date as 01.01.2018.

40. The Petitioner Company 2 to lodge a certified copy of this order along with the sanctioned Scheme attached thereto with the concerned Collector of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified copy of this order.

41. The Petitioner Companies are directed to file certified copy of this order alongwith a copy of the sanctioned Scheme attached thereto with the concerned Registrar of Companies, electronically, along with e-form INC 28 in addition to physical copy within 30 days of receipt of certified copy of this order along with the sanctioned Scheme.

42. The Petitioner Companies1 and 2 to pay cost of the Company Scheme Petition of INR 1,00,000/-each and Petitioner Company 3 to pay cost of INR 25,000/- to the Regional Director, Western Region, Mumbai.The Petitioner Company 1 to pay cost of the Company Scheme Petition of INR 25,000/- to

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

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

SD/-
RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)

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

Date: 10.06.2019

Certified True Copy
Date of Application 11.06.2019
Number of Pages 36
Fee Paid Rs. 180
Applicant called for collection copy on 12.06.2019
Copy prepared on 12.06.2019
Copy issued on 13.06.2019

B.N. Patel
Dy. Assistant Registrar
National Company Law Tribunal, Mumbai Bench

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COMPOSITE SCHEME OF ARRANGEMENT

Under Sections 230 to 232 of the Companies Act, 2013

AMONG

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

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

A. *Description of Parties*

1. Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) is public company, limited by shares, incorporated under the 1956 Act (as defined hereunder), under corporate identification number L65999MH2003PLC250504) and having its registered office at Unit No. 410, Madhava, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "**BFIL**" or the "**Amalgamating Company**"). BFIL is registered with the RBI (as defined hereunder) as a non-deposit taking non-banking financial company – micro finance institution. The equity shares of BFIL are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "**Stock Exchanges**"). BFIL is engaged primarily in the businesses of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business correspondent for IBL (as defined hereunder) as well as provision of other products and services;

2. IndusInd Bank Limited is a public company, limited by shares, incorporated under the 1956 Act, under corporate identification number L65191PN1994PLC076333 and having its registered office at 2401, General Thimmayya Road, East Street, Pune – 411 001 (hereinafter referred to as "**IBL**" or the "**Amalgamated Company**") and is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of the Amalgamated Company are listed on the Stock Exchanges and its global depository receipts are listed on the Luxembourg Stock Exchange. IBL is primarily engaged in the business of providing banking services in India. IBL is engaged in the business of, inter alia, banking and financial services including retail, commercial, corporate and investment banking and wealth management services catering to both consumer and corporate customers.

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

B. ***Description of the Scheme***

4. BFIL and IBL have entered into an Implementation Agreement dated October 14, 2017, (the "**Implementation Agreement**"), pursuant to which the parties thereto have agreed, *inter alia,* to the amalgamation of BFIL into IBL in accordance with the RBI Amalgamation Directions (defined hereunder) and the Act, the issuance and allotment of the Warrants (as defined hereunder) to the IBL Promoters (as defined hereunder), and the subsequent transfer of the Transferred Undertaking (as defined hereunder) from the Amalgamated Company to, and vesting thereof in the Transferee Company, as a 'going concern' on a slump sale basis, by way of a composite scheme of arrangement under Sections 230 to 232 of the Act.

5. In furtherance of the Implementation Agreement and the understanding between the parties thereto, this Scheme (as defined hereunder) provides, *inter alia,* for:

(i) the amalgamation of the Amalgamating Company with the Amalgamated Company, by way of merger by absorption and dissolution of the Amalgamating Company without winding up and the consequent issuance of IBL Shares (as defined hereunder) by the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio (as defined hereunder) ("**Amalgamation**");

(ii) the Preferential Allotment (as defined hereunder) by the Amalgamated Company of the Warrants to the IBL Promoters;

(iii) pursuant to the Amalgamation, the transfer of the Transferred Undertaking, as a going concern, on a slump sale basis, from the Amalgamated Company to the Transferee Company in exchange for the Slump Exchange Shares (as defined hereunder) to be issued by the Transferee Company to the Amalgamated Company ("**Slump Exchange**");

(iv) the grant of Special Incentive IBL Options (as defined hereunder) to specified BFIL Employees (as defined hereunder) transferred to the Amalgamated Company or the Transferee Company pursuant to the Scheme; and

(v) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Amalgamated Company,

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder). The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.

6. The Amalgamation of the Amalgamating Company into the Amalgamated Company shall be in full compliance with the provisions of Section 2(1B) of the IT Act such that:

(i) all the properties of the Amalgamating Company, immediately before the Amalgamation, shall become the properties of the Amalgamated Company, by virtue of the Amalgamation;

(ii) all the liabilities of the Amalgamating Company, immediately before the Amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of the Amalgamation; and

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(iii) all shareholders holding shares in the Amalgamating Company, will become shareholders of the Amalgamated Company by virtue of the Amalgamation.

7. The Transferred Undertaking constitutes an 'undertaking' as defined under Section 2(19AA) of the IT Act.

C. ***Rationale for the Scheme***

8. The Amalgamation and the Slump Exchange pursuant to this Scheme would, *inter alia*, have the following benefits:

(i) the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

(ii) the Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception in relation to the Amalgamation;

(iii) the Amalgamating Company has a commercially established model in the microfinance segment. The Amalgamation pursuant to the Scheme shall provide the Amalgamated Company access to the Amalgamating Company's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India;

(iv) the Amalgamation would offer the Amalgamated Company a deeper reach in the low income segment, and also increase the access of the Amalgamating Company's customer base to the Amalgamated Company's wide array of products and services;

(v) the Amalgamated Company can, pursuant to the Amalgamation, leverage the Amalgamating Company's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both the Amalgamating Company and the Amalgamated Company;

(vi) the Preferential Allotment shall result in bolstering the capital base and balance sheet of the Amalgamated Company and shall provide growth capital for the future growth of the Amalgamated Company; and

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

9. This Scheme is divided into the following parts:

(i) Part I, which deals with the introduction and definitions, and sets out the share capital of the Amalgamating Company, Amalgamated Company and the Transferee Company;

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(ii) Part II, which deals with the Amalgamation;

(iii) Part III, which deals with the Preferential Allotment;

(iv) Part IV, which deals with the Slump Exchange;

(v) Part V, which deals with the grant of the Special Incentive IBL Options; and

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

10. **Definitions**

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

(A) **"1956 Act"** means the Companies Act, 1956, as amended from time to time;

(B) **"Act"** means the Companies Act, 2013 and the rules framed there under, to the extent notified, or any modifications or re-enactments or amendments thereof from time to time;

(C) **"Amalgamated Company"** means have the meaning ascribed to it in Clause 2 of this Scheme;

(D) **"Amalgamated Company Options"** shall have the meaning ascribed to it in Clause 18(iii) below;

(E) **"Amalgamating Company"** shall have the meaning ascribed to it in Clause 1 above;

(F) **"Amalgamating Undertaking"** means all the undertakings and entire business of the Amalgamating Company (including the BC Business), as a going concern, and shall include (without limitation):

(i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Amalgamating Company, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

(ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, authorities, consents, deposits, privileges, exemptions including tax exemptions available to the Amalgamating Company, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, any MAT credit entitlement, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of

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

(iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamating Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;

(iv) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Amalgamating Company;

(v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Amalgamating Company;

(vi) all present, and contingent future liabilities of the Amalgamating Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and

(vii) the BFIL Employees and the Employee Benefit Funds of the Amalgamating Company.

(G) **"Amalgamation"** shall have the meaning ascribed to it in Clause 5(i) above;

(H) **"Appointed Date"** shall mean the opening of business on January 01, 2018;

(I) **"Approved BFIL ESOP Pool"** shall mean a pool of stock options of BFIL, that BFIL is entitled to grant under and in accordance with the BFIL ESOP Plans and the SEBI SBEB Regulations at any time during the period from the Exclusivity Agreement Date upto the Effective Date, which shall comprise of:

(i) 35, 14, 276 (thirty five lakhs fourteen thousand two hundred and seventy six) stock options; and

(ii) Such further number of stock options, which become available for grant, pursuant to the termination, forfeiture or lapse of the stock options previously granted, in accordance with the applicable BFIL ESOP Plans and the SEBI SBEB Regulations.

(J) **"BC Business"** means the non-financial, non-lending activities carried on by BFIL which comprise origination, servicing and collection of loans as a business correspondent for IBL as well as provision of certain other products and services;

(K) **"BC Business Employees"** shall mean all BFIL Employees;

(L) **"BFIL Employees"** shall mean all the employees of BFIL as on the Effective Date;

(M) **"BFIL ESOP Plans"** shall mean, collectively, ESOP 1, ESOP 2, ESOP 3, and ESOP 4;

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(N) **"BFIL Options"** shall mean the stock options held by BFIL Employees under the BFIL ESOP Plans;

(O) **"Board"** in relation to any company, means the board of directors of such company and shall include a duly authorised committee of the Board;

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

(Q) **"Effective Date"** means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived;

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

(R) **"Eligible Employees"** shall mean the BFIL Employees holding any BFIL Options on the Effective Date;

(S) **"Employee Benefit Funds"** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;

(T) **"Encumbrance"** or **"Encumber"** means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use;

(U) **ESOP 1"** shall mean the BFIL Employee Stock Option Plan 2008, as approved by the Board and shareholders of the Amalgamating Company;

(V) **ESOP 2"** shall mean the BFIL Employees Stock Option Plan 2009, as approved by the Board and shareholders of the Amalgamating Company;

(W) **ESOP 3"** shall mean the BFIL Employee Stock Option Plan 2010, as approved by the Board and shareholders of the Amalgamating Company;

(X) **ESOP 4"** shall mean the BFIL Employee Stock Option Plan 2011, as approved by Board and shareholders of the Amalgamating Company;

(Y) **"Exclusivity Agreement Date"** shall mean September 11, 2017 i.e. the date of execution of the confidentiality, exclusivity and standstill agreement between IBL and BFIL.

(Z) **"Existing IBL ESOP Scheme"** shall mean the IBL Employees Stock Option Scheme 2007, as approved by the Board and shareholders of the IBL;

(AA) **"Implementation Agreement"** shall have the meaning ascribed to it in Clause 4 above;

(BB) **"Implementation Agreement Execution Date"** shall mean October 14, 2017;

(CC) **"IBL"** shall have the meaning ascribed to it in Clause 2 above;

(DD) **"IBL Promoters"** shall mean IIHL and IL;



(EE) **"IBL Shares"** means fully paid up equity shares of IBL, each having a face value of INR 10 (Rupees Ten only) and one vote per equity share;

(FF) **"IIHL"** means IndusInd International Holdings Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;

(GG) **"IL"** means IndusInd Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;

(HH) **"IT Act"** shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;

(II) **"NCLT"** shall mean the bench of the National Company Law Tribunal at Mumbai, Maharashtra and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act;

(JJ) **"New IBL ESOP Scheme"** shall have the meaning ascribed to it in Clause 18(iii) below;

(KK) **"Preferential Allotment"** shall have the meaning ascribed to it in Clause 42 hereof;

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

(MM) **"RBI Amalgamation Directions"** means the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated April 21, 2016 or any modifications or re-enactments or amendments thereof from time to time;

(NN) **"Record Date"** shall mean the date fixed by the respective Board of the Amalgamating Company and Amalgamated Company for the purpose of determining the shareholders of the Amalgamating Company to whom equity shares of the Amalgamated Company shall be allotted pursuant to the Amalgamation under this Scheme;

(OO) **"Regulatory Authority"** means any applicable regulatory, competition or supervisory body or, banking authority, quasi- regulatory agency or body, tax authorities or tribunal, including but not limited to the CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;

(PP) **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of the Amalgamated Company, other than the Transferred Undertaking.

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

(RR) **"Scheme"** means this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

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

(TT) **"SEBI ICDR Regulations"** means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

(UU) **"SEBI Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;

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(VV) **"SEBI Preferential Allotment Circular"** means the SEBI Circular dated March 23, 2017, bearing reference number CFD/DIL3/CIR/2017/26, as amended or replaced from time to time;

(WW) **"SEBI SBEB Regulations"** shall mean the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular dated June 16, 2015 bearing reference number CIR/CFD/POLICY CELL/2/2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations/circular;

(XX) **"SEBI Scheme Circular"** means the SEBI Circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time;

(YY) **"Share Exchange Ratio"** shall have the meaning ascribed to it in Clause 27 hereof;

(ZZ) **"Slump Exchange"** shall have the meaning ascribed to it in Clause 5(iii) above;

(AAA) **"Slump Exchange Shares"** shall have the mean ascribed to it in Clause 56 of this Scheme, and the term **"Slump Exchange Share"** shall be construed accordingly;

(BBB) **"Special Incentive Eligible Employees"** shall have the meaning ascribed to it in Clause 68(i) hereof;

(CCC) **"Special Incentive IBL Option Grant Date"** shall have the meaning ascribed to it in Clause 68(iii) hereof;

(DDD) **"Special Incentive IBL Options"** shall have the meaning ascribed to it in Clause 68(i) hereof;

(EEE) **"Special Incentive IBL Options – Tranche 1"** shall have the meaning ascribed to it in Clause 68(iv) hereof;

(FFF) **"Special Incentive IBL Options – Tranche 2"** shall have the meaning ascribed to it in Clause 68(iv) hereof;

(GGG) **"Statutory Vesting Period"** shall, in relation to the stock options granted by any listed company, mean a period of 1 (one) year from the date of grant of such stock options;

(HHH) **"Stock Exchanges"** shall have the meaning ascribed to it in Clause 1 above;

(III) **"TCS"** shall have the meaning ascribed to it in Clause 61 below;

(JJJ) **"TDS"** shall have the meaning ascribed to it in Clause 61 below;

(KKK) **"Transferee Company"** shall have the meaning ascribed to it in Clause 3 above;

(LLL) **"Transferred Undertaking"** shall mean the undertaking of the Amalgamated Company in relation to the BC Business pursuant to the Amalgamation and includes (without limitation), *inter alia*:

(i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the BC Business, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables, security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through

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

(ii) all permits, registrations, rights, entitlements, licenses, claims, permissions, approvals, authorities, consents, deposits, privileges, exemptions including tax exemptions, any tax deducted in respect of any income received, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the BC Business;

(iii) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized by BFIL;

(iv) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamated Company or powers or authorities granted by or to it) of whatsoever nature along with the contractual rights and obligations exclusively relating to the BC Business, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;

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

(vi) all present, contingent and future liabilities appertaining or relatable to the BC Business including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrues and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees or other instruments which may give rise to a contingent liability in whatever form) relatable to the BC Business; and

(vii) the BFIL Employees and the Employee Benefit Funds in relation thereto;

(MMM) **"Transferred Undertaking Value"** shall have the meaning ascribed to it in Clause 56 hereof;

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

(OOO) **"Unallocated BFIL Options"** shall mean such stock options of BFIL forming part of the Approved BFIL ESOP Pool that have not been granted to the eligible BFIL Employees on the Effective Date;

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

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

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

11. **Share Capital**

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

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

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

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

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

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

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

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

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

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

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

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PART II

AMALGAMATION OF THE AMALGAMATING COMPANY INTO THE AMALGAMATED COMPANY

SECTION 1 - TRANSFER AND VESTING OF THE AMALGAMATING UNDERTAKING

12. *Transfer*

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

13. *Transfer of Assets*

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

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

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

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

14. *Contracts, Deeds, Licenses etc.*

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

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

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

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to applicable law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Regulatory Authority as may be necessary in this behalf.

(iv) Without prejudice to the provisions of Clauses 13 to 16, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.

15. *Transfer of Liabilities*

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

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

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

(iv) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company and the Amalgamated Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Company.

(v) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

(vi) The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company transferred to and vested in the Amalgamated Company by virtue of the Scheme.

(vii) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

(viii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Amalgamated Company as part of the Scheme is modified by virtue of this Scheme.

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

16. *Legal, taxation and other proceedings*

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

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

17. *Employees*

(i) Upon the coming into effect of this Scheme, all BFIL Employees shall become the employees of the Amalgamated Company, subject to the provisions hereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Amalgamating Company and without any interruption of service as a result of the Amalgamation. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such BFIL Employees with the Amalgamating Company shall also be taken into account, and paid (as and when payable) by the Amalgamated Company.

(ii) In so far as the Employee Benefit Funds created by the Amalgamating Company or in respect of which the Amalgamating Company makes contributions, for the BFIL Employees, all amounts standing to the credit of the BFIL Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Amalgamated Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Amalgamated Company, or to the government provident fund in case of BFIL Employees who are not eligible to become members of the provident fund maintained by the Amalgamated Company.

(iii) In relation to those BFIL Employees who are not covered under the provident fund trust of the Amalgamating Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Company is making contributions to the government provident fund, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such provident fund trust shall become those of the Amalgamated Company.

(iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the BFIL Employees would be continued to be deposited in the existing Employee Benefit Funds of the Amalgamating Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Amalgamated Company, the existing trusts created for such funds by the Amalgamating Company shall stand dissolved.

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

(a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or

(b) merge the pre-existing funds of the Amalgamating Company with other similar funds of the Amalgamated Company.

18. *Treatment of existing BFIL Options*

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

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

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

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

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

(b) In case of:

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

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

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

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

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

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

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

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

(vii) Subject to applicable law, the entitlement of the Eligible Employees to the Amalgamated Company Options and the adjustments to be made in the exercise price of the Amalgamated Company Options shall be appropriately reflected in the accounts of the Amalgamated Company.

(viii) The Board and the relevant committees of the Board of the Amalgamating Company and/or the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 18, in view of this Scheme and in accordance with the provisions of applicable laws including SEBI SBEB Regulations.

Section 2 – Taxation Matters

19. Upon the Scheme coming into effect, all taxes/cess/duties paid, payable, received or receivable by or on behalf of the Amalgamating Company, including all or any refunds, claims or entitlements as to minimum alternate tax credits, taxes paid in advance, and/or taxes deducted at source, including refunds or claims pending with the revenue authorities, if any, shall, for all purposes, be treated as the taxes/cess/duties, liabilities or refunds, minimum alternate tax paid by the Amalgamated Company, and the resulting entitlements for set-off and credits thereof as being of the Amalgamated Company.

20. All compliances with respect to taxes or any other applicable laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company. Any taxes deducted by the Amalgamated Company from payments made to the Amalgamating Company shall be deemed to be advance tax paid by the Amalgamated Company, subject to provisions of Clause 60 of this Scheme.

Section 3 - Conduct of Business until the Effective Date

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

(i) the Amalgamating Company shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;

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

(iii) any of the rights, powers, authorities, privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and

(iv) all assets acquired and all liabilities incurred by the Amalgamating Company after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.

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22. During the period between the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Company and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with applicable law.

23. The Amalgamating Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamated Company:

(i) sell, transfer, alienate, charge, mortgage, or Encumber the Amalgamating Undertaking or any part thereof;

(ii) either incorporate a subsidiary or acquire an interest in an entity so as to constitute such entity as a subsidiary of the Amalgamating Company;

(iii) make any alteration to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, other than as may be required by law;

(iv) declare any dividend, announce any buy back of securities or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and/or convertible shares/debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner, other than:

(a) except as may be expressly required or permitted under this Scheme; or

(b) the granting of stock options from the Approved BFIL ESOP Pool; or

(c) the issuance of equity shares of BFIL pursuant to the exercise of any BFIL Options already granted under the BFIL ESOP Plans.

(v) make any material change to major internal policies, including material change in its financial, accounting and/ or tax policies, except to the extent required by any change in applicable law or accounting standards;

(vi) initiate any steps to liquidate, wind up or dissolve itself.

24. The Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamated Company and the Board of the Amalgamating Company and prior to the Effective Date subject to applicable law and the Act and in accordance with the Amalgamated Company's existing dividend policy as on the date of the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company.

25. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member the Amalgamated Company to demand or to claim any dividends, which subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Amalgamated Company.

26. The Amalgamated Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamating Company:

(i) sell, transfer, alienate, charge, mortgage, or Encumber its assets (in whole or in part) or any

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

(ii) announce any buy-back or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and /or convertible shares / debentures or otherwise), decrease, reduction, re-classification, sub-division, consolidation, re-organization, or in any other manner, other than:

(a) raising capital or issuing securities to any person (s) aggregating to up to 10 % (ten per. cent.) of the paid up share capital of as on the Exclusivity Agreement Date;

(b) grant of stock options to its employees under the Existing IBL ESOP Plan; and

(c) issuance of IBL Shares pursuant to the exercise of the stock options that have been granted under the Existing IBL ESOP Plan.

(iii) enter into or undertaken any amalgamation, merger, re-organization, or other similar or related action where IBL is not the surviving entity;

(iv) initiate any steps to liquidate, wind-up or dissolve itself; and

(v) make any alterations to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, which results in a Material Adverse Effect (as defined under the Implementation Agreement).

Section 4 - Issue of Shares for Amalgamation

27. Upon the Effective Date and in consideration of the transfer and vesting of the Amalgamating Undertaking in the Amalgamated Company pursuant to Part II of this Scheme, the Amalgamated Company shall, without any further act or deed, issue and allot to the shareholders of the Amalgamating Company whose names are recorded in the register of members as a member of the Amalgamating Company on the Record Date or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, 639 (Six Hundred and Thirty Nine) IBL Shares, credited as fully paid-up, for every 1,000 (One Thousand) equity shares of the face value of INR 10/- (Rupees Ten Only) each fully paid-up held by such member in the Amalgamating Company (the **"Share Exchange Ratio"**).

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

29. Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the IBL Shares issued to the members of the Amalgamating Company by the Amalgamated Company shall be issued in dematerialized form by the Amalgamated Company provided that the details of the depository accounts of the members of the Amalgamating Company are made available to the Amalgamated Company by the Amalgamating Company at least 10 (Ten) working days prior to the Effective Date. In the event

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

30. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.

31. Where IBL Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.

32. The IBL Shares issued in terms of this Scheme shall, in compliance with applicable regulations, be listed and/or admitted to trading on the Stock Exchanges where the shares of the Amalgamated Company are listed and/ or admitted to trading. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant stock exchanges.

33. The IBL shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank *pari passu* in all respects and shall have the same rights attached to them the then existing equity shares of the Amalgamated Company.

34. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company as are subject to lock-in pursuant to applicable law, shall remain locked-in as required under applicable law.

35. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under applicable law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.

36. The IBL Shares issued pursuant to this Scheme have not been, and will not be registered under the United States Securities Act of 1933 in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the **"Section 3(a)(10) Exemption"**). The sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the IBL Shares issued pursuant to this Scheme for the Section 3(a)(10) Exemption. Further, for purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) of the Securities Act, each of the Amalgamating Company and the Amalgamated Company undertake that:

    (i) shareholders of each of the Amalgamating Company, as against their equity shares in the Amalgamating Company, shall receive the equity shares of the Amalgamated Company and shall not receive cash or other consideration; and

    (ii) the Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT

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

37. *Increase of the authorised share capital*

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

MEMORANDUM OF ASSOCIATION

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

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

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

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

Section 6 – Accounting Treatment

39. Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under section 133 of the Act, as applicable.

40. The goodwill or any other intangible assets if any, acquired on the Appointed Date, shall be set-off against the securities premium arising out of the business combination on the Appointed Date.

1. **SECTION 7 – DISSOLUTION**

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

PART III – PREFERENTIAL ALLOTMENT

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

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42. Subject to the effectiveness of the Scheme and upon the allotment of the IBL Shares pursuant to the Amalgamation in accordance with Clause 27 of this Scheme, the Amalgamated Company shall, pursuant to this Scheme and as an integral part hereof, issue and allot to the IBL Promoters on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) share warrants ("**Warrants**"), each convertible into 1 (one) IBL Share, such that upon exercise of all the Warrants, and together with the IBL Shares already held by them, the IBL Promoters shall hold in the aggregate up to 15 % (fifteen per. cent.) of the total expanded issued and paid up equity share capital of the Amalgamated Company on a fully diluted basis (such allotment, the "**Preferential Allotment**"). The "relevant date" for the Preferential Allotment is October 14, 2017, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular ("**Warrant Price**"), and is Rs. 1,709 (Rupees One Thousand Seven Hundred and Nine) per Warrant.

43. In accordance with the provisions of the SEBI ICDR Regulations:

(i) the IBL Promoters shall pay an amount equivalent to 25% (twenty five per. cent.) of the Warrant Price (the "**Warrant Subscription Price**") for subscription to the Warrants on the Effective Date;

(ii) the option against the Warrants shall be exercised by the IBL Promoters within 18 (eighteen) months from the date of their allotment ("**Warrant Exercise Period**"), at the option of the IBL Promoters;

(iii) The balance 75% (seventy five per. cent.) of the Warrant Price shall be paid by the IBL Promoters upon exercise of the option against the Warrants;

(iv) In the event any IBL Promoter does not exercise its option against the Warrants within the Warrant Exercise Period, the total Warrant Subscription Price paid by such IBL Promoter shall be forfeited by the Amalgamated Company and the Warrants shall lapse, to the extent that the option attached to such Warrants has not been exercised; and

(v) The IBL Shares allotted pursuant to the exercise of the option against the Warrants shall be subject to a lock-in for such period as specified under SEBI ICDR Regulations.

44. It is hereby clarified that for the purposes of Clause 42, the consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the issuance and allotment of the Warrants of the Amalgamated Company to the IBL Promoters and no further resolutions, approvals or authorization of the shareholders of the Amalgamated Company under Sections 42 and 62(1)(c) of the Act and/or any other applicable law would be separately required subject to the provisions of the SEBI Scheme Circular.

PART IV – SLUMP EXCHANGE OF THE TRANSFERRED UNDERTAKING

Section 1 - Transfer and Vesting of the Transferred Undertaking

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

46. *Transfer of Assets*

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(i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferred Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause 46 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.

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

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

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

47. *Contracts, Deeds, Licenses etc.*

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

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

(iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions,

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

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

49. *Transfer of Liabilities*

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

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

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

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

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

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

(vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company and the Transferee Company shall execute any instrument/s and/or document/s with such other party, as may be required, and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

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

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

50. *Legal, taxation and other proceedings*

(i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings including claims, disputes, causes of action, litigation, etc., whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Amalgamated Company and relating to the Transferred Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date.

(ii) The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Amalgamated Company referred to in sub-clause (i) above transferred to its name on and after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company as the case may be, to the exclusion of the Amalgamated Company.

(iii) Notwithstanding the above, in case the proceedings referred to in sub-clause (i) above cannot be transferred for any reason, or the transfer takes time, till such transfer the Amalgamated Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Amalgamated Company against all liabilities and obligations incurred by the Amalgamated Company in respect thereof.

51. *Employees*

(i) Pursuant to completion of Part IV of this Scheme, all BC Business Employees shall become the employees of the Transferee Company, subject to the provisions hereof, without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged prior to the date of transfer and

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

(ii) All amounts standing to the credit of the BC Business Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds which stand to the credit of the BC Business Employees shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/ or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Transferee Company, or to the government provident fund in case of BC Business Employees who are not eligible to become members of the provident fund maintained by the Transferee Company. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, the Transferee Company shall make the necessary contributions for such BC Business Employees in relation to the Employee Benefit Funds.

(iii) In relation to those BC Business Employees who are not covered under the provident fund trust of the Amalgamated Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamated Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Amalgamated Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamated Company in relation to such provident fund trust shall become those of the Transferee Company.

(iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the BC Business Employees would be continued to be deposited in the existing Employee Benefit Funds of the Amalgamated Company.

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

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

Section 2 – Remaining Business

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

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

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

(i) the Amalgamated Company shall carry on and shall be deemed to have been carrying on

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

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

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

Section 3 - Slump Exchange

56. The Transferred Undertaking shall be transferred from the Amalgamated Company to the Transferee Company at its value appearing in the books as on the Appointed Date, i.e. Rs. 43,70,35,000 (Rupees Forty Three Crore Seventy Lakhs and Thirty Five Thousand) (**"Transferred Undertaking Value"**). Accordingly, upon this Part IV becoming effective, in consideration of the transfer and vesting of the Transferred Undertaking to the Transferee Company on the Effective Date, or on such later date as the Amalgamated Company may consent to in writing, the Amalgamated Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Amalgamated Company 4,37,03,500 (Four Crore Thirty Seven Lakhs Three Thousand and Five Hundred) equity shares at their face value, credited as fully paid up, which shall be equivalent in value to the Transferred Undertaking Value (**"Slump Exchange Shares"**).

57. The Slump Exchange Shares shall rank *pari passu* in all respects, with the existing equity shares in the Transferee Company. The shares issued to the Amalgamated Company by the Transferee Company pursuant to Clause 56 above, shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the Amalgamated Company to the Transferee Company. The approval and consent to this Scheme by the shareholders of the Transferee Company pursuant to Sections 230 to 232 of the Act, shall be deemed to mean that such shareholders have also accorded their consent for the issuance of shares by the Transferee Company to the Amalgamated Company pursuant to this Scheme, and other provisions of the Act, as may be applicable.

Section 4 – Taxation Matters

58. Liabilities, if any, on account of income-tax in relation to the transfer of the Transferred Undertaking shall be on account of the Amalgamated Company.

59. Any liabilities on account of income-tax in relation to the Amalgamated Company in relation to the Transferred Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability/ refunds/ credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Amalgamated Company.

60. Any tax deduction made by the Amalgamated Company from amounts paid to the Transferred Undertaking of Amalgamating Company between the Appointed Date and the Effective Date shall be deemed to have been made by the Amalgamated Company towards income of Transferee Company. All indirect tax refund, rebate, credit, payment, setoff or deductions shall be deemed to have been on account of or paid by the Transferee Company.

61. Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall be permitted to revise its income-tax returns, Tax Deducted at Source (**"TDS"**) returns and Tax Collected at Source (**"TCS"**) returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Transferred Undertaking pursuant to the provisions of the Scheme.

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

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pursuant to the provisions of the Scheme.

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

(i) Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand increased from INR 50,00,00,000 (Rupees Fifty Crore) to INR 60,00,00,000 (Rupees Sixty Crore).

(ii) The capital clause of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:

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

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

Section 6 – Accounting Treatment

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

63. *In the books of the Amalgamated Company*

(i) The accounts representing the assets and liabilities pertaining to the Transferred Undertaking in the books of the Amalgamated Company shall stand closed upon the transfer of the Transferred Undertaking to the Transferee Company.

(ii) Any difference arising on account of excess of the net assets transferred over the Transferred Undertaking Value detailed under Clause 56 or vice versa shall be recognized in the statement of profit and loss/ general reserve/ capital reserve/ investment in subsidiary as per the relevant accounting principles.

64. *In the books of the Transferee Company*

(i) The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities of the Amalgamated Company pertaining to the Transferred Undertaking vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Amalgamated Company.

(ii) The Transferee Company shall credit to its equity share capital account the aggregate face value of the Slump Exchange Shares, issued and allotted by it to the Amalgamated Company pursuant to Clause 56 of this Scheme.

(iii) The difference arising pursuant to the Scheme shall be transferred to goodwill/ capital reserve/ other equity.

Section 7 – Change of Name of the Transferee Company

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

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

66. From the Effective Date till the time necessary formalities relating to the change of name is completed, the Transferee Company shall be eligible to use its present name 'IndusInd Financial Inclusion Limited' to ensure continuity of its operations.

67. The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.

PART V – GRANT OF SPECIAL INCENTIVE OPTIONS

68. *Grant of Special Incentive IBL Options*

(i) Upon Part II of this Scheme becoming effective, the Amalgamated Company shall, in order to ensure continuity and retention of the BFIL Employees with IBL, create a New IBL ESOP Scheme in terms of which IBL shall grant to specified BFIL Employees (**"Special Incentive Eligible Employees"**), stock options of the Amalgamated Company as a special incentive (collectively referred to as **"Special Incentive IBL Options"**).

(ii) The total number of Special Incentive IBL Options shall be such that, upon conversion, the holders thereof would be entitled to such number of IBL shares as are equivalent in value to BFIL shares that would have been held by them upon grant and conversion of an aggregate of: (a) the Unallocated BFIL Options; and (b) an additional 35,00,000 (thirty five lakh) BFIL Options on terms that are no less favourable than those of the Unallocated BFIL Options, as determined in accordance with the Share Exchange Ratio. The Special Incentive IBL Options shall vest in the manner set out in sub-clause (iv) below.

(iii) All the Special Incentive IBL Options shall be granted on a date within 30 (thirty) days of the Effective Date (**"Special Incentive IBL Option Grant Date"**). The BFIL Employees who shall constitute the Special Incentive Eligible Employees, the quantum of the Special Incentive IBL Options to be granted to each Special Incentive Eligible Employee, and other terms and conditions in relation to the Special Incentive IBL Options shall be determined by the nomination and remuneration committee of the Board of IBL, on the basis of recommendations received from the BFIL senior management (as defined in the Implementation Agreement).

(iv) The Special Incentive IBL Options shall vest in the following manner:

(a) 50 % (fifty per. cent.) of the Special Incentive IBL Options (**"Special Incentive IBL Options – Tranche 1"**) shall have a staggered vesting period of 3 (three) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 1 shall vest on each of the first anniversary, the second anniversary and the third anniversary of the Special Incentive IBL Options Grant Date;

(b) 50 % (fifty per. cent.) of the Special Incentive IBL Options (**"Special Incentive IBL Options – Tranche 2"**) shall have a staggered vesting period of 4 (four) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 2 shall vest on each of the second anniversary, the third anniversary and the fourth anniversary of the Special Incentive IBL Options Grant Date.

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

(vi) The grant of the Special Incentive IBL Options to the Special Incentive Eligible Employees pursuant to the provisions this Clause 68, shall be effected as an integral part of the Scheme and consent of the shareholders of the Amalgamated Company to the Scheme shall be

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

(vii) Subject to applicable law, the entitlement of the Special Incentive Eligible Employees to the Special Incentive IBL Options shall be appropriately reflected in the accounts of the Amalgamated Company.

(viii) The Board and the relevant committees of the Board of the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 68, in view of this Scheme and in accordance with the provisions of applicable laws including the SEBI SBEB Regulations.

PART VI – GENERAL TERMS AND CONDITIONS

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

69. The Amalgamating Company, IBL and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act.

70. The Amalgamating Company (by its Board), IBL (by its Board) and the Transferee Company (by its Board), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:

(i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment which the Boards of the Amalgamating Company, IBL and the Transferee Company may jointly and mutually agree in writing, consider necessary or desirable and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

(ii) any modification to this Scheme by the NCLT shall not be binding on the Amalgamating Company, IBL or the Transferee Company except where its prior consent has been obtained.

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

(iv) in their full and absolute discretion and by mutual agreement in writing by the Amalgamating Company, IBL and the Transferee Company modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

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

71. *Severability*

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

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

(i) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot/ e-voting, as applicable) and creditors (where applicable) of the Amalgamating Company, IBL and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT.

(ii) this Scheme having been approved by a majority of the public shareholders of IBL (passed through postal ballot/ e-voting, as applicable) in accordance with the requirements set out in the SEBI Scheme Circular;

(iii) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;

(iv) the certified copies of the order of the NCLT approving this Scheme being filed with the Registrar of Companies, Maharashtra;

(v) receipt of the approvals of the RBI for the Amalgamation and the issuance of the IBL Shares to the shareholders of BFIL, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking, in terms of this Scheme;

(vi) the Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, to the Amalgamated Company and the Amalgamating Company including comments/ approval after sanction of the Scheme by NCLT, as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;

(vii) receipt of the approval from the CCI under the Competition Act, 2002 for the Amalgamation and the Slump Exchange (if necessary);

(viii) any other approval as may be required for the Amalgamation and the issuance of the IBL Shares to the shareholders of Amalgamating Company, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Regulatory Authority on or after the Implementation Agreement Execution Date or interpretation of any existing law, rule or regulation on or after the relevant date; and

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

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

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Copy prepared on 13.06.2019
Copy issued 13.06.2019
B.A. Patel
Dy. Assistant Registrar
National Company Law Tribunal, Mumbai Bench

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BNP

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

In the matter of Companies Act, 2013;

And

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

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

CERTIFIED COPIES OF THE ORDER DATED 10TH JUNE, 2019 ALONGWITH SANCTIONED SCHEME

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