

**MEMORANDUM AND ARTICLES OF ASSOCIATION OF
EQUITAS SMALL FINANCE BANK LIMITED**



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

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

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

Corporate Identification Number (CIN): U65191TN1993PLC025280

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

Company was originally incorporated with the name V.A.P. FINANCE PRIVATE LIMITED.

Given under my hand at Chennai this Second day of September two thousand sixteen.



SRIDHAR BAVISETTY
Deputy ROC
Registrar of Companies
RoC - Chennai

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

EQUITAS SMALL FINANCE BANK LIMITED

4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai, Chennai, Tamil Nadu,
India, 600002





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

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

Corporate Identity Number: U65191TN1993PLC025280

SECTION 13(1) OF THE COMPANIES ACT, 2013

**Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)**

The shareholders of M/s EQUITAS FINANCE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 25-04-2016 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Chennai this Thirteenth day of May Two thousand sixteen.



S R RADHIKA
Assistant RoC
Registrar of Companies
RoC - Chennai

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

EQUITAS FINANCE LIMITED

4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai,
Chennai, Tamil Nadu, India, 600002



Certificate of Incorporation Consequent upon Conversion to
Public Limited Company



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Chennai

Block No. 6 , B' Wing, 2nd Floor , Shastri Bhawan 26 , Haddows Road Chennai -
600034, Tamil Nadu, INDIA

Corporate Identity Number : U65191TN1993PLC025280.

Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company.

IN THE MATTER OF EQUITAS FINANCE PRIVATE LIMITED

I hereby certify that EQUITAS FINANCE PRIVATE LIMITED which was originally incorporated on Twenty First day of June Nineteen Hundred Ninety Three under any previous company law as V.A.P Finance Private Limited and upon an intimation made for conversion into Public limited by shares Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the Tamil Nadu, Chennai, Andaman and Nicobar Islands vide SRN C63416689 dated 29/09/2015 the name of the said company is this day changed to EQUITAS FINANCE Limited.

Given under my hand at Chennai this Twenty Ninth day of September Two Thousand Fifteen.

Signature

Valid
Ministry of Corporate
Affairs, Government of India
Date: 29/09/2015
12:04:15 GMT+05:30

LATHA PARIMALAVADANA K
Deputy Registrar of Companies
Registrar of Companies
Chennai

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

EQUITAS FINANCE Limited
4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai,
Chennai - 600002,
Tamil Nadu, India

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65191TN1993PTC025280

मैसर्स V.A.P. FINANCE Private Limited

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
V.A.P. FINANCE Private Limited

जो मूल रूप में दिनांक इक्कीस जून उन्नीस सौ तिरानवे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
V.A.P. FINANCE LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सा का नि 507 अ दिनांक 24.6.1985 एस् आर एन दिनांक 12/08/2011 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स 24.6.1985 B17995580
EQUITAS FINANCE PRIVATE LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र चैन्नई में आज दिनांक बारह अगस्त दो हजार ग्यारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U65191TN1993PTC025280

In the matter of M/s V.A.P. FINANCE Private Limited

I hereby certify that V.A.P. FINANCE Private Limited which was originally incorporated on Twenty First day of June Nineteen Hundred Ninety Three under the Companies Act, 1956 (No. 1 of 1956) as V.A.P. FINANCE LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B17995580 dated 12/08/2011 the name of the said company is this day changed to EQUITAS FINANCE PRIVATE LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Chennai this Twelfth day of August Two Thousand Eleven.

Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands
कम्पनी रजिस्ट्रार, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

*Note: The corresponding form has been approved by S MEENAKSHI, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
EQUITAS FINANCE PRIVATE LIMITED
4th Floor, Temple Towers, 672, Anna Salai, Nandanam,
Chennai - 600035,
Tamil Nadu, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

प्राइवेट लिमिटेड कम्पनी के रूप में परिवर्तित होने के परिणामस्वरूप, कम्पनी के नाम में परिवर्तन
का नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65191TN1993PTC025280

मैसर्स V.A.P. FINANCE LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

V.A.P. FINANCE LIMITED

जो मूल रूप में दिनांक इक्कीस जून उन्नीस सौ तिरानवे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स

V.A.P. FINANCE PRIVATE LIMITED

के रूप में निगमित की गई थी, और उसके द्वारा कम्पनी अधिनियम, 1956 की धारा 31(1) के अधीन प्राइवेट कम्पनी के रूप में परिवर्तित करने के लिए प्रार्थना-पत्र देने तथा भारत सरकार द्वारा उसका अनुमोदन कम्पनी रजिस्ट्रार कार्यालय आर.ओ.सी. - चैन्नई के एस.आर.एन. B08667347 दिनांक 30/03/2011 द्वारा प्राप्त होने की लिखित सूचना प्राप्त होने पर उक्त कम्पनी का नाम आज से परिवर्तित रूप में मैसर्स V.A.P. FINANCE Private Limited

हो गया है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर से आज दिनांक तीस मार्च दो हजार ग्यारह को चैन्नई में जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

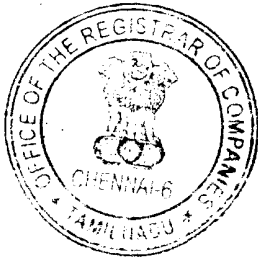
Fresh Certificate of Incorporation Consequent upon Change of Name on
Conversion to Private Limited Company

Corporate Identity Number : U65191TN1993PTC025280

In the matter of M/s V.A.P. FINANCE LIMITED

I hereby certify that V.A.P. FINANCE LIMITED which was originally incorporated on Twenty First day of June Nineteen Hundred Ninety Three under the Companies Act, 1956 (No. 1 of 1956) as V.A.P. FINANCE PRIVATE LIMITED and upon an application made for conversion into a Private Company under Section 31(1) of the Companies Act, 1956; and approval of Central Government signified in writing having been accorded thereto by the RoC-Chennai vide SRN B08667347 dated 30/03/2011 the name of the said company is this day changed to V.A.P. FINANCE Private Limited.

Given under my hand at Chennai this Thirtieth day of March Two Thousand Eleven.



(V.C. DAVEY)

कम्पनी रजिस्ट्रार / Registrar of Companies
तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप
Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

V.A.P. FINANCE Private Limited
4th Floor, Temple Towers, 672, Anna Salai, Nandanam,
Chennai - 600035,
Tamil Nadu, INDIA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)
उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65191TN1993PLC025280

मैसर्स V.A.P. FINANCE LIMITED

के अंशधारकों ने दिनांक 21/03/2011 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा चैन्नई में यह प्रमाण-पत्र, आज दिनांक पच्चीस मार्च दो हजार ग्यारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

Certificate of Registration of the Special Resolution Confirming Alteration of Object
Clause(s)

Corporate Identity Number : U65191TN1993PLC025280

The share holders of M/s V.A.P. FINANCE LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 21/03/2011 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Chennai this Twenty Fifth day of March Two Thousand Eleven.

(K THIRUMALAIMUTHU)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

V.A.P. FINANCE LIMITED

4th Floor, Temple Towers, 672, Anna Salai, Nandanam,

Chennai - 600035,

Tamil Nadu, INDIA

FORM I R,



The Word "Private" deleted under the provisions of Section 43-(2) of the C.A. 1956 and the company has become a Public Company with effect from 5/3/94.

Adil V. C. Desai
Assistant Registrar of Companies

CERTIFICATE OF INCORPORATION

No. 18-25280 of 19.93...

I hereby certify that...V.A.P...FINANCE...PRIVATE.....

...LIMITED.

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

Given under my hand at...MADRAS...

this...TWENTYFIRST...day of...JUNE...

THIRTYFIRST

JYAISTHA

One thousand nine hundred and...NINETYTHREE.

One thousand nine hundred and...FIFTEEN (SAKA)



(V. GOVINDAN)
Registrar of Companies
TAMIL NADU

MEMORANDUM OF ASSOCIATION
OF
EQUITAS SMALL FINANCE BANK LIMITED
(Incorporated under the Companies Act, 1956)
(Company limited by shares)

I. The name of the Company is **EQUITAS SMALL FINANCE BANK LIMITED**.

[Name of the Company changed from Equitas Finance Limited to Equitas Small Finance Bank Limited vide Special Resolution passed at the Extraordinary General Meeting of the Company held on 23rd August, 2016.]

[Name of the Company changed from Equitas Finance Private Limited to Equitas Finance Limited vide Special Resolution passed at the Extraordinary General Meeting of the Company held on 31st August 2015]

[Name of the Company changed from V.A.P. FINANCE Private Limited to EQUITAS FINANCE PRIVATE LIMITED and clause I of Memorandum of Association altered vide special resolution passed at the extraordinary general meeting of the Company held on 8th August 2011]*

II. The Registered Office of the Company will be situated in the State of Tamil Nadu.

III. **(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

- 1) To carry on the business of banking that is to say to accept, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw able by cheque, draft, order or otherwise, in any part of India or outside India.
- 2) In addition to the business of banking to carry on the business of:
 - (a) borrowing, raising or taking up of money;
 - (b) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security of

movable or immovable properties, bills of exchange, hundies, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or negotiable or not;

- (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;
 - (d) granting and issuing of letters of credits, travellers' cheques and circular notes;
 - (e) buying, selling and dealing in bullion and specie;
 - (f) buying and selling of and dealing in foreign exchange including foreign bank notes;
 - (g) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
 - (h) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others;
 - (i) negotiating of loans and advances;
 - (j) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;
 - (k) providing of safe deposit vaults;
 - (l) Collecting and transmitting of money and all kinds of securities;
 - (m) issuing credit cards, debit cards, prepaid instruments, smart card or any similar instruments and extending any other credits;
 - (n) acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority ("PFRDA"), in connection with the National Pension System of the PFRDA and making payments towards insurance;
 - (o) carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time ("1949 Act"), and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of 1949 Act specified or may from time to time specify by notification in the Official Gazette or as may be permitted by Reserve Bank of India ("RBI") from time to time as a form of business in which it would be lawful for a small finance banking company to engage.
- (3) To carry on the business of merchant banking, investment banking, portfolio investment management, wealth management and investment advisors; to form,

constitute, promote, act as managing and issuing agents, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and body corporate.

- 4) To carry on the business of mutual fund distribution, manage investment pools, syndicates in shares and other securities, to open, operate and maintain demat accounts on behalf of customers and act as share and stock brokers;
- 5) To carry on the business of financing, leasing (operating and financial), hire purchase, all forms of securitization, asset reconstruction or recovery, dealer inventory financing, factoring of receivables, instalment sale and/or deferred sale relating to goods or material, including machinery, plant, equipment, ships, vehicles, aircraft, rolling stock, factories, inventory, debtors, furniture, apparatus, appliances and other movable and immovable property, and to arrange or syndicate leasing, hire purchase, instalment sale or deferred sale businesses
- 6) To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension & employees benefit, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit and other products and to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.
- 7) To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.
- 8) To act as escrow agents and trustees, and issuing and paying agents, including for trust and retention accounts.
- 9) To develop and promote new financing or banking instruments of all kinds whether for the capital market, money market or otherwise and to render all kinds of fee-based financial services.

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

1. To appoint, employ, hire, procure, depute designers, experts, scholars, professors, leaders, executives, managers, secretaries, officers, technicians, engineers, mechanics, foremen, clerks, agents, servants, and other skilled and unskilled personnel for permanent, temporary or contractual services for the purpose of the business of the Company and to remunerate them in cash or by issuing the shares of the Company or otherwise and dismiss, discharge or suspend any or all of them.

2. To establish and maintain branches, offices and agencies, either through a subsidiary company or companies or otherwise at any place or places in India or other parts of the world and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies and other parts of the world and to exercise all or any of its corporate powers, rights and privileges and to discontinue and reconstitute any such offices, branches or agencies.
3. To acquire and undertake the whole or any part of the business of any person or any Company with all or some of the assets and liabilities and to hold and purchase shares, stocks, debentures or other rights of any company carrying on business which the Company is authorised to carry on or which is incidental or ancillary to the objects of the Company or when such business of a nature enumerated in the Banking Regulations Act, 1949.
4. To acquire by purchase, lease, exchange, hire, concession, grant or otherwise, either absolutely or conditionally and either alone or jointly with others, any movable or immovable property of any description, any patents, trademarks, concessions, privileges and any other rights for the objects and business of the Company or which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realisation of any securities held by the Company or to prevent or diminish any apprehended loss or liability or which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims and to pay for all such property and rights purchased or acquired by the Company in any manner including by shares, debentures, debenture stock or bonds or other securities held by the Company or otherwise and to manage, sell, develop, improve, exchange, let on lease, or otherwise dispose of or turn to account all such property and rights purchased or acquired by the Company and to acquire and hold and generally deal with in any manner whatsoever all or any property and right, movable and immovable and any right, title or interest therein which may form part of the security for any loans or advances made by the Company or which may be connected with any such security and all at such time or times and in such manner and for such consideration as may be deemed proper or expedient.
5. To apply for, purchase or otherwise acquire in the world, any patent, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use of any secret or other information as to any invention or secret process which

may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated or indirectly to benefit this company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights, or information so acquired, and to expend money in experimenting upon and testing and improve any patent, inventions, secret processes, or rights which this company may acquire or propose to acquire.

6. To enter into any arrangements with any authorities, Government, Municipal, Local or otherwise that may seem conducive to the Company's objects or any of them to obtain from any such authority any rights, privileges and concession which the company may think desirable to obtain and to carryout, exercise and comply with any such arrangements, rights, privileges and concession.
7. To enter into joint venture with any body corporate whether in India or outside carrying on or engaged in or about to carry on or engage in any business in or transactions including which this Company is authorized to carry on or engage in and further to enter into any arrangement or contract with any body corporate whether in India or outside, for such other purposes that may be beneficial and conducive to the objects of the Company.
8. To take on lease any land, buildings, machinery, plant and equipments either as an entire undertaking or a part for purposes of the business of the Company and to repair, maintain, renew and do such other acts and things on the property so acquired for the purpose of the business of the Company, to pay all costs, rates taxes ad other expenses therefore.
9. To let on lease any land, machinery, plant, buildings and equipments of the Company or for the time being the property of the Company or property which will be acquired in due course either as a whole or part to any person, firm or company to the best advantages of this company.
10. To open, maintain, operate and close any type of account or accounts with any bank or banks or other financial Institutions in India or abroad and to pay or earn interest and to withdraw money from such account or accounts and to make, draw, co-accept, endorse, execute, discount or negotiable and issue cheques, certificates of deposits, promissory notes, hundies, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments and

obtain credit facilities with or without securities for its business and to withdraw money from such accounts.

