

CFL/LS/323/2018-19

December 13, 2018

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. Tel No.: 022 – 2272 2039/ 37/3121 BSE- Scrip Code: 532938	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051. Tel No.: 022 – 2659 8237/ 38 NSE - Symbol – CAPF
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Sub.: Capital First Limited - Approval of the National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") to the Composite Scheme of Amalgamation of Capital First Limited, Capital First Home Finance Limited and Capital First Securities Limited (collectively referred to as the "Amalgamating Companies") with IDFC Bank Limited and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

Ref.: Disclosure under Regulation 30(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

Dear Sir / Madam,

This is with reference to our letter dated January 13, 2018, informing you about the decision of the Board of Directors of Capital First Limited ("**Amalgamating Company 1**" or "**Company**") approving the Composite Scheme of Amalgamation of the Company, Capital First Home Finance Limited ("**Amalgamating Company 2**") and Capital First Securities Limited ("**Amalgamating Company 3**") (collectively the "**Amalgamating Companies**") with IDFC Bank Limited ("**Amalgamated Company**" / "**IDFC Bank**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Amalgamation**"), subject to receipt of applicable regulatory and other approvals.

In this regard, we are pleased to inform you that the Hon'ble National Company Law Tribunal, Mumbai Bench post the conclusion of the final hearing with respect to the Company Scheme Petition no. 3925 of 2018 jointly filed by the Amalgamating Companies (that took place on December 6, 2018), has sanctioned the Scheme and has approved the "Appointed Date" of the Scheme to be October 01, 2018. Order of the Hon'ble National Company Law Tribunal, Mumbai Bench is attached for your record.



Capital First Limited

Further, please take note that the Hon'ble National Company Law Tribunal, Chennai bench post the conclusion of the final hearing with respect to the Company Scheme Petition no. CP/219/CAA/2018, filed by IDFC Bank, (that took place on December 05, 2018) has also sanctioned the Scheme.

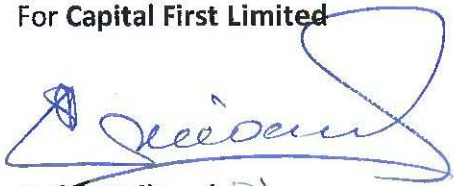
The Scheme will become effective once the orders of both the benches of the Hon'ble NCLT are filed with the respective Registrar of Companies.

Kindly take the aforesaid on record.

Thanking you,

Yours faithfully,

For Capital First Limited



Satish Gaikwad

Head – Legal, Compliance & Company Secretary



Encl.: as above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

COMPANY PETITION NO. 3925 OF 2018

CONNECTED WITH

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

In the matter of the Companies Act, 2013

AND

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

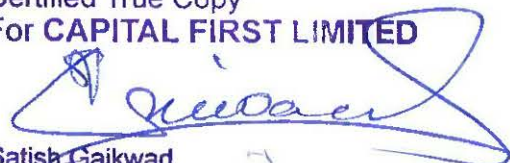
AND

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

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



Certified True Copy
For CAPITAL FIRST LIMITED


Satish Gaikwad
Head - Legal, Compliance & Company Secretary

Centre, Tower 2A & 2B, 10th Floor, Senapati)
Bapat Marg, Lower Parel (West), Mumbai –)
400013.)

... Petitioner /

Amalgamating Company 1

Capital First Home Finance Limited)
CIN U65192MH2010PLC211307, A Company)
incorporated under the Companies Act, 1956,)
having its Registered Office at One Indiabulls)
Centre, Tower 2A & 2B, 10th Floor, Senapati)
Bapat Marg, Lower Parel (West), Mumbai –)
400013.)

... Petitioner /

Amalgamating Company 2

Capital First Securities Limited)
CIN U66010MH2007PLC169687, A Company)
incorporated under the Companies Act, 1956,)
having its Registered Office at Technopolis)
Knowledge Park, A-Wing, 4th Floor 401-407,)
Mahakali Caves Road, Chakala, Andheri(E),)
Mumbai – 400093.)

... Petitioner /

Amalgamating Company 3

Called for Hearing

Judgment/Order delivered on: 6th December, 2018

Coram: Bhaskara Pantula Mohan, Member (J)

V. Nallasenapathy, Member (T)



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

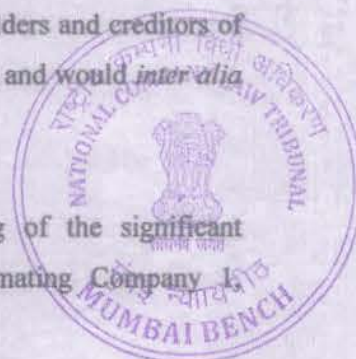
For the Regional Director: Ms. Roopa Sutar, Assistant Director, in the office of Regional Director.

Mr. Santosh Dalvi from the office of Official Liquidator.

Per: V. Nallasenapathy, Member(T)

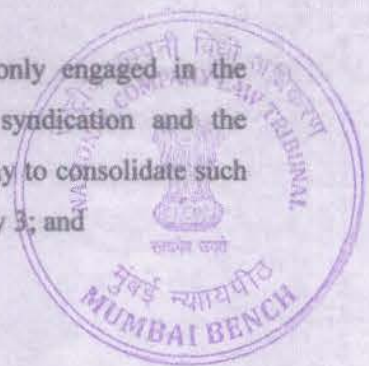
Order

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



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

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



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

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

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

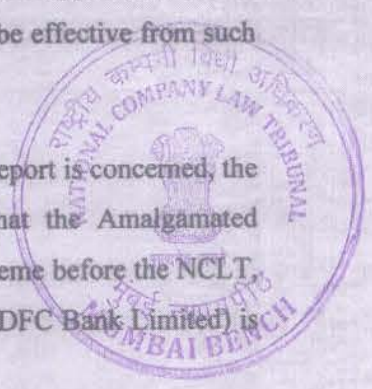


Compromise or Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).

- b. In addition to compliance of (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.*
 - c. The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.*
 - d. As per Clause 5.1.k of the Scheme, Appointed Date means the opening of business on April 1, 2018 or such other date as may be mutually agreed between the Amalgamating Companies and the Amalgamated Company and is the date with effect from which this Scheme shall be operative. In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.*
 - e. The Registered Office of the Transferee/Amalgamated Company is situated in the State of Tamil Nadu, i.e outside of the jurisdiction of NCLT of this Tribunal and falls within the jurisdiction of NCLT of Chennai. Accordingly, similar approval be obtained by the Transferor Company from Hon'ble NCLT at Chennai respectively.*
 - f. The Capital First Limited or the Amalgamating Company 1 is listed company on NSE/BSE. Both the Stock Exchanges have given their observations in their letters dated 25.05.2018. Further, National Housing Bank (NHB) vide its letter dated 16.02.18 and Competition Commission of India vide its letter dated 23.04.2018 have given their observation letters. In this regard, Petitioner Companies have to comply with the NSE, BSE, NHB and CCI suggestion/direction. As Capital First Limited is registered with the Reserve Bank of India ("RBI") as a systemically important non-deposit taking non-banking financial company. Therefore, Petitioner have to comply with the guidelines and provisions of RBI Act.*
 - g. It is observed that the Capital First Limited has foreign/ non-resident shareholders. The Transferee/Amalgamated Company must observe the FEMA guidelines for allotment of shares to the shareholder of the Transferor/Amalgamating Company in Transferee/Amalgamated Company.*
 - h. As regards Para No. 31 of the Scheme, the Transferee/Amalgamated Company may be allowed in respect of fees payable by the Transferee/Amalgamated Company on its Authorised Share Capital, subsequent to the Amalgamation for setting-off of fees paid by the Transferor/Amalgamating Company on its Authorised Share Capital in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013.*
9. As far as the observation in paragraph IV(a) of the RD Report is concerned, the Petitioner Companies through their Counsel state that as directed by this

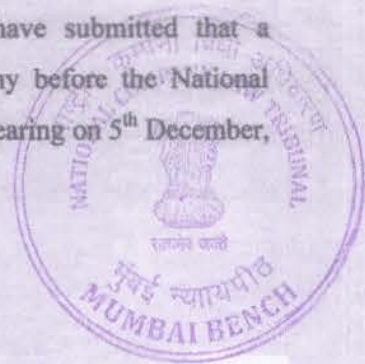
Tribunal, they have served notices to all concerned regulatory authorities, viz. (i) the concerned Income Tax Authority within whose jurisdiction the Petitioner Companies' assessments are made, (ii) Official Liquidator, High Court, Bombay (iii) the Central Government through the office of Regional Director,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

10. As far as the observation in paragraph IV(b) of the RD Report is concerned, the Petitioner Companies through their Counsel state that the Amalgamated Company undertakes that in addition to compliance of (IND AS-103), the Amalgamated Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8), etc.
11. As far as the observation in paragraph IV (c) of the RD Report is concerned, the Petitioner Companies through their Counsel state that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition are one and the same and there is no discrepancy or deviation.
12. As far as the observation in paragraph IV (d) of the RD Report is concerned, the Petitioner Companies through their Counsel submit that the Appointed Date is 1st October, 2018 and the scheme shall be deemed to be effective from such date.
13. As far as the observation in paragraph IV (e) of the RD Report is concerned, the Petitioner Companies through their Counsel submit that the Amalgamated Company has filed an application for approval of the Scheme before the NCLT, Chennai Bench. Therefore, the transferee company (i.e. IDFC Bank Limited) is



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

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



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



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

SD/-

V. Nallasenapathy
Member (T)

SD/-

Bhaskara Pantula Mohan
Member (J)



Certified True Copy

Copy issued "free of cost"

On 13/12/2018

Assistant Registrar

National Company Law Tribunal Mumbai Bench