11. To carry on the activities of bill discounting, re-discounting, dealing in commercial paper, treasury bills, certificate of deposits and other financial instruments.
12. To promote, effect, insure, guarantee, underwrite, participate in, manage and carry out any issue whether, public or private of company, corporation, association or Central or State Government, municipality or of the other loans or of shares, stocks, debentures or debenture stock and to lend monies for the purpose of any such issue and to act as an Issue House, Share Registrars, Share Transfer Agent, Investment and Share Consultant, Custodian, Share Depository Agent and as Manager or any such issue.
13. To issue bonds, obligations and securities of all kinds and to frame, and secure the same which may seem expedient with full power to make the same transferable by delivery or by instrument of transfer or otherwise.
14. To borrow or raise money or secure loans or credits for the purpose of the Company under contracts or under promissory notes, bills of exchange, hundies and other negotiable or transferable instruments, or issue convertible or non-convertible, secured or unsecured debentures, debenture stock, bonds and alternative to secured obligations and securities of all kinds as may be permitted under law and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise, and to charge or secure the same by trust deed or otherwise on the whole or any part of the undertaking of the Company or upon any specific property, movable and immovable, and rights, both present and future, of the Company as may be authorized by law.
15. To sell, exchange, mortgage or in any way dispose of all or any part of the undertaking or property of the Company for such consideration as the company might think, fit, either in cash or for debentures or stock or securities of any compound whose business or object seem to be advantageous to the profitable working and progress of this company.
16. To insure any of the properties, undertakings contracts, risks or obligations of the Company in any manner whatsoever.
17. To distribute among members of the company in kind any property of the Company and in particular any shares, debentures, securities of other companies belonging to

this company or of which this company has the power of disposing in the event of winding up.

18. To assign to any class of members of the Company any preferential rights in shares and in the participation in the profits and assets of the Company.
19. To institute conduct, compound, defend or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and to pay, satisfy or compromise any claim made against the Company or its officers notwithstanding that the claim may not be valid in law.
20. To create any reserve fund, insurance fund, renewal fund or nay other special; fund whether for depreciation, repairing, replacing, improving or maintaining the property and assets of the company or to meet any specific or contingent liability and to make any appropriation or the transfers from one another or otherwise.
21. To make alterations in the Memorandum and Articles of the company subject to approval of RBI and in accordance with the Companies Act, 2013 or other law for time being in force.
22. To do all or any of the matters hereby authorized either alone or in conjunction with other, or as factors, trustees or agents for any other companies or persons or by or though any factors, trustees or agents.
23. To carry on the business of finance broking and other financial services.
24. To carry on the business of providing venture capital, seed capital and risk capital.
25. Subject to the provision of Companies Act, 2013 to indemnify officers, Directors, promoters and servants of the Company against, proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done, for and in the interests of the Company or for any loss or damages or misfortune which happens in execution of the duties of their office or in relation thereto.
26. Subject to the provisions of the Companies Act, 2013 to support, subscribe and donate to any charitable, public object, any institution, Society or Club which may be for the benefit of the Company or its employees or anyone connected with any place or town where the Company carries on business, to provide for welfare activities by building or contribution to the building and/or, to render medical facilities; to give specific or general charity to all or any of the above funds, institutions and works, to incur expenditure in developing Education and to grant scholarships, aids or any other help to students including incurring and paying expenses in sending

them for higher studies either in India or in any foreign country and to carry out any type of Corporate Social Responsibility activities.

27. To undertake, carryout, promote and sponsor any programme of rural development intended for the betterment of the people living in rural areas and improving their moral, economic and social status, and to incur any expenditure in the publication of literature, magazine books and leaflets, organizing seminars, granting of scholarships and awards and such other assistance and the transfer without consideration or at a confessionals rate of divesting the ownership of any property of the Company in favour of the institution/trust recognized in that behalf or established under any law for the time being in force and engaged in such programmes.
28. To appoint Trustees to hold securities on behalf of and to protect the interest of the Company.
29. To undertake and executing trusts and to undertake the administration of estates as executors, trustees or otherwise.
30. To merge, de-merge, spin-off, reconstruct, reorganize the business and / or assets, liabilities, debts, rights, obligations of the Company.
31. To amalgamate, merge, enter into any arrangement for sharing of profits, amalgamation, union of interest, reciprocal concession or cooperation with any company or companies or body corporate having objects altogether or in part similar to those of this Company, for the purpose of acquiring any business, undertaking, property or liabilities of such person, company or body corporate, or to sell, exchange, lease, underlease, surrender, abandon, amalgamate, sub- divide, mortgage or otherwise deal with either absolutely, conditionally, or for any limited interest, all or any part of the undertaking, property rights or privileges of the Company, as a going concern or otherwise, for advancing directly or indirectly the objects thereof for any other purpose which this Company may think expedient, with any public body, corporation, company, society, or association, or to any person or persons, for such consideration as the Company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture stock, securities or property of any other Company.
32. ****Deleted**.**

33. To undertake rural development work with a view to inculcate the habit of savings, self-employment schemes involving application of relevant technology and for this purpose, formulate plans, conduct propaganda, seminars, conferences, training courses, public books, magazines, periodicals connected with the subject relevant to the above activities of the Company.
34. To avail or arrange for foreign currency loans and lines of credit for import of machinery, equipments, and capital goods and for payment or royalties, technical services and other payments and to act as advisors in foreign exchange transactions of all kinds.
35. If thought fit, to take steps for dissolving the Company and in incorporating its members as a new company for any of the objects specified in this memorandum or for effecting any other modification in the Company's constitution.
36. To pay all preliminary expenses of this company and any company promoted or formed by this company or to contact with any person, firm or company, to pay commission to brokers and others for underwriting, placing selling or guaranteeing subscription of any shares, debentures or securities of this company and to pay the cost, expenses of or incidental to the winding up of any company the whole or part of any property whereof is required by this company or in which this company is or may be interested.
37. **To invest and deal with money in such manner as may, from time to time, be thought fit, including acquiring and holding of shares in any other company, subject to the provisions of the Banking Regulations Act, 1949, the Companies Act, 2013, as amended from time to time ("Act") and such other provisions of law as may be applicable.**
38. **To undertake the agency of other Indian banks and of foreign banks and other financial institutions and to manage the issue of a loan for a corporation or company, firm or association whether incorporated or not, or of foreign Government.**
39. **To acquire, receive, hold, hold in trust as trustee, agent or nominee of any person, corporation, Company, any real or personal property, rights or interest acquired by or belonging to the Company or on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.**

40. To buy, acquire, construct, build, improve, manage, maintain, alter, develop, exchange, hire, lease, mortgage, turn to account, purchase sell, dispose, let out or otherwise deal with all and hold, use, deal or trade in, whether with a view to profit or otherwise and by any means whatsoever property and rights of all kinds whether movable or immovable, legal or equitable and wheresoever situate, including but without prejudice to the generality of the foregoing, lands, buildings, easements, mortgages, product, plant, machinery, stock-in-trade tools, vehicles, aircraft, vessels, chattels, materials, concessions, options, contracts, book debts, business concerns and undertakings, claims, privileges and choses in action of all kinds to carry on and promote such business or activity and either to retain the property acquired or to turn to account for the Company's business as it may seem expedient, subject to the provisions of any applicable law.
41. To acquire by purchase, lease or otherwise any premises for the construction and/or establishment of safe-deposit vault or vaults and to maintain therein fire-proof and burglar-proof strong rooms, safes and other receptacles for deeds, securities, documents, money, jewelry and valuables of all kinds.
42. To provide consultancy and advisory services as agents, or pursuant to a referral arrangement, in respect of insurance matters including risk management, credit management, insurance management, to Indian and Foreign governments, States, dominions, sovereigns, public authorities or bodies, schools, colleges, universities, or any person, firm, company, corporation, body corporate, society, association of person, body, forum, whether incorporated or not, whether in the private or public sector and whether profit oriented or not as may be permitted under law.
43. To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds of foreign currencies, currency derivatives, foreign currency options, forward covers, swaps of all kinds, as may be permitted, and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or association of persons whether incorporated or not, all kinds of transactions in foreign currencies.
44. To form, establish or promote or to procure the registration, incorporation or recognition of any other company, body corporate or any other entity as subsidiary, associate, affiliate, joint venture, branch office, representation offices of this Company or otherwise for the purpose of carrying on any of the business or activities of the Company or for the purpose of acquiring or taking overall or any other property, rights and liabilities of such company, body corporate, or any other

entity or for any other purpose which may directly or indirectly benefit the Company.

45. **To adopt such means of making known and advertising the business and productions and services of the Company as may be expedient.**
46. To apply for, promote and obtain any order, regulation, or other authorisation or enactment which may directly or indirectly benefit the Company.
47. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
48. To take or hold mortgages, liens, and charges to secure payment of the purchase price or any unpaid balance of the purchase price, or any part of the Company's property of any kind sold by the Company, or any money due to the Company from buyer or any other person.
49. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay for the services rendered for the formation and registration of this Company and for the promotion of any other company by it subject to the provisions of the Act and the 1949 Act.
50. To refer to or agree to refer to any claim, demand, questions, disputes or differences by or against the Company and whether between the Company and any other person or any third party, in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration or to institute legal proceedings or defend any proceedings before a court of competent jurisdiction or central government, as the case may be and to appoint advocates, consultants or advisors in this behalf and to observe and perform and do all acts matters and things necessary to carry out or enforce the awards or orders as the case may be.
51. **To enter into negotiations or collaborations, technical, financial or otherwise with any person or government for obtaining any grant, license or on other terms, formulae and other rights and benefits, and to obtain technical information, know-how and expert advice for providing or rendering services which the Company is authorised to provide or render.**
52. **To arrange for in India and abroad for providing services of the Company and purchase or otherwise acquire services as are necessary for carrying on the business of the Company and, for that purpose, either to establish, reconstitute**

and discontinue, as may be deemed necessary and efficient, its own branches, offices, agencies, or to appoint representatives or employees or both (whether individuals, firms or bodies corporate) in any place in or outside areas of operation and fix the terms and conditions of their appointment and pay fees or remuneration to such representatives and employees by way of commission or in such other manner as the Company may deem fit.

53. To establish, maintain and operate automated teller machines, or any other electronic and telecommunication devices for carrying on any of the banking businesses including, but not limited to, internet banking, telephone banking, mobile banking, utility bills payment for electricity, telephones, mobile phones, etc.
54. To create any depreciation fund, reserve fund, sinking fund, redemption fund, insurance fund, educational fund or any special or other reserve or fund, whether for redemption of debentures or debentures-stock, for dividends, for equalizing dividends or for repairing improving, extending and maintaining any part of the property of the Company or for any other purpose, as may be required under applicable law.
55. To train or pay for training in India or abroad of any of the Company's employees or offices or any candidate in the interest of or furtherance of the Company's objects.
56. To establish research and development centers for the business of the Company.
57. To promote or finance or assist in promoting or financing any business, undertaking or industry either existing or new and associate with them either through the instrumentality of syndicates or otherwise in conformity with the relevant laws governing banks.
58. To set up or participate as a payment gateway for effecting payment against services and trade transactions carried out by internet sites and portals, to operate payment system under the Payment and Settlement Systems Act, 2007, as amended from time to time, to act as enablers for settlement of e-commerce or any other type of transactions for corporates, individuals or any other entities or to undertake money transfer activities under money transfer service scheme as permitted under law and verify any digital signature or electronic signature issued in accordance with the Information Technology Act, 2000 as amended from time to time.
59. To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the RBI established under the Reserve Bank of India Act, 1934, as amended from time to time and subject to the

Act to enter into all administrative or other arrangements for undertaking such functions with the RBI.

- 60. To take part in the management, supervision and control of the business or operations of any company or undertaking having similar objects and for that purpose to appoint and remunerate any directors, trustees, accountants or other personnel.**
- 61. To provide custodial and depository services and to do all such things as may be advised, remitted and required for this purpose as permissible under law.**
- 62. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation or death benefit funds for the benefit of, and give award or procure the giving of donations, gratuities, pensions, allowances, annuities or emoluments or other benefits whatsoever to any persons who are or were at any time in the employment or service of the Company or of any company which is subsidiary of the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons, and also to establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and do any matters aforesaid either alone or in conjunction with any such other company as aforesaid or to establish, support and maintain any form of profit-sharing, share purchase, share incentive, share option or employees' share scheme for any such persons and to lend money to any persons eligible to participate therein or to benefit therefrom (or to trustees on their behalf).**
- 63. To enter into any arrangements with any government or government departments or authorities supreme, municipal local or otherwise, or any person or company that may seem conducive to the Company's objects or any of them to obtain from any such government, government departments authorities, person or company any rights, privileges, charters, contracts, licence and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges, charters, contracts, licence and concessions.**

64. **To apply for and become member of any business, commercial / trade / industrial association, clearing-house, society, company, professional body, stock exchange, depository and promote measures for the protection and / or promotion of the Company's trade, industry and persons engaged therein.**
65. (a) To apply for, provide information and guidance on governmental policies, directives, instructions, regulations, ordinances or other authorisations or enactments of the Central or any State Government or any other similar semi-Government authorities or agencies which may be required for enabling the Company to establish an undertaking or to bring into effect any modification / diversification in any of the Company's business or constitution and to challenge any of the governmental bills, statutes, rules, regulations, guidelines, proceedings or applications which are likely to prejudice the Company's business or interests;
- (b) To study such Governmental policies, regulations, ordinances and advise the governmental authorities in formulating incentives schemes to attract industries and investments;
66. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches, offices or agencies in the Union of India and in any or all states, territories, possessions, colonies and dependencies thereby and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of branches, offices and agencies therein as may be convenient.
67. To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any of them, and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
68. To undertake, carry out, promote or assist directly or in any other manner any activities for promotion and growth of the national economy and national welfare.
69. To carry on all the businesses permitted by the objects set out hereinabove either directly or through a subsidiary, affiliate or associate of the Company as may be permitted under law.
70. To do any of the activities directly and/or through agents appointed for such purpose.

71. To do all such other things as are incidental or conducive to the promotion or advancements of the business of the Company or attainment of the objects of the Company.
72. To issue debit or credit cards, charge cards or smart cards or co-branded cards and extend any other credits to customer or any other persons for any purpose permissible for the company to carry on under law.
73. To do all such things as are permitted by applicable laws, including but not limited to, the RBI Guidelines for Licensing of Small Finance Banks in the Private Sector, the Act, the 1949 Act, the RBI Act, 1934 and any other applicable regulation enacted or amendment made to existing laws or judicial decisions, made from time to time.
74. To acquire by purchase, lease or otherwise any premises for the construction and/or establishment of a safe deposit vault or vaults and to maintain therein fireproof and burglar proof strong rooms, safes and other receptacles for deeds, securities, documents, money, jewellery and valuables of all kinds.
75. To apply for, promote and obtain any order, regulation, or other authorization or enactment which may directly or indirectly benefit the Company.
76. To appoint or nominate Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.

[Clause III(A) and III(B) of the Memorandum of Association of the Company substituted for and to the exclusion of all the existing Clause III(A), III(B) and III(C) of Memorandum of Association of the Company vide Special Resolution passed at the Extraordinary General Meeting of shareholders held on 25th April 2016]

IV. The Liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs 1700,00,00,000 (Rupees One Thousand Seven Hundred Crore only) divided into 170,00,00,000 (One hundred and Seventy crore only) Equity Shares of Rs 10 (Rupees Ten Only) each amounting to Rs 1700,00,00,000 (Rupees One Thousand Seven Hundred crore only) with power to increase, reduce, modify the capital and to divide, classify, reclassify and attach special rights, privileges, conditions or restrictions.

[Clause V of the Memorandum of Association the Company amended vide the ordinary resolution passed at the Annual general meeting of the Company held on 21st March 2011]

[Clause V of the Memorandum of Association the Company amended vide the ordinary resolution passed at the Annual general meeting of the Company held on 20th June 2011]

[Clause V of the Memorandum of Association the Company amended vide the ordinary resolution passed at the Extra-ordinary general meeting of the Company held on 14th January 2012]

[Clause V of the Memorandum of Association the Company amended vide the ordinary resolution passed at the Extra-ordinary general meeting of the Company held on 27th August 2012]

[Clause V of the Memorandum of Association the Company amended vide the ordinary resolution passed at the Extra-ordinary general meeting of the Company held on 18th November 2013]

[Clause V of the Memorandum of Association the Company amended vide the Special resolution passed at the Annual general meeting of the Company held on 17th June 2014]

[Clause V of the Memorandum of Association the Company amended vide the Special resolution passed at the Extraordinary general meeting of the Company held on 7th December 2015]

[Clause V of the Memorandum of Association the Company amended vide the Special resolution passed at the Extraordinary general meeting of the Company held on 31st January 2019]

[Clause V of the Memorandum of Association the Company amended vide the Special resolution passed at the Extraordinary general meeting of the Company held on 22nd November 2019]

VI. We, the several persons whose names are subscribed, are desirous of being formed into a Company in accordance with this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :-

Sl. No.	Signature, Name, Father's /Husband's name, address, description, occupation and PAN No. of each of the subscribers	No. of Equity shares taken by each Subscriber	Signature, Name, Father /Husband name, Address of Witness
1.	Sd/- V A PARTHASARATHY, S/O LATE V A ARAVAMUTHAN, 16, KAPALI KOIL SANNATHI STREET, MYLAPORE, MADRAS-4 BUSINESS	10 (Ten Only)	All Subscribers Signed Before me At Bangalore Sd/- K GANESAN, S/O LATE S KRISHNAN,
2.	Sd/- SMT. V ANANDA PARTHASARATHY, W/O V A PARTHASARATHY, 16, KAPALI KOIL SANNATHI STREET, MYLAPORE, MADRAS-4 BUSINESS	10 (Ten Only)	3, B N ROAD, I STREET, T NAGAR, MADRAS, CHENNAI-600017 SERVICE
20 (TWENTY ONLY)			

DATED THIS THE 26TH DAY OF MAY 1993 AT MADRAS

COMPANY LIMITED BY SHARES

(THE COMPANIES ACT, 2013)

ARTICLES OF ASSOCIATION

OF

EQUITAS SMALL FINANCE BANK LIMITED* (THE “COMPANY”)

1. INTERPRETATION

1.1 The regulations contained in Table ‘F’ of the First Schedule to the Companies Act, 2013, shall not apply to this Company except in so far as the same are embodied in these Articles. The regulations for the management of the Company, and for the observance of the Members of the Company and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition thereto, by Special Resolution, as prescribed by the Companies Act, 2013 be such as are contained in these Articles.

2. DEFINITIONS

In these Articles—

2.1 “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time or applied in pursuance of the Companies Act.

2.2 “Board of Directors” or “Board”, in relation to the Company, means the collective body of the Directors of the Company.

2.3 “Chief Executive Officer” means an officer of a Company, who has been designated as such.

2.4 “Chief Financial Officer” means a person appointed as the Chief Financial Officer of the Company.

2.5 “Company Secretary” or “Secretary” means a company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a company secretary under the Companies Act.

2.6 “Companies Act, 2013” means the Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.

2.7 “Debenture” includes debenture-stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

2.8 “Depository” means a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996;

2.9 “Director” means a director appointed to the Board of the Company;

2.10 “Dividend” includes any interim dividend

2.11 “EDIT” shall mean Equitas Development Initiatives Trust.

*[Name of the Company changed from Equitas Finance Limited to Equitas Small Finance Bank Limited vide Special Resolution passed at the Extraordinary General Meeting of the Company held on 23rd August, 2016.]

2.12 “Manager” means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a Company, and includes a Director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.

2.13 “Managing Director” means a Director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of managing Director, by whatever name called.

2.14 “Member” in relation to the Company means—

(a) The subscriber to the Memorandum of the Company who shall be deemed to have agreed to become Member of the Company, and on its registration, shall be entered as Member in its register of members;

(b) Every other person who agrees in writing to become a Member of the Company and whose name is entered in the register of Members of the Company; and

- (c) Every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.
- 2.15 “Memorandum” means the memorandum of association of the Company as originally framed or as altered from time to time in pursuance of the Companies Act.
- 2.16 “Ordinary or Special Resolution” means an ordinary resolution, or as the case may be, special resolution referred to in section 114 of the Companies Act, 2013.
- 2.17 “Paid-up Share Capital” or “Share Capital Paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.
- 2.18 “Postal Ballot” means voting by post or through any electronic mode.
- 2.19 “Recognised Stock Exchange” means a recognised stock exchange as defined in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- 2.20 “Share” means a share in the share capital of the Company and includes stock.
- 2.21 “Subscribed Capital” means such part of the capital which is for the time being subscribed by the Members of the Company.
- 2.22 “The Act” means the Companies Act, 2013, and includes any statutory modification or re-enactment thereof for the time being in force.
- 2.23 “The Banking Act” means the Banking Regulation Act, 1949 and would include any statutory modifications or re-enactment thereof for the time being in force.
- 2.24 “The Company” means EQUITAS SMALL FINANCE BANK LIMITED.
- 2.25 “The Seal” means the common seal of the Company.
- 2.26 “Tribunal” means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.
- 2.27 “Voting Right” means the right of a Member of the Company to vote in any Meeting of the Company or by means of Postal Ballot.
- 2.28 “Whole-time Director” includes a Director in the whole-time employment of the Company.

Words importing the masculine gender also include the feminine gender and words importing the singular number include where the context admits or requires the plural number and vice versa. Words importing persons shall include the Central or State Government, corporations, corporate bodies, firms, individuals, societies and other bodies whether incorporated or not. Subject as aforesaid, any words or expressions defined in the Act except where it is repugnant to the subject or context shall bear the same meaning in these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. Capital

The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions, if any, of the Banking Act, the Act and these Articles, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.

4. *** Shares in the capital of the Company shall be under the control of the Directors

Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with the provisions of the Act at a discount and at such time as they may from time to time think fit. Provided that for the options granted to the eligible employees by the Board / Committee of Board, under any of the approved Employee Stock Options Scheme of the Company, the Whole time Directors are severally authorised to allot the shares arising out of such grant upon vesting as per the terms of the grant.

*****Amended at the 8th Annual General Meeting of the Bank held on September 10, 2024**

5. Power of General Meeting to offer shares to such persons as the Company may resolve

The Company in a General Meeting may determine, in accordance with applicable law, to issue further shares of the authorised capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions either at a premium or at par or, subject to compliance with the provisions of the Act, at a discount, as such General Meeting shall determine and with full power to give to any person or persons (whether a member or holder of debentures of the Company or not) the option or right to call for or be allotted any shares of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of the Companies Act, 2013 and the applicable Rules thereof), during such time and for such consideration as the directors think fit, and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up shares, as the case may be.

Provided that the option or right to call for shares shall not be given to any person or persons without the approval of the Company in the General Meeting.

6. Increase of Capital

Subject to the provisions of these Articles, the Banking Act and the Act, the Company may from time to time in a General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as directed by the General Meeting creating the same and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company provided always that any preference shares may be issued on the terms that they are, or at the option of the Company, liable to be redeemed.

7. Further issue of shares

- (1) Where at any time the Company proposes to increase its Subscribed Capital by allotment of further Shares then such further Shares shall be offered:
 - (a) To the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid-up Share Capital by sending a letter of offer subject to the following conditions, namely:
 - (i) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose them in such manner which is not disadvantageous to the shareholders of the Company.
 - (b) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or
 - (c) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash in accordance with Companies Act, 2013 and the applicable Rules.
- (2) The notice referred to in Article 7(1)(a)(i) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders of the Company at least three days before the opening of the issue.
- (3) Nothing in Article 7 shall apply to the increase of the Subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company; or to subscribe for Shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- (4) Notwithstanding anything contained in Article 7 (3), where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear

to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under Article 7(4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under Article 7(4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under Article 7(4) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into

8. Share capital may be divided into different classes of Shares

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the Shares of that class.

To every such separate Meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

9. Variation of shareholders' rights

Variation of rights of holders of a special class of Shares shall be possible if holders of 3/4th of that class of issued Shares so agree in writing or by way of a Special Resolution passed at a separate Meeting of the holders of issued Shares of that class

10. Creation or issue of further Shares ranking pari passu

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

11. Issuance of Preference Shares

Subject to the provisions of the Act, any Preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed within a period not exceeding 20 years from the date of their issue on such other terms and in such manner as the Company before the issue of such Preference Shares may, by Special Resolution, determine.

DEMATERIALIZATION OF SECURITIES

12. (a) Dematerialization

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities, rematerialize its shares, offer its fresh shares, debentures and other securities, in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(b) Re-materialization

Notwithstanding anything contained in these Articles, but subject to applicable law, the Company shall be entitled to rematerialize its shares, debentures and other securities held in dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(c) Option for investors

Subject to the Company offering issuance of securities in dematerialized form, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such person who is the Beneficial Owner of the securities may at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time

prescribed, issue to the Beneficial Owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository for details of allotment of security and on the receipt of the information, the Depository shall enter in its record, the name of the allottee as the Beneficial Owner of the security.

(d) Securities in Depository to be in fungible form

All securities held by a Depository shall be dematerialized and be in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the Beneficial Owner.

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

Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(f) Transfer of Securities

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(g) Distinctive numbers of Securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the dematerialized mode.

(h) Register and Index of Beneficial Owners of these Articles

The register and index of Beneficial Owners maintained by a Depository shall be deemed to be the register and index of Members and security holders.

(i) Shares to be numbered

Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no shares shall be subdivided. Every forfeited or surrendered share held in material form should continue to bear the number by which the same was originally distinguished.

(j) Issue of share certificates

No share certificate(s) shall be issued for the shares held in a dematerialized form.

(k) Voting Rights of Beneficial Owner

A Depository as a registered owner shall not have any voting right in respect shares held by it in a dematerialized form. However, the Beneficial Owner as per the register of Beneficial Owners maintained by the Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference to the Member or joint Members in the Articles includes reference to Beneficial Owner or joint Beneficial Owner in respect of the shares held in Depository.

13. Redeemable Preference Shares

Subject to the provisions of the Act, the Company shall have the power to issue Preference Shares which are, or at the option of the Company are liable, to be redeemed.

14. Cumulative Convertible Preference Shares

The Company subject otherwise to the provisions of the Act and the guidelines of the Government of India in that behalf, shall have the power to issue Cumulative Convertible Preference Shares or any similar kind of Preference Shares as may be permitted by law.

The resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

15. Provisions to apply on issue of Redeemable Preference Shares

On the issue of the Redeemable Preference Shares under the provisions of these Articles hereof, the following provisions shall take effect

- a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption
- b. no such shares shall be redeemed unless they are fully paid;
- c. the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- d. where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company

16. Directors may allot shares as fully paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares, which may be so allotted, may be issued as fully paid up, otherwise than in cash, and if so issued, shall be deemed to be fully paid-up.

Provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

17. Omitted

18. Acceptance of shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these Articles be a member.

19. Deposit and calls etc., to be a debt payable

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

20. Instalments on Shares to be duly paid

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

21. Company not bound to recognise any interest in shares other than that of the registered holders

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

22. Members shall be entitled to receive Share certificates

Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares or within such other period as the conditions of issue shall be provided,—

- a) One or more certificates in marketable lots for all the Shares of each class or denomination of registered in his name without payment of any charges; or
- b) several certificates if the Board so approves, each for one or more of his Shares, upon payment of such

fee as the Board may prescribe for each certificate after the first and the Company shall have ready for delivery such certificates within two months from the date of allotment, unless the conditions of the issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

23. Share certificate shall be under the Seal of the Company

Every certificate shall be under the Seal, which shall be affixed in the presence of the persons required to sign the certificate and shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary and shall be in such form as the Board may prescribe and approve.

24. In case of joint shareholding one Share certificate shall be issued

In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

25. Issuance of duplicate Share and Debenture certificates

If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 for each certificate.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof .

The provisions of Articles 22 to 25 shall mutatis mutandis apply to Debentures of the Company.

Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

26. Commission

The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Companies Act, 2013, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under.

The rate of commission paid or agreed to be paid shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act and the Banking Act.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

LIEN

27. Fully paid Shares will be free from all liens

The fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any; will be restricted to moneys called or payable at a fixed time in respect of such Shares.

28. First and paramount lien

The Company shall have a first and paramount lien—

- (a) on every Share/Debenture (not being a fully paid-up Share/Debenture), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share/debenture and no equitable interest in any share shall be created except on the footing that this Article shall have full effect; and
- (b) On all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

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

The Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures.

29. Powers of the Company to sell the Shares under lien

The Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof.

- (a) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (b) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

The provisions contained hereinabove shall apply mutatis mutandis to debentures, if any, of the Company.

TERM OF ISSUE OF DEBENTURE

30. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall only be issued with the consent of the Company in the General Meeting accorded by a Special Resolution.

CALLS ON SHARES

31. The Board of Directors may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

32. Notice for payment of calls

Each Member shall, subject to the provisions of the receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

33. Board of Directors may revoke or postpone a call

A call may be revoked or postponed at the discretion of the Board of Directors.

The option or right to call of Shares shall not be given to any person except with the sanction of the shareholders in a General Meeting.

34. Call deemed to have been made

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call was passed and may be required to be paid by instalments.

35. Liability of joint holder to pay calls

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

36. Interest payable on unpaid calls

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board of Directors may determine.

The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.

Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

37. Forfeiture of Shares in case of non-payment of calls and interest

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. Powers of the Company to receive advance call

The Board of Directors —

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and
- (b) any amount paid-up in advance of calls on any Share may carry interest but shall not entitle the holder of the Share to participate in respect thereof, in Dividend subsequently declared or to participate in profits.
- (c) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum, or such rate as may be agreed upon between the Board and the Member paying the sum in advance.
- (d) The Company may accept from any Member, the whole or a part of the amount remaining unpaid on any Shares held by him, even if no part of that amount has been called up.

The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.

TRANSFER AND TRANSMISSION OF SECURITIES

39. TRANSFER OF SHARES

The Company shall use a common form of transfer and in writing, in all cases. The instrument of transfer of Shares of the Company shall be in such form as may be prescribed from time to time under the Companies Act. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever except where the Company has a lien on the Shares.

40. Power of the Board of Directors to refuse registration of a transfer

The Board of Directors may, subject to the right of appeal conferred under the provisions of the Act, refuse to register -

- a) the transfer of a Share or the transmission by the operation of law of the right to any shares or interest of a Member of the Company in debentures of the Company, not being a fully paid Share. The Company shall within one month from the date on which the instrument of transfer of intimation of

such transmission, as the case may be was delivered to the Company, send notice of such refusal to the transferee and the transferor or to the person giving instructions of such transmission, as the case may be, giving reasons for such refusal; or

- b) any transfer of Shares over which the Company has a lien.

The Board of Directors may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section(1) of Section 56 of the Companies Act, 2013;
- (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of Shares.

41. Closure of registration of transfer

On giving not less than seven days' previous notice in accordance with Section 91 of the Companies Act, 2013 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine:

Provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year.

42. TRANSMISSION OF SHARES

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares.

Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and subject as hereinafter provided, elect, either--

- a. to be registered himself as holder of the Share; or
- b. to make such transfer of the Share as the deceased or insolvent Member could have made.

43. Power of the Board of Directors to suspend registration

The Board shall, in either case mentioned in Article 42, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

44. Notice for transfer

- a. If the person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- c. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

45. Entitlement of the benefits

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to Meetings of the Company:

Provided that the Board of Directors may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

46. No fee for transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

FORFEITURE OF SHARES

47. Forfeiture of shares

If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

48. Notice for forfeiture of Shares

The notice aforesaid shall—

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect.

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors thinks fit.

At any time before a sale or disposal as aforesaid, the Board of Directors may cancel the forfeiture on such terms as it thinks fit.

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

49. Declaration for forfeiture of Shares

A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

50. Consideration for re-issuance of forfeited Shares

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

51. Registration of transferee as the holder

The transferee shall thereupon be registered as the holder of the Share.

52. Immunity of the transferee

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SURRENDER OF SECURITIES

53. The Directors may accept on behalf or for the benefit of the Company surrender of any Securities liable to forfeiture so far as Applicable Law permits.

ALTERATION OF CAPITAL

54. The authorized capital of the Company shall be as per Clause V of the Memorandum of the Company. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act and the Banking Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same may direct and if no direction be given then as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

55. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act.

Provided that notwithstanding anything hereinabove contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the shares of the Company in any manner in accordance with the provisions of the Act.

56. Same as original capital

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

The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any Paid Up Share Capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

57. Issue of further pari passu shares not to affect the right of shares already issued.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

58. Power to consolidate, sub-divide, cancel Shares

Subject to the provisions of the Act and the Banking Act, the Company may, by Ordinary Resolution:

- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- (b) Convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (c) Sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;
- (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- (e) Classify the unclassified shares into equity or preference share capital, as may be decided by the Company
- (f) Reclassify the unissued equity share capital into preference share capital and viceversa

59. Where Shares are converted into stock:

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

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

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at Meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up)

shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

- (c) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

60. Reduction in authorized capital

The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

BUY BACK

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

BORROWING POWER

62. Subject to the provisions of the Act the Directors may from time to time at their discretion, raise or borrow or secure payments of sum or sums of money for the purpose of the Company's business, and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of the Company (present and future) including its uncalled and unpaid capital after obtaining the sanction of the Board of Directors at its Meeting and subject to the provisions of the Act, the Board may delegate any or all of the aforesaid powers to a Committee of the Board, the Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.
63. Subject to the aforesaid, any bonds, debentures or other Securities issued by the Company shall be under the control of the Directors who may issue and/or re-issue them upon such terms, conditions and in such manner and for such consideration as may be resolved by the Board of Directors or the Committee thereof, for the benefit of the Company.
64. If the Directors or any of them or any other Person shall become personally liable for payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or Security, over the whole or any part of the assets of the Company by way of indemnity to secure the Directors or Persons so becoming liable aforesaid, for any loss in respect of such liability.

NOMINEE DIRECTORS

65. Subject to provisions of the Act and the Banking Act, and notwithstanding anything to the contrary contained in these Articles, so long as any monies borrowed and remaining owing by the Company to any bank, financial institution, private equity fund, finance company, or any other body corporate or institution from whom the Company has borrowed (hereinafter referred as "the Corporation") or so long as the Corporation holds Securities or debentures or bonds in the Company as a result of underwriting or direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, and if the loan or other agreement with such Corporation so provides, then the Corporation may, subject to applicable law appoint, from time to time, any Person or Persons as Directors or whole time Directors (hereinafter referred to as "Nominee Director(s)") on the Board of the Company based on such agreement as may be entered into between such Corporation and the Company and to remove from such office any Person or Persons so appointed and to appoint any Person or Persons in his or their place.
66. The Nominee Directors(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings and of the Meetings of the Board and Committees of which the Nominee Directors(s) is/are members of.
67. The Company shall pay to the Nominee Director(s) sitting fees and re-imbursement of expenses which the other Directors of the Company are entitled to. Unless the Corporation otherwise communicates, if any other fees, commission, monies or remuneration in any form is payable to the Director(s) of the Company the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation on such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the corporation or as the case may be to such Nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the Corporation, the sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation unless otherwise communicated by the Corporation.

68. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Corporation such Nominee Director(s) shall not be required to hold any qualification shares in the Company. Such Nominee Director(s) shall be liable to retirement by rotation if so required by the Act or any other statutory regulation, but eligible for re-election at every General Meeting of the Company. The Nominee Director(s) so appointed in exercise of the said powers shall ipso facto vacate such office immediately once the Corporation ceases to meet the conditions as required to be met by such Corporation for such Corporation to appoint a Nominee Director on the Board of the Company, either as per any shareholders agreement that is then contractually in force or effect or any loan or other borrowing agreements and documents entered into between the Company and such Corporation.
69. In the event of Nominee Director(s) being appointed as whole-time Director(s) such Nominee Director(s), shall exercise such powers as are available to a whole time Director in the management of the affairs of the Company.

GENERAL MEETINGS

70. Power of the Board of Directors to call an Extra Ordinary General Meeting
- (a) General Meetings other than annual General Meeting shall be called extraordinary General Meeting.
 - (b) The Board of Directors may, whenever it thinks fit, call an extraordinary General Meeting.
 - (c) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a Meeting may be called by the Board of Directors.

PROCEEDINGS AT GENERAL MEETINGS

71. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business.
- Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Companies Act, 2013.
72. The chairperson, if any, of the Board of Directors shall preside as chairperson at every General Meeting of the Company.
73. If there is no such Chairperson, or if he is not present within 15 minutes after the time appointed for holding the Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one of their Members to be Chairperson of the Meeting.
74. If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 minutes after the time appointed for holding the Meeting, the Members present shall choose one of their Members to be Chairperson of the Meeting.
75. The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of the requisition, not less than one-tenth of such of the paid-up Capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
76. The requisition shall set out the matters for the consideration of which the Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- Where two or more distinct matters are specified in the requisition, the provisions set forth above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.
77. If the Board of Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition the Meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Article 76 above whichever is less.
78. A Meeting called under Article 75 above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

79. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
80. **Adjournment of Meeting**
- The Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.
- No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.
- Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.
81. **Voting Rights**
- Subject to any rights or restrictions for the time being attached to any class or classes of Shares, —
- (a) on a show of hands, every Member present in person shall have one vote; and
 - (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.
82. **Voting by electronic means**
- A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Companies Act, 2013 and shall vote only once.
83. **Voting by joint holders**
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of Members.
84. **Voting by a Member of unsound mind**
- A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
85. **Voting by poll**
- Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
86. **Restrictions on voting rights on unpaid Shares**
- No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
87. **Objection for qualification on votes**
- No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.
- Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.
88. **Proxy**
- The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
89. **Proxy form**
- An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of

the Companies Act, 2013.

90. Validity of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

DIRECTORS

91. The first directors of the Company shall be the following

i) Mr. V A Parthasarathy

ii) Smt. Ananda Parthasarathy

a. The minimum number of Directors shall be three and the maximum number of Directors at any time shall not exceed fifteen.

b. The Board shall have power at any time, from time to time, to appoint any person as additional Director provided the number of Directors and additional Directors and nominated Directors together shall not at any time exceed fifteen.

c. @ The Board shall appoint the person nominated by Debenture Trustee as a Nominee Director of the Company in terms of clause (e) of sub regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993. The appointment of such Nominee director by the Debenture Trustee(s) on the Board of Directors of the Bank shall be exercised only in the event of default as per Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993, as provided below:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures; or
- (iii) default in redemption of debentures

The Nominee Director shall not be liable to retire by rotation.

Such appointment of a director shall be in accordance with the provisions of the Debenture Trust Deed, Companies Act, 2013, RBI Regulations, SEBI Regulations and all other applicable provisions of law

d. It shall not be necessary for a Director to hold any Securities in the Company.

92.

(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called the “Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

93.

(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

94.

The Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any additional Directors appointed by the Board shall be subject to reappointment in the next annual General Meeting of the Company in accordance with Applicable Law.

Remuneration of Directors

95. Subject to the provisions of the Act, the remuneration and travelling and other expenses payable to the Directors of the Company may be hereinafter provided :-
- (a) Each Director shall be paid out of the funds of the Company a remuneration by way of fee, of such sum for each meeting of the Board of Directors or Committee of the Board attended by him as may be determined by the Board from time to time within the limits prescribed by the Act or Central Government from time to time and subject to the provisions of the Banking Act, as amended from time to time.
 - (b) In addition to the remuneration payable as above, the Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses incurred by him in attending and returning from the meetings of the Board of Directors or any Committee thereof or General Meetings of the Company.
 - (c) In addition to above, a Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, may be paid remuneration, as determined by the Board, subject to the provisions of the Act and the Banking Act.
 - (d) A Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act and the Banking Act and such remuneration may be in addition to the remuneration payable under sub-clause(a) above.
 - (e) In addition to the remuneration payable under sub-clause (c) above, any Director referred to therein shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in connection with the business of the Company.

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting of the Company, but for no other purpose.

PROCEEDINGS OF THE BOARD

96. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its Meetings, as it thinks fit.
97. Power to call Board Meetings
- A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board of Directors.
98. Decision by vote of majority
- Save as otherwise expressly provided in the Companies Act, questions arising at any Meeting of the Board of Directors shall be decided by a majority of votes.
- In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
99. Status in case number of Directors reduced below the quorum
- The continuing Directors may act notwithstanding any vacancy in the Board of Directors; but, if and so long as their number is reduced below the quorum fixed by the Act for a Meeting of the Board of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
100. Quorum for the Board Meeting
- The quorum for a Board Meeting shall be as provided in Section 174 of the Companies Act. Where a Meeting of the Board of Directors could not be held for want of quorum, then the Meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.
101. Delegation of powers by the Board of Directors
- The Board of Directors may, subject to the provisions of the Companies Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit or to the Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board of Directors.

102. Chairman of the Board Meeting

The Board of Directors may elect a Chairperson of its Meetings and determine the period for which he is to hold office. However, the Managing Director shall not act as a Chairperson of the Board of Directors of the Company.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Directors present may choose one of their numbers to be Chairperson of the Meeting.

103. Committee Meetings

A Committee may meet and adjourn as it thinks fit.

Questions arising at any Meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

All acts done in any Meeting of the Board of Directors or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the Members of the Board of Directors or of a Committee thereof, for the time being entitled to receive notice of a Meeting of the Board of Directors or Committee, shall be valid and effective as if it had been passed at a Meeting of the Board of Directors or Committee, duly convened and held.

104. Chairman of the Committee of the Board of Directors

A Committee may elect a Chairperson of its Meetings.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Members present may choose one of their Members to be Chairperson of the Meeting.

POWERS AND DUTIES OF DIRECTORS

105. The business of the Company shall be managed by such Person or Persons appointed by the Board of Directors subject to the superintendence, control and direction of the Board. With the consent of the Board, such Person or Persons may pay all such expenses thereof and preliminary and incidental to the promotion, formation, establishment and registration of the Company and exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company as not by the statute or by these Articles required to be exercised or done by Company in General Meeting subject to nevertheless the regulations contained in these Articles, the provisions of the statute and to such regulations and provisions as may be prescribed by the Company in the General Meeting.

106. Subject to the provisions of the Act no Director shall be disqualified from his office by contracting with the Company or shall any contract entered into by or on behalf of the Company in shall any Director so contracting or being so interested be liable to account for the Company for any profit realized by any such contract or arrangement by reason only of such director holding that office, or of the fiduciary relations thereby established, but it is necessary that the nature of interest must be disclosed by him at the Meeting of the Directors at which the contract is determined of his interest then exists, or in any other case, at the first Meeting of the Directors after the acquisition of his interest.

*MANAGING DIRECTOR & OTHER KEY MANAGERIAL PERSONNEL

107. The Board of Directors may, in accordance with the Act and subject to the provisions of the Banking Act and such guidelines as may be issued by the Reserve Bank of India from time to time appoint a Managing Director and such other Whole-time Director/s not exceeding two, who will be designated as Executive Director/s or such designation as the Board may deem fit and for a term of not more than five years at a time.

(a) If the Managing Director or the Whole-time Director/s ceases to hold office as Director they shall ipso facto and immediately cease to be the Managing Director/ Whole-time Director/s.

(b) In the event of any vacancy arising in the office of Managing Director/ Whole-time Director/s, the vacancy shall be filled by the Board of Directors and the Managing Director/ Whole-time Director/s so appointed shall hold office for such period as the Board of Directors may fix.

(c) When the Managing Director has been appointed and holding office as such, he/she shall have subject to the supervision, control and directions of the Board, the management of the whole of the business of the Company.

(d) The duties, responsibilities and powers of the Whole-time Director/s other than Managing Director shall be determined by the Board of Directors in consultation with the Managing Director.

- (e) The Whole-time Director/s shall report into the Managing Director and shall be subject to the supervision, control and directions of the Managing Director and in the absence of the Managing Director arising from a vacancy in the position, into the Board of Directors or any Committee of Board, as the Board may decide

*Amended at the Annual General Meeting of the Company held on July 19, 2022

108. **Remuneration of Managing Director / Whole-time Director/s/

The Managing Director / Whole-time Director/s shall, each of them, be paid for their respective services such remuneration on such terms as the Company may, by resolution in General Meeting, from time to time determine in accordance with the Act and the Banking Act and such guidelines as may be issued by the Reserve Bank of India or such other authority, from time to time.”

**Amended at the Annual General Meeting of the Company held on July 19, 2022

109. Powers to be exercised severally

All powers and duties vested in the Managing Directors for the time being in accordance with the provisions of these presents or by a resolution of the Board of Directors may be exercised by any one of them.

110. Expenses to be charged to the Company

The Managing Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.

111. Power of Managing Directors

The Managing Directors, shall, subject to the supervision and control of the Directors have power to do all acts and things which the Managing Directors shall think usual necessary or desirable in the management of the affairs of the Company. Without prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Directors:

- (a) to pay the costs, charges, and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.
- (b) to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
- (c) to determine, from time to time who shall be entitled to sign on the Company’s dividend warrants, releases, contracts, and documents and to give the necessary authority for such purposes.
- (d) to execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and for the claims and demands of the Company.
- (e) to institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.
- (f) to enter into, vary or cancel all manner of contracts on behalf of the Company.
- (g) to engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Directors think fit.
- (h) to acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Tamil Nadu or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- (i) to plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.

- (j) to erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Tamil Nadu or in any other place.
- (k) to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (l) to pay all moneys due by the Company and look after the finance of the Company.
- (m) to open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.
- (n) to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- (o) subject to Article 62 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
- (p) to receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against and with or without security.
- (q) to make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.
- (r) to submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (s) to institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any advocates, solicitors and lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.
- (t) to make all manner of insurances.
- (u) to delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company.

Provided that the Board may from time to time revoke withdraw alter or vary all or any of the above powers.

112. Manager, Company Secretary or Chief Financial Officer

Subject to the provisions of the Act, a Manager, Company Secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any, manager, Company secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board. A director may also be appointed as, Manager, Company Secretary or Chief Financial Officer.

A provision of the Companies Act or these Articles requiring or authorising a thing to be done by or to a Director and Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Manager, Company Secretary or Chief Financial Officer.

AUDITORS

113. The Company shall comply with the provisions of Banking Act and the Act, in relation to the audit of the accounts of its branches whether in India or outside India and appointment of auditors.

114. At least once in every year, the accounts of the Company shall be balanced audit of the accounts and audited and the correctness of financial statements, i.e. balance sheet and profit and loss account, etc. shall be ascertained by one or more auditor or auditors to be appointed as required under the Banking Act and the Act.

ACCOUNTS AND FINANCE

115. The Company shall keep true and accurate accounting records of all operations and such records shall be kept at the registered office of the Company or at such other place in India as the Board thinks fit. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors or by the Company in General Meeting.

116. The Company shall comply with the provisions of the Banking Act and the Act, in regard to the inspection of the books of accounts and other books and papers of the Company, by the Registrar of Companies or by such officer of the Government as may be authorised by the Central Government in this behalf, or by the officers of the Reserve Bank of India, as the case may be.

117. (a) Subject to the provisions of the Act, every balance sheet and profit and loss account of the Company, shall be in the form set out in the Third Schedule of the Banking Act, or as near thereto as circumstances admit and the requirements of the Act, relating to the financial statements i.e. balance sheet and profit and loss account, cash flow statement, statement of changes in equity (if applicable), any explanatory note annexed to, or forming part of, any document referred to earlier, of the Company, shall in so far as they are not inconsistent with the provisions of the Banking Act, apply to the financial statements, i.e. balance sheet and profit and loss account, etc. as the case may be of the Company.

In case the Central Government by notification specifies some other form or forms in which the balance sheet and the profit and loss account of the Company shall be drawn, then the Company shall adopt such form of the balance sheet and the profit and loss account.

- (b) The financial statements, i.e. balance sheet and profit and loss account, etc. shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the Banking Act and the Act and Rules thereunder and before they are submitted to the auditors for their report thereon.

Financial statements, i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, if applicable, and any explanatory note annexed to, or forming part of any document referred to hereinbefore and consolidated financial statements, if any, shall be signed in accordance with the Banking Act and the Act and Rules thereunder

118. DIVIDEND AND RESERVES

- a. The Company in General Meeting may declare dividend and no dividend shall exceed the amount recommended by the Board.
- b. The profits of the Company, subject to the provisions of the Act, any special rights relating to those to be created or authorized by these Articles and the provisions herein, shall be divisible among the shareholders in proportion to the amount of capital called upon the Securities held by them respectively.
- c. Subject to the provisions of the Act, the Board may from time to time pay to the Member such interim dividend as appear to it to be justified by the profits of the Company
119. The Board of Directors may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for Meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board of Directors may, from time to time, think fit.
120. The Board of Directors may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
121. Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.
122. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.
123. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.
124. The Board of Directors may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the

Company.

125. Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

126. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Companies Act.

127. No Dividend shall bear interest against the Company.

128. Unpaid or unclaimed Dividend

There will be no forfeiture of unclaimed Dividend before the claim becomes barred by law. Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, within seven days from the date of expiry of said period of 30 days, transfer the total amount of Dividend which remains unpaid or unclaimed to a special Account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account”.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the applicable provisions of the Act.

No unclaimed or unpaid Dividend shall be forfeited by the Board of Directors.

The Company may, pay Dividends in proportion to the amount paid-up on each Share.

CAPITALISATION OF PROFITS

129. The Company in General Meeting may, upon the recommendation of the Board of Directors, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

130. The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provisions contained in this Article, either in or towards—

- (a) Paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
- (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
- (e) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.

131. Issuance of bonus Shares

Whenever such a resolution as specified in Article 130 shall have been passed, the Board of Directors shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and
- (b) generally do all acts and things required to give effect thereto.

132. The Board of Directors shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and

- (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;
- (c) Any agreement made under such authority shall be effective and binding on such Members.

PERMITTED DONATIONS OR CONTRIBUTIONS MADE BY THE COMPANY

133. Subject to the provisions of the Act, the Company may contribute up to five per cent. (5%) of their profits after tax in each Financial Year for such social/ corporate social responsibility activities as may be appropriate from time to time.

THE SEAL

134. The Company shall have a Common Seal and the Board of Directors or a Committee of Directors shall provide for the safe custody thereof. The seal can be made of either metal or rubber stamp as the Directors may decide. The Seal shall not be affixed to any instrument except by the authority or resolution of the Board of Directors or of a Committee thereof and in the presence of one Director and of the Company Secretary or such other Person as the Board or a Committee thereof may appoint for the purpose and such Director and Company Secretary or other person as aforesaid shall sign every instrument to which the seal shall be affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

WINDING UP

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

SECRECY

137. No Member or person shall be entitled to visit or inspect the Company's properties without the consent of the Board or the Managing Director, or to require or discover any information respecting any details of the Company's working trading and on such other matters or in the nature of trade secrets which in the opinion of the Board may be inexpedient in the interest of the Member or of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

138. Subject to the provision of the Act, the Directors, Company Secretary and other officers, for the time being of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by the reason of any act done or omitted to be done in or about the Company and affairs of the Company except such (if any) as they shall incur or sustain by or through their own wilful neglect or default and the indemnity shall extend to any neglect or default of any other Director, secretary or other officer. The Directors, Company Secretary and other officers shall not be held liable for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any money effect, custody or for any insufficiency or deficiency of any Security upon which any monies of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office, unless the same shall happen through the wilful neglect or default of such officer or Director.

GENERAL POWER

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

Sl. No.	Signature, Name, Father's /Husband's name, address description, occupation and PAN No. of each of the subscribers	Signature, Name, Father's /Husband's name, address of Witness
1.	Sd/- V A PARTHASARATHY, S/O LATE V A ARAVAMUTHAN, 16, KAPALI KOIL SANNATHI STREET, MYLAPORE, MADRAS-4 BUSINESS	All Subscribers Signed Before me Sd/- K GANESAN, S/O LATE S KRISHNAN, 3, B N ROAD, I STREET, T NAGAR, MADRAS, CHENNAI-600017
2.	Sd/- SMT. V ANANDA PARTHASARATHY, W/O V A PARTHASARATHY, 16, KAPALI KOIL SANNATHI STREET, MYLAPORE, MADRAS-4 BUSINESS	SERVICE

DATED THIS THE 26TH DAY OF MAY 1993 AT MADRAS

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORIGINAL JURISDICTION)

Monday, the 6th day of June, 2016

THE HON'BLE MR.JUSTICE RAJIV SHAKDHER

COMP.PETN.NOS.119 TO 121 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956)
and
In the matter of Section 391 and 394 of the
Companies Act, 1956
and
In the matter of Scheme of Amalgamation of
Equitas Micro Finance Limited and Equitas Housing
Finance Limited with Equitas Finance Limited

C.P.No.119/2016:

Equitas Micro Finance Limited,
a company incorporated under
the Companies Act, 1956 having
its Registered Office at
4th Floor, Phase II, Spencer Plaza
No. 769, Mount Road, Anna Salai,
Chennai 600 002 represented by
its Company Secretary
Mr.SampathKumar K R

.. Petitioner/
Transferor Company(1)

The Company Petitioner praying this Court

- a) That the Scheme of Amalgamation of Equitas Micro Finance Limited and Equitas Housing Finance Limited with Equitas Finance Limited, be sanctioned by this Hon'ble High Court with effect from the Appointed date (as defined under clause 1.2 of the Scheme of Amalgamation) so as to be binding on all the shareholders and creditors of the Petitioner Company namely, Equitas Micro Finance Limited and the said Petitioner Company.
- b) That the petitioner company be dissolved without the process of winding up in the manner provided under clause 15 of the scheme of Amalgamation (i.e) the petitioner Company shall be dissolved on the thirtieth day from the Effective Date (as defined under clause 1.7 of the Scheme) and not on

the date of sanction of the scheme by this Hon'ble Court.

C.P.No.120/2016:

Equitas Housing Finance Limited,
a company incorporated under
the Companies Act, 1956 having
its Registered Office at
410 A, 4th Floor, Spencer Plaza,
Phase II, No 769, Mount Road,
Anna Salai, Chennai 600 002 represented by
its Company Secretary
Ms.Swarna Rekha S

.. Petitioner/
Transferor Company (2)

The Company Petitioner praying this Court

a) That the Scheme of Amalgamation of Equitas Micro Finance Limited and Equitas Housing Finance Limited with Equitas Finance Limited, be sanctioned by this Hon'ble High Court with effect from the Appointed date (as defined under clause 1.2 if the scheme of Amalgamation) so as to be binding on all the shareholders and creditors of the Petitioner Company namely, Equitas Housing Finance Limited and the said Petitioner Company.

b) That the petitioner company be dissolved without the process of winding up in the manner provided under clause 15 of the Scheme of Amalgamation (i.e) the petitioner company shall be dissolved on the thirtieth day from the Effective Date (as defined under clause 1.7 of the Scheme) and not on the date of sanction of the Scheme by this Hon'ble Court.

C.P.No.121/2016:

Equitas Finance Limited,
a company incorporated under
the Companies Act, 1956 having
its Registered Office at
4th Floor, Phase II, Spencer Plaza,
No.769, Mount Road, Anna Salai,
Chennai 600 002 represented by
its Chief Financial Officer
Mr.S.Vasudevan

.. Petitioner/
Transferee Company

The Company Petitioner praying this Court

a) That the Scheme of Amalgamation of Equitas Micro Finance Limited and Equitas Housing Finance Limited with Equitas Finance Limited, be sanctioned by this Hon'ble High Court with effect from the Appointed date (as defined under clause 1.2 if the scheme of Amalgamation) so as to be binding on all the shareholders and creditors of the Petitioner Company namely, Equitas Housing Finance Limited and the said Petitioner Company.

These Company Petitions having been heard on 27/04/2016 in the presence of Mr.P.H.Arvind Pandian, Senior Counsel for Mr.Harishankar Mani, Advocate for the petitioners in CP.Nos.119 to 121/2016 and of Mr.G.Venkatesan, Senior Central Government Standing Counsel appearing for Regional Director, Southern Region, Ministry of Company Affairs, Chennai, and of Mr.P.Atchutha Ramaiah, Official Liquidator, High Court, Madras, and upon reading the order dated 29/1/2016 and made in CA.No.81/2016 whereby the said company viz., M/s.Equitas Micro Finance Ltd., the petitioner company in CP.No.119/2016 was directed to convene a meeting of the secured creditors of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed Scheme of Amalgamation and the advertisement having been made in one issue of English Daily News Papers viz., "Business Standard" dated 11/2/2016 and in one issue of Tamil Daily News Paper viz., "Makal Kural" dated 11/2/2016 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it appearing from the said report that the Scheme of Amalgamation had been approved unanimously with the requisite majority, and upon reading the order dated 29/1/2016 and made in CA.No.83/2016 whereby the said company viz., M/s.Equitas Housing Finance Ltd., the petitioner company in

CP.No.120/2016 was directed to convene a meeting of the secured creditors of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed Scheme of Amalgamation and the advertisement having been made in one issue of English Daily News Papers viz., "Business Standard" dated 11/2/2016 and in one issue of Tamil Daily News Paper viz., "Makal Kural" dated 11/2/2016 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it appearing from the said report that the Scheme of Amalgamation had been approved unanimously with the requisite majority and upon reading the order dated 29/1/2016 and made in CA.No.85/2016 whereby the said company viz., M/s.Equitas Finance Ltd., the petitioner company in CP.No.121/2016 was directed to convene a meeting of the secured creditors of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed Scheme of Amalgamation and the advertisement having been made in one issue of English Daily News Papers viz., "Business Standard" dated 11/2/2016 and in one issue of Tamil Daily News Paper viz., "Makal Kural" dated 11/2/2016 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it appearing from the said report that the Scheme of Amalgamation had been approved unanimously by the requisite majority and upon reading the Company Petitions and the affidavit of S.B.Gautam, Regional Director, Southern Region, Ministry of Company Affairs, Chennai, and the advertisements of the company petitions having been made in one issue of English Daily News Paper viz., "Business Standard" dated 12/4/2016 (Chennai Edition) and in one issue of Tamil Daily News Paper viz., "Maalai Murasu" dated 11/4/2016 (Chennai Edition) and this Court having dispensed with the convening, holding and conducting of meeting of the equity shareholders of the Petitioner companies

in CP.Nos.119 to 121/2016 by an order dated 29.1.2016 made in C.A.Nos.80, 82&84/2016 and the Official Liquidator having filed a report dated 26.4.2016 filed in CP.Nos.119 & 120/2016 and this Court of opinion that a perusal of Section 394(1) gives such leeway to the Court and sanctioning of a compromise or arrangement does not necessarily fetter the Court from delaying the date of actual amalgamation/merger of entities and in the case, the amalgamation of the transferor company No.1 and 2 with transferee company is dependent on issuance of a banking licence by the RBI and, in turn, the issuance of licence is dependent on this Court sanctioning the scheme and the affidavit of the Regional Director and the report of the Official Liquidator indicate that the affairs of the transferor company No.1 and 2 are not carried out in a manner prejudicial to its member or the public, the scheme can be sanctioned, with a caveat, that the transferor companies will move applications for their dissolution, albeit, without winding up within 30 days of the "effective date" and this to append an additional condition, which is, that an advance notice of the applications will be served on both, the Regional Director and the Official Liquidator and the Official Liquidator, in particular, upon receipt of the application will file a fresh report with this Court indicating therein as to whether the affairs of the transferor companies continue to be conducted in a manner which is neither prejudicial to the interest of its members or, the public and the equity shareholders and the secured creditors of the petitioners have approved the scheme;

and

this Court having also observed that "the petitioners will abide by the terms of the scheme, as sanctioned, and that, this order, shall not be construed as exemption from any approval, permission, or consent with regard to payment of any tax, charge, duty or cess or the like that may have to be paid

by the petitioners."

This Court doth hereby sanction the Scheme of Amalgamation annexed herewith with effect from the Appointed Date as defined under Clause 1.2 of the Scheme of Amalgamation and declare the same to be binding on all the shareholders and creditors of the petitioner companies and on the said petitioner companies and this Court doth further order as follows:

(1) That, the Petitioner Companies herein, do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from the date of receipt of copy of this order.

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

(3) That the Petitioner Companies in CP.Nos.119 & 120/2016 be dissolved without the process of winding up in the manner provided under clause 15 of the Scheme of Amalgamation (i.e) the Petitioner Companies in C.P.Nos.119 & 120/2016 shall be dissolved on the thirtieth day from the Effective Date as defined under clause 1.7 of the Scheme.

4) That the Official Liquidator will adhere to the condition as stated above in the form of an application, whereupon the matter will be listed in Court to establish due compliance.

ANNEXURE:

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C.P. 119/16

**SCHEME OF AMALGAMATION
OF
EQUITAS MICRO FINANCE LIMITED
AND
EQUITAS HOUSING FINANCE LIMITED
WITH
EQUITAS FINANCE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 391 to 394 of the Companies Act, 1956)**

PREAMBLE & RATIONALE TO THE SCHEME

- (A) **EQUITAS MICRO FINANCE LIMITED** (hereinafter referred to as "Transferor Company (1)" or "EMFL") was incorporated on July 7, 1994 under the Companies Act, 1956 as "Singhivi Investment & Finance Private Limited". Subsequently, on obtaining due approvals the name of the Transferor Company (1) was changed from "Singhivi Investment & Finance Private Limited" to "Equitas Micro Finance Private Limited" and a fresh certificate of incorporation consequent to change of name was issued on February 14, 2013. The Transferor Company (1) after obtaining due statutory approvals was then converted into a public limited company under its present name "Equitas Micro Finance Limited" and the fresh certificate of incorporation was issued on September 15, 2015. The registered office of the Transferor Company (1) is located at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.
- (B) The Transferor Company (1) is engaged in the business of micro finance lending and providing finance to the weaker sections of the society, and in financing development activities. The Transferor Company (1) has been classified by the Reserve Bank of India as a NBFC-Micro Finance Institution (NBFC-MFI) and is a Systemically Important Non Deposit Taking NBFC ("NBFC-ND-SI") (hereinafter referred to as the "Business of the Transferor Company (1)")
- (C) **EQUITAS HOUSING FINANCE LIMITED** (hereinafter referred to as "Transferor Company 2" or "EHFL") was incorporated as "Equitas Housing Finance Private Limited" on May 14, 2010 under the Companies Act, 1956. The Transferor Company (2) was then converted into a public limited company and consequently, its name was changed to "Equitas Housing Finance Limited" vide a fresh certificate of incorporation dated September 18th, 2015. The registered office of the Transferor Company (2) is situated at 410A 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.
- (D) The Transferor Company (2) is engaged in the business of providing finance to any person or persons including individuals, societies, company, body corporate, association of persons or body of individuals, jointly or individually, either with or

For Equitas Finance Limited

S. Vasudevan
S. Vasudevan
Chief Financial Officer

without interest and with or without security to build, construct, erect, purchase, take on lease or otherwise acquire, enlarge, upgrade or repair any houses, flats, row houses, bungalows, rooms, huts, buildings, apartments or any other accommodation for residential or commercial purposes either in total or part thereof or to acquire any free hold or leasehold lands, estate or interest in any property to be used for residential or commercial purposes. The Transferor Company (2) has received a certificate of registration as a non-deposit accepting, housing finance company from National Housing Bank on January 24, 2011 (hereinafter referred to as the **"Business of the Transferor Company (2)"**)

- (E) **EQUITAS FINANCE LIMITED** (hereinafter referred to as "Transferee Company" or "EFL") was incorporated on June 21, 1993 under the Companies Act, 1956 as "V.A.P Finance Private Limited". The status of the Transferee Company was changed from a private limited to a public limited company on March 2, 1994. Subsequently, the status was again changed from a public limited company to a private limited company and a fresh certificate of incorporation was issued dated March 30th, 2011. The name of the Transferee Company was changed to 'Equitas Finance Private Limited' pursuant to a fresh certificate of incorporation dated August 12, 2011. The status of the Transferee Company was then finally converted into a public limited company and consequently its name was changed to its present name "Equitas Finance Limited" vide fresh Certificate of Incorporation dated September 29, 2015. The registered office of the Transferee Company is located at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

For Equitas Finance Limited

S. Vasudevan

Chief Financial Officer

(F)

The Transferee Company is engaged in the business of providing finance, hypothecation loan, hire-purchase and leasing finance to individuals, industrial, trading, commercial and other establishments and organizations and consumers for purchase of vehicles including cars, commercial vehicles and small and medium enterprises loans, including working capital and loans for purchase of capital equipments, accessories, lands and buildings, plant & machinery etc., advancing or lending money both long term and short upon or without security and carrying out financing operations and perform financing services. The Transferee Company has been classified by the Reserve Bank of India as an 'NBFC Asset Finance Company- Non Deposit Taking (NBFC-AFC) ("NBFC- ND- SI") (hereinafter referred to as the **"Business of the Transferee Company"**).

- (G) The Scheme of Amalgamation has been formulated and presented under section 391 to 394 of the Companies Act, 1956. Upon the relevant sections of the Companies Act 2013 pertaining to schemes of arrangement, compromise or reconstruction of companies being notified by the Ministry of Corporate Affairs ("MCA"), the Scheme of Amalgamation shall be deemed to have been formulated and presented under sections 230 to 240 of the Companies Act, 2013. Reference to any provisions of the Companies Act 1956, if any, under the Scheme would be deemed to be references to the respective corresponding provisions of the Companies Act, 2013.

- 9 -
- (H) The Reserve Bank of India ("RBI") has granted an "in-principle" approval for establishing a "Small Finance Bank" to Equitas Holdings Limited (previously known as Equitas Holdings Private Limited) (also referred to as "EHL" or "**Holding Company**") which is the common entity holding, along with its nominees, the entire capital of the Transferor Companies and the Transferee Company. The condition precedent for the issuance of the banking license by the Reserve Bank of India is the merger of the Transferor and Transferee Companies. EFL, after the completion of the merger of the two Transferor Companies with itself, would be converted into the Proposed SFB. In order to comply with this requirement of RBI, the present Scheme of Amalgamation is being presented before the Hon'ble High Court.
- (I) The directors of the Transferor Companies and Transferee Company are of the opinion that the proposed amalgamation of the Transferor Companies with Transferee Company, to form the Proposed SFB will be for the benefit of both the Transferor Companies and Transferee Company in the manner following:
- (i) The subsidiaries carry out their respective businesses in separate entities, in order to meet the regulatory requirements. The amalgamation will enable consolidation of the business of these subsidiaries into a single entity to be converted in to the Proposed SFB, as per the requirements of RBI.
 - (ii) The amalgamation of the Transferor Companies with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations as the Proposed SFB, wherein the business activities of the Transferor Companies can be advantageously combined with the business activities of the Transferee Company.
 - (iii) The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities. The amalgamation will also help achieve business synergies.
 - (iv) There is no likelihood that interests of any shareholder or creditor of either the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of the Transferor Companies or the Transferee Company.

For Equitas Finance Limited

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PART I - GENERAL

1. DEFINITIONS

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

- 1.1 "**Act**" means the Companies Act, 1956 or rules thereunder and/or the Companies Act, 2013 or rules thereunder as in force from time to time; it being clarified that as on the

date of approval of this Scheme by the Boards of Directors of the Transferor Companies and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted.

- 1.2 **"Appointed Date"** means the Effective Date.
- 1.3 **"Book Value Method"** means the method by which the assets and liabilities of the Transferor and Transferee companies are computed at the value at which they appear in the books of account on the Appointed Date. The value of total assets as on a particular date would be reduced by the value of total liabilities and intangible assets as on the said date to arrive at net assets value. This value would be divided by the number of outstanding equity shares as on that date to arrive at Book Value per equity share of the Company.
- 1.4 **"Business of Small Finance Bank" or "Bank"** means such business as are permitted to be carried out by the proposed SFB as per RBI Guidelines on Licensing of Small Finance Bank dated November 27, 2014 and the SFB in-principle approval received from RBI *vide* letter dated October 7, 2015 and such further guidelines and directions as may be issued by RBI from time to time.
- 1.5 **"Commencement of Business of the Bank"** means the date, duly fixed by the Board of the Proposed SFB for the commencement of the Business of the Small Finance Bank.
- 1.6 **"Court"** means the Hon'ble High Court of Judicature at Madras under the Companies Act, 1956 or such other Tribunal (i.e) the National Company Law Tribunal ("NCLT") & the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013.
- 1.7 **"Effective Date"** means the working day immediately preceding the date of Commencement of Business of the Bank by the Proposed SFB.
- 1.8 **"Proposed SFB" or "SFB"** means the Transferee Company, which intends to undertake and carry on the business of banking after the Transferor Companies are duly merged with the Transferee Company on the Effective Date and after having obtained the final banking license from RBI under Section 22 of the Banking Regulation Act, 1949.
- 1.9 **"Record Date for Shares"** means the date as fixed by the Board of Directors of the Transferee Company after the Effective Date on which the Transferee Company shall

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issue and allot equity shares to the shareholders of the Transferor Companies in accordance with clause 9 of the Scheme.

- 1.10 **"Record Date for Debentures"** means the Effective Date on which Non-Convertible Debentures issued by the Transferor Companies shall stand transferred to the Transferee Company.
- 1.11 **"Sanction" or "Sanctioned" or "Sanctioned Date"** means the date on which the Scheme of Amalgamation is sanctioned by the High Court in accordance with the provisions of the Act.
- 1.12 **"Scheme of Amalgamation" or "Scheme" or "The Scheme" or "This Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court.
- 1.13 **"Transferee Company" or "EFL"** means Equitas Finance Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002
- 1.14 **"Transferor Company (1)" or "EMFL"** means Equitas Micro Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.
- 1.15 **Transferor Company (2)" or "EHFL"** means Equitas Housing Finance Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 410A 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.
- 1.16 **"Transferor Companies"** means Transferor Company (1) and Transferor Company (2) collectively.
- 1.17 **"Undertakings"** shall mean and include the whole of the undertakings of the Transferor Companies, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, copyrights, patents, trade names, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trade marks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments,

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Chief Financial Officer

approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Companies and other claims and powers including all titles, rights, etc of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies, as on the Appointed Date.

- 1.18 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1. The Authorised Capital of the Transferor Company (1) as on 31st March 2015 is Rs.220,00,00,000/- divided into 22,00,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up capital of the Transferor Company (1) as on 31st March 2015 is Rs.198,75,00,000/- divided into 19,87,50,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March 2015, the Authorised Capital is increased to Rs.320,00,00,000/- divided into 32,00,00,000 Equity Shares of Rs.10/- each and there has been no change in the issued, subscribed and paid-up capital of the Transferor Company (1).
- 2.2. The Authorised Capital of the Transferor Company (2) as on 31st March 2015 is Rs.50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up capital of the Transferor Company (2) as on 31st March 2015 is Rs.40,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March 2015, the Authorised Capital is increased to Rs.85,00,00,000/- divided into 8,50,00,000 Equity Shares of Rs.10/- each and there has been no change in the issued, subscribed and paid-up capital of the Transferor Company (2).
- 2.3. The Authorised Capital of the Transferee Company as on 31st March 2015 is Rs.440,00,00,000/- divided into 44,00,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up capital of the Transferee Company as on 31st March 2015 is Rs.423,00,00,000/- divided into 42,30,00,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March 2015, the Authorised Capital is increased to Rs.750,00,00,000/- divided into 75,00,00,000 Equity Shares of Rs.10/- each and there has been no change in the issued, subscribed and paid-up capital of the Transferee Company.

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PART II – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKINGS

- 3.1 The Undertakings shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
- (a) With effect from the Appointed Date, the whole of the Undertakings of the Transferor Companies comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertakings of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All movable assets including cash in hand, if any, of the Transferor Companies capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made and deemed to be made as on the Appointed Date without any further action.
- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
- (i) The Transferee Company shall give notice in such form either individually or by way of public notice as it deems fit and appropriate, to persons, debtor, loanee or depositor of the Transferor Companies as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Companies to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
- (ii) The Transferor Companies shall also give notice in such form either individually or by way of public notice as it deems fit and appropriate, to their

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persons, debtor, loanee or depositor that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Companies to recover or realise the same stands extinguished.

- (d) In relation to the assets, if any, belonging to the Transferor Companies, which require separate documents of transfer, the respective Transferor Companies and the Transferee Company will execute necessary documents, as and when required.
- (e) With effect from the Appointed Date, the security interest including mortgage, hypothecation, lien, pledge, if any, that were created and lying in favour of the Transferor Companies shall stand transferred in favour of the Transferee Company without any further act or deed. Upon the Scheme coming into effect, the Transferee Company shall become the successor-in-interest for all mortgage deeds executed in favour of the Transferor Company (2). The mortgage deeds registered in the name of the Transferor Company (2) would be serviced in favour of the Transferee Company as a successor-in-interest of the Transferor Company (2). Upon the Scheme coming into effect, the Transferee Company shall be entitled to sue and recover the dues under the loan/mortgage documents.
- (f) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Companies shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause, except that consents may be required from such secured and/or unsecured creditors of the Transferor Companies, wherever such consents are specifically required as per the terms of contract entered into by such secured and / or unsecured creditors with the Transferor Companies or on the directions of the Court. The Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law, any contract or otherwise, execute deeds of confirmation in favour of the secured and/or unsecured creditors of the Transferor Companies or in favour of any other party to the contract or arrangement to which the Transferor Companies are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.

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- (g) The transfer and vesting of the Undertakings of the Transferor Companies as aforesaid shall be subject to the securities, charges and mortgages, if any subsisting on the Appointed Date, over or in respect of the property and assets or any part thereof of the respective Transferor Companies.

Provided however that any reference in any security documents or arrangements (to which any of the Transferor Companies is a party) pertaining to the assets of the Transferor Companies offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the said Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Companies or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Companies with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (h) With effect from the Appointed Date, all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Companies, or to the benefit of which the Transferor Companies may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a beneficiary thereto.
- (i) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Companies are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.

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- (j) Loans or other obligations, if any, due between or amongst the Transferor Companies or between or amongst any Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by any Transferor Companies, and held by the Transferee Company and vice versa or issued inter se amongst the Transferor Companies are concerned, the same shall, unless sold or transferred by the said Transferor Companies or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
 - (k) The Transferor Companies shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, leasehold rights, interest of immovable property, if any, is given to the Transferee Company.
 - (l) From the Effective Date and till such time that the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Companies are a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company, wherever required either by law, contract or otherwise, shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 4.2 As a consequence of the amalgamation of the Transferor Companies with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Companies to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 4.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise,

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execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies are 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 the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies, as the case may be, to be carried out or performed.

4.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Companies without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Companies are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Companies shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

5. LEGAL PROCEEDINGS

- 5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Companies on the Appointed Date shall be transferred in the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Companies, as the case may be.

6. TRANSFEROR COMPANIES STAFF, WORKMEN AND EMPLOYEES

- 6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Companies, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
 - b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
 - c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
 - d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the

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staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Companies upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Companies even if such benefits were not available to the employees during their tenure in the Transferor Companies, by virtue of non applicability of the relevant provisions to the Transferor Companies. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor companies with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor companies shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Companies in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund, if any or any other special fund, however subject to the provisions of the relevant and applicable statutes.

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7. SAVING OF CONCLUDED TRANSACTIONS

- 7.1 The transfer of Undertakings under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

8. AUTHORISED SHARE CAPITAL

- 8.1 Upon the Scheme becoming fully effective as on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Companies on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 8.2 As on the Effective date, Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing Clause and replacing it by the following:
- "V. The Authorised Share Capital of the Company shall be Rs.1155,00,00,000/- (Rupees One Thousand One Hundred and Fifty Five crore only) divided into 115,50,00,0000 (One Hundred and Fifteen crore Fifty lakhs) equity shares of Rs.10/- each, with the

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rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company."

The approval of this Scheme under Sections 391 and 394 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

- 8.3 Notwithstanding the above, the Transferee Company would increase its authorised share capital by such amount as would and may be necessary for the purpose of allotting equity shares to the shareholders of the Transferor Companies as per clause 9 of the Scheme.

9. ISSUE OF SHARES BY THE TRANSFEE COMPANIES TO SHAREHOLDERS OF TRANSFEROR COMPANIES

- 9.1 The Transferee Company shall, upon the Record Date for Shares, issue and allot to each of the shareholders of the Transferor Company (1) such number of equity shares of Rs. 10/- each credited as fully paid up of the Transferee Company as arrived at based on the Book Value Method (i.e) the ratio of Book Value per share of the Transferee Company as on the Effective Date to the Book Value per share of the Transferor Company (1) as on the Effective Date.
- 9.2 The Transferee Company shall upon the Record Date for Shares, issue and allot to each of the shareholders of the Transferor Company (2), such number of Equity shares of Rs. 10/- each credited as fully paid up of the Transferee Company as arrived at based on the Book Value Method (i.e) the ratio of Book Value per share of the Transferee Company as on the Effective Date to the Book Value per share of the Transferor Company (2) as on the Effective Date.
- 9.3 Fractions, if any, arising out of such allotment under clause 9.1 & 9.2 shall be rounded off to the nearest whole number.
- 9.4 Upon the Equity Shares being issued and allotted, as aforesaid by the Transferee Company, the Equity Shares issued by the Transferor Companies and held by its shareholders, whether in dematerialised or physical form, shall be deemed to have been automatically cancelled and of no effect.
- 9.5 The Equity Shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company
- 9.6 For the purpose of clause 9.1 & 9.2, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India ("RBI") and other concerned regulatory authorities for the issue and allotment of

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shares to the shareholders of the Transferor Companies by the Transferee Company pursuant to the Scheme.

10. ACCOUNTING TREATMENT AND TRANSFER OF DEBENTURES

Upon the Scheme becoming effective, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the "Pooling of Interest Method" provided under Accounting Standard 14 issued by the Institute of Chartered Accountants of India such that :

- 10.1. Upon the scheme coming into effect, the Transferee Company shall record the assets and liabilities of the Transferor Companies vested in it pursuant to this Scheme at their respective book values thereof and in the same form as appearing in the books of the Transferor Companies at the close of business of the day immediately preceding the Appointed Date.
- 10.2. Upon the scheme coming into effect, the Transferee Company shall record the Reserves of the Transferor Companies in the same form and at the same values as they appear in the financial statements of the Transferor Companies at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Companies shall be similarly aggregated with the balances in Profit and Loss Account of the Transferee Company. Balances shown as Miscellaneous Expenditure (to the extent not written off or adjusted) in the balance sheet of the Transferor Companies shall be similarly aggregated with balances of the Transferee Company.
- 10.3. Upon the scheme coming into effect, the excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Companies vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall be adjusted in/ credited to the Reserves in the books of the Transferee Company.
- 10.4. In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Companies are concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the respective Transferor Companies or the Transferee Company and make appropriate disclosure of the same in the financial statements.
- 10.5. To the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company or between the Transferor Companies inter se, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 10.6. Upon this Scheme coming into effect and on the Record Date for Debentures, the Non-Convertible Debentures issued by the Transferor Companies shall stand

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transferred to the Transferee Company and from that date the Non-Convertible Debentures issued by the Transferor Companies shall be treated as if they are issued by the Transferee Company. The Transferee Company shall be responsible for ensuring adherence to the terms and conditions of issue of the said Non-Convertible Debentures.

- 10.7 The Transferee Company shall comply with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and other relevant guidelines, laws, rules and regulations as prescribed by the RBI, Securities and Exchange Board of India ("SEBI") or any other statutory authorities as may required and necessary for giving effect to this clause.

11. CHANGE OF NAME OF THE TRANSFEREE COMPANY

- A. Upon the Scheme coming into effect and from the date of Commencement of Business of the Bank and subject to the approval of its Board, Shareholders, RBI, ROC and such other statutory authorities as may be required under relevant statutes, the name of the Transferee Company shall be changed from "Equitas Finance Limited" to "Equitas Small Finance Bank Limited" in accordance with Section 13 and other applicable provisions of the Act. It is further expressly clarified that the name change from "Equitas Finance Limited" to "Equitas Small Finance Bank Limited" shall be effective from the date of Commencement of Business of the Bank. The date of Commencement of Business of the Bank shall be the name change date in the ROC.

12. ALTERATION, AMENDMENT AND ADOPTION OF NEW SET OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

Upon the Scheme coming into effect and from the date of Commencement of Business of the Bank, and subject to the approval of its Board, Shareholders, RBI, ROC and such other statutory authorities as may be required under relevant statutes, the Transferee Company shall adopt a new set of Memorandum and Articles of Association in accordance with the applicable provisions of the Act.

13. CONSEQUENTIAL MATTERS RELATING TO TAX AND OTHER ANCILLIARY CLAUSES

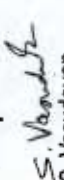
- 13.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this

For Equitas Finance Limited

S. Vasudevan

Chief Financial Officer

For Equitas Finance Limited


S. Vasudevan
Chief Financial Officer

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Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Companies and the Transferee Company or inter se amongst the Transferor Companies.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Companies and the Transferee Company or inter se amongst the Transferor Companies, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- 13.2 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties as well as service tax and any other tax paid on inputs/capital goods/ input services lying in the accounts of the undertakings of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax or other taxes payable by it.
- 13.3 In accordance with the Tamil Nadu Value Added Tax Act, 2006 and such other similar applicable legislation in the other states, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the undertakings of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT payable by it.
- 13.4 The Scheme of Amalgamation formulated by the Board of Directors of the Transferor Companies and the Transferee Company does not in any manner whatsoever override, violate or is inconsistent with any regulations, rules, bye-laws or guidelines framed and issued by the Securities and Exchange Board of India or the Reserve Bank of India and will be subject to such regulation as may be in force from time to time.
- 13.5 Any change in the capital structure of the Transferor Companies or Transferee Company post the filing of the Scheme of Amalgamation with the Court, shall be treated as an integral part of the Scheme and the Transferor Companies or Transferee Company shall appropriately intimate the Court of any change in the capital structure by filing of any forms (filed with the Registrar of Companies, Chennai), documents, affidavits or applications evidencing such increase in the capital structure.

PART III – GENERAL TERMS AND CONDITIONS

14. APPLICATION TO COURT

- 14.1. The Transferor Companies and the Transferee Company shall, with reasonable despatch, apply to the Court for necessary orders or directions for holding meetings

of the members and creditors of the Transferor Companies and the Transferee Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meetings, if approvals from such members/creditors have otherwise been obtained and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up (as per clause 15 of the Scheme).

15. DISSOLUTION OF TRANSFEROR COMPANIES

- 15.1 The Transferor Companies shall not be dissolved on the date of Sanction of the Scheme of Amalgamation. Without any further act or deed, the Transferor Companies shall stand dissolved on the thirtieth day from the Effective Date. If so required, the Transferor Companies shall make a separate application to Court for the dissolution without winding up within a period of 30 days from the Effective Date in case of which the dissolution of the Transferor Companies shall take effect on such order being passed by the Court pursuant to the filing of the application.

- 15.2 It is expressly clarified that notwithstanding the sanction of the Scheme of Amalgamation, the Transferor Companies shall continue its business activities and operations until the Effective Date.

16. MODIFICATIONS / AMENDMENTS AND WITHDRAWAL OF THE SCHEME

- 16.1 The Transferor Companies and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Companies without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.
- 16.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby,

For Equitas Finance Limited

S. Vasudevan
Chief Financial Officer

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unless the deletion of such part of provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Companies or the Transferee Company, in which case the Transferor Companies and the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve the benefits and obligations of the Scheme, including but not limited to such part or provision.

- 16.3 Notwithstanding the options for modification or amendment provided under clause 16.1 and 16.2, the Board of Directors of the Transferor Companies and the Transferee Company shall be vested with the power to recall or withdraw the Scheme of Amalgamation, in event the banking license in accordance with section 22 of the Banking Regulation Act, 1949 is not received from or issued by the Reserve Bank of India to the Transferee Company post the Sanction of the Scheme. The withdrawal or the recall shall be implemented by filing necessary application, petition to the Court by the Transferor and the Transferee Companies respectively. On recall or withdrawal, the Scheme of Amalgamation shall not have any impact on the Transferor Companies and Transferee Company and the said Transferor Companies and Transferee Company shall continue to perform and engage in their respective business activities without taking into account or consideration the Scheme of Amalgamation.

For Equitas Finance Limited

S. Vasudevan

S. Vasudevan
Chief Financial Officer

7. DATE OF TAKING EFFECT

- 7.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Court shall be effective and operative from the Effective Date.

18. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

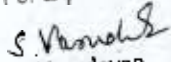
- 18.1 The banking license being issued by the Reserve Bank of India to the Transferee Company under section 22 of the Banking Regulation Act, 1949.
- 18.2 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 18.3 The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor and the Transferee Companies, if meetings of the members or creditors of the said companies are convened by the Court or if dispensation from the holding, convening and conduction of the meeting is granted by Court, and the sanction of the Court being accorded to the Scheme.
- 18.4 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Companies and the Transferee Company.
- 18.5 The filing of certified copies of all necessary orders, sanctions and approvals mentioned above with the Registrar of Companies, Chennai by the Transferor Companies and the Transferee Company.

19. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 25 -
- 19.1 In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid or if the banking license has not been issued by the Reserve Bank of India, the Scheme shall be deemed to be fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

20. EXPENSES CONNECTED WITH THE SCHEME

- 20.1 All costs, charges, levies, fees, duties and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

For Equitas Finance Limited

S. Vasudevan
Chief Financial Officer

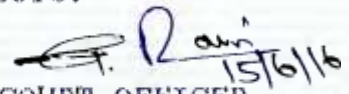
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WITNESS, The Hon'ble Thiru SANJAY KISHAN KAUL, The Chief Justice of Madras High Court, aforesaid this the 6th day of June, 2016.

Sd/-

JOINT REGISTRAR(O.S).

//CERTIFIED TO BE A TRUE COPY//
DATED THIS THE 15th DAY OF June 2016.


COURT OFFICER.

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



Ct 0016359

27
Kam/15/6/2016

COMP.PETN.NOS.119 TO 121
OF 2016

ORDER DATED:06.06.2016

THE HON'BLE MR.JUSTICE
RAJIV SHAKDHER

FOR APPROVAL ON:15.06.2016

APPROVED ON:15.06.2016

COPY TO:-

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

Ct 0016360

HIGH COURT, MADRAS
ORIGINAL SIDE

C.A. No. 6421
Applied... 08/6/16
Stamp called for 15/6/16
Stamps put in 15/6/16
Ready... 15/6/16

✓
C.O. (S.S.)

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

CP(CAA)/94(CHE)/2022

IN

CA(CAA)/54(CHE)/2022

(Under Section 230 -232 of the Companies Act, 2013)

In the matter of THE SCHEME OF AMALGAMATION

Between

EQUITAS HOLDINGS LIMITED

CIN: L65100TN2007PLC064069

Reg. off:-

410A, 4th Floor, Phase II, Spencer Plaza,
No.769, Mount Road, Anna Salai,
Chennai – 600 002

*... 1st Petitioner Company /
Transferor Company*

And

EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Reg. off:-

4th Floor, Phase II, Spencer Plaza,
No.769, Mount Road, Anna Salai,
Chennai – 600 002

*... 2nd Petitioner Company /
Transferee Company*

And

THEIR RESPECTIVE SHAREHOLDERS

Order Pronounced on 12th January, 2023

CORAM

DR. DEEPTI MUKESH, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

For Petitioner(s): Pawan Jhabakh, Advocate

ORDER





Per: DR. DEEPTI MUKESH, MEMBER (JUDICIAL)

CP(CAA)/94(CHE)/2022 is a joint Company Petition filed by the Petitioner Companies viz., **EQUITAS HOLDINGS LIMITED** (for brevity "Transferor Company" and **EQUITAS SMALL FINANCE BANK LIMITED** (for brevity "Transferee Company") under section 230-232 of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the scheme of amalgamation (herein after referred as "SCHEME") proposed by the Petitioner Companies. The said Scheme is annexed along with the present Company Petition as 'Annexure - A1' between Page Nos. 30 - 51.

2. 1ST MOTION APPLICATION

2.1. The Petitioner Companies had filed a joint Company Application (First Motion) vide CA(CAA)/54(CHE)/2022, based on such an Application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this Tribunal vide order dated 22.07.2022, for holding of meeting(s) as follows;



	EQUITY SHAREHOLDERS	UNSECURED CREDITORS	DEPOSIT HOLDERS
1ST PETITIONER COMPANY	<i>To hold meeting</i>	<i>To hold meeting</i>	<i>N/A</i>
2ND PETITIONER COMPANY	<i>To hold meeting</i>	<i>To hold meeting</i>	<i>To hold meeting</i>

2.2. In the said order, Mr. N.P. Vijay Kumar (Advocate) and Alpa Jain (Practicing Company Secretary) were appointed as the 'Chairperson' and 'Scrutinizer' of the said meeting(s) respectively.



The Chairperson has filed the reports before this Tribunal vide SR. No. 5285 on 13.09.2022. It is stated that the meetings were convened through virtual mode and voting was conducted through the NSDL e-voting platform. The particulars and results of the respective e-voting and meeting are as below:

TRANSFEROR COMPANY:

IN RELATION TO THE EQUITY SHAREHOLDERS	
Date of Meeting	06.09.2022
Time of Meeting	15:30 Hrs
Schedule for e-voting in the NSDL Platform	03.09.2022 (09:00 Hrs) - 05.09.2022 (17:00 Hrs)
Percentage of votes casted in favour of the Resolution	99.9973 %
Percentage of votes casted against the Resolution	0.0027 %

IN RELATION TO THE UNSECURED CREDITORS	
Date of Meeting	06.09.2022
Time of Meeting	14:00 Hrs
Schedule for e-voting in the NSDL Platform	03.09.2022 (09:00 Hrs) - 05.09.2022 (17:00 Hrs)
Percentage of votes casted in favour	100 %



TRANSFeree COMPANY:

IN RELATION TO THE EQUITY SHAREHOLDERS OF THE TRANSFeree COMPANY	
Date of Meeting	06.09.2022
Time of Meeting	12:00 Hrs

Schedule for e-voting in the NSDL Platform	03.09.2022 (09:00 Hrs) - 05.09.2022 (17:00 Hrs)
Percentage of votes casted in favour of the Resolution	99.9986 %
Percentage of votes casted against the Resolution	0.0014 %

IN RELATION TO THE UNSECURED CREDITORS OF THE TRANSFEREE COMPANY	
Date of Meeting	06.09.2022
Time of Meeting	10:30 Hrs
Schedule for e-voting in the NSDL Platform	03.09.2022 (09:00 Hrs) - 05.09.2022 (17:00 Hrs)
Percentage of votes casted in favour of the Resolution	100 %

IN RELATION TO THE DEPOSIT HOLDERS OF THE TRANSFEREE COMPANY	
Date of Meeting	07.09.2022
Time of Meeting	10:30 Hrs
Schedule for e-voting in the NSDL Platform	04.09.2022 (09:00 Hrs) - 06.09.2022 (17:00 Hrs)
Percentage of votes casted in favour of the Resolution	99.9037 %
Percentage of votes casted against the Resolution	0.0963 %

Subsequently, the present Company Petition came to be filed on 15.09.2022 before this Tribunal and vide order dated 03.11.2022, directions for the issuance of notice to the Statutory Authorities concerned and also for the issuance of publication in English 'Business Standard' (All India Edition) and Tamil 'Makkal Kural' (Tamil Nadu Edition) were made.





2.4. Pursuant to the said directions, publications were effected on 23.11.2022 and notices were duly served on the Statutory Authorities. Affidavit of Service dated 12.12.2022 is filed before this Tribunal in SR No. 6481 dated 13.12.2022.

3. RATIONALE OF THE SCHEME

3.1. The primary objective of the proposed scheme of amalgamation bears reference to one of the condition imposed by the Reserve Bank of India (hereinafter referred to as 'RBI') vide its License (Licence No. MUM: 119) dated 30.06.2016 issued in favour of the Transferee Company and the RBI Guidelines dated 27.11.2014 for the Licensing of 'Small Finance Banks'.

3.2. The condition being that the 'Promoter' of Transferee Company, which holds more than 40% of Equity Shares in the Transferee Company, must reduce its shareholding to 40% within a period of 5 years from the date of commencement of the Business of the Transferee Company. In the present case, RBI recognises the Transferor Company as the 'Promoter' of the Transferee Company and therefore compliance is sought to be made to the said obligation.

3.3. The proposed amalgamation in terms of the Scheme is expected, inter alia, to result in following benefits:





- i) Achieve satisfaction and compliance of the conditions laid down by RBI in relation to the shareholding of the Transferee Company thereby ensuring continuity of the business of the Transferee Company which is also in accordance with the SFB Licensing Guidelines read with RBI Clarification.
- ii) Providing all the public shareholders of the Transferor Company with direct shareholding in the Transferee Company thereby helping them to unlock value to their investments in the business of the Transferee Company, which is currently held through the Transferor Company. Consequently, the shareholders of the Transferor Company can take independent decisions with respect to their holdings in the Transferee Company without being constrained to hold an investment in the Transferor Company to be able to derive value of benefit from the Transferee Company's business.
- iii) The Scheme also ensures that there is no dilution of value to public shareholders of the Transferor Company in the process of amalgamation in accordance with this Scheme.
- iv) There is no likelihood that the interests of any shareholder, depositor or creditor or employee of either Applicant Companies would be prejudiced as a result of the Scheme. The Scheme will not impose any additional burden on the members of the Transferor Company or the Transferee Company. The Scheme is not in any manner prejudicial or against public interest and would, on the contrary, serve the interest of all





shareholders, depositors, creditors and stakeholders given that the Scheme ensures compliance of the conditions prescribed by RBI required for continued banking operations.

4. STATUTORY AUTHORITIES

4.1 REGIONAL DIRECTOR

4.1.1. The Regional Director, Southern Region (*hereinafter referred to as 'RD'*) to whom the notice was issued, has filed his Report on 02.12.2022 before this Tribunal. At paragraph 3 of the Report, while referring to clause 2.3 of Part II of the proposed scheme, the RD has observed that that the 'Appointed Date' cannot be the 'Effective Date' in terms of 232(6) of the Companies Act, 2013.

4.1.2. The Petitioner Companies in response to the same has filed an Affidavit dated 16.12.2022 wherein the Board of the Petitioner Companies resolved to recommend '01.01.2023' as the Appointed Date. Thus, as recommended by the Petitioners, we hereby fix the 'Appointed Date' for the proposed Scheme as **01.01.2023**.

4.1.3. It is observed that the apart from the above observation, the RD has no objection and as per the report of RoC, Chennai, the Petitioner Companies are regular in filing the statutory returns and has reported that there is no prosecution / complaint / inspection / Investigation is pending against the Petitioner Companies.



4.2 INCOME TAX DEPARTMENT



4.2.1. The Deputy Commissioner of Income Tax – Corporate Circle 1(1) (hereinafter referred to as 'AO') vide his communication dated 24.11.2022 has appraised the 'Demand Status' of the Petitioner Companies. In relation to the Transferor Company, the status of demand as per the AO is as under:

S No.	Assessment Year	Proceedings under the Income Tax Act, 1961	Outstanding Demand (In Rs.)
1	2015-16	147	58,150/-
2	2015-16	147	3,62,540/-
3	2015-16	234D	19,480/-
4	2016-17	147	9,01,580/-
5	2016-17	234D	2,56,953/-
6	2018-19	220(2)	33,354/-
7	2018-19	143(3)	95,00,830/-
8	2018-19	143(3)	7,07,510/-
9	2021-22	143(1)	1,16,11,470/-

4.2.2. With reference to the above demands, clause 13 of the proposed Scheme mentions that all the proceedings, including the above would stand transferred to the Transferee Company.

Affidavit of the Petitioner Companies dated 16.12.2022 to this effect is placed on record. The Petitioner Companies specifically submitted as under:

'We further state that the Scheme of Amalgamation also provides for transfer of ant legal proceedings which would be defended by the Transferee Company. We state that the rights, and demands (if any) would be protected under the



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Scheme of Amalgamation and the interests of the Income Tax Department would not be prejudiced'.

4.2.3. Therefore, we feel that the scheme and the undertaking of the Petitioner Companies is sufficient and the interest of the revenue is not obstructed in any manner.

4.3 SECURITIES EXCHANGE BOARD OF INDIA

4.3.1. The Securities Exchange Board of India (hereinafter referred to as 'SEBI') had appointed an Adjudicating Officer in terms of Section 15I of the Securities and Exchange Board of India, 1992 and proceedings came to be initiated in terms of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 by the Adjudicating Officer. However, pending consideration of the present Company Petition, the said proceeding came to be disposed in favour of the Transferor Company by the Adjudicating Officer vide order dated 19.12.2022. The said order of the Adjudicating Officer is placed on record vide SR No. 6638 dated 20.12.2022. Thus, there is no impediment for considering the present Company Petition.



4.4 BOMBAY STOCK EXCHANGE (BSE)

4.4.1. The BSE vide letter dated 10.06.2022 has communicated that there are no adverse observations with reference to those matters having bearing on listing / de-listing / continuous listing



requirements within the provisions of Listing Agreement. The said letter is placed on record as 'Annexure - A19'. Thus, there is no impediment for considering the present Company Petition.

4.5 NATIONAL STOCK EXCHANGE (NSE)

4.5.1. The NSE vide letter dated 10.06.2022 has communicated that their 'No Objection' in term of Regulation 94 of SEBI (LODR) Regulations, 2015. The said letter is placed on record as 'Annexure - A19'. Thus, there is no impediment for considering the present Company Petition.

4.6 THE RESERVE BANK OF INDIA

4.6.1. The RBI vide letter dated 06.05.2022 has conveyed its 'No-Objection' to the proposed Scheme. The said letter is placed on record as "Annexure - 18". Thus, there is no impediment for considering the present Company Petition.



4.7 OFFICIAL LIQUIDATOR

4.7.1. The Official Liquidator had engaged Chartered Accountants to verify the affairs of the Transferor Company and has filed its Report dated 01.11.2022 before this Tribunal with SR No. 5860 on 01.11.2022. No objection is raised by the Official Liquidator with respect to the Scheme, except seeking to fix the remuneration payable to the Auditor who has investigated into the affairs of the

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Transferor Company. In this regard, this Tribunal hereby directs the Petitioner to pay a sum of **50,000/-** plus GST.

5. VALUATION REPORT:

5.1. The Learned Counsel for the Petitioner Companies invited the attention of this Tribunal to the 'Swap Ratio' / 'Valuation Report' recommended by a Registered Valuer which is placed on record as 'Annexure - A7' at page nos. - 355 - 367. Under the said report, it is recommended as follows:

"231 shares of Transferee Company to be issued to the Shareholders holding 100 shares in the Transferor Company. (all Rs 10 fully paid-up)"

5.2. Thus, based on the valuation carried out as above, the consideration at clause 10 of the proposed Scheme is fixed as under:

"each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs. 10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs. 10/- each fully paid up held by them in the Transferor Company."



6. ACCOUNTING TREATMENT

6.1. It is submitted that the Statutory Auditor of the Petitioner companies has examined the Scheme and has certified that the



Petitioner Companies have complied with proviso to Section 230 - 232 and the Accounting Treatment contained in the proposed Scheme of Arrangement is in compliance with the Applicable Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read with the rules made there under and other generally accepted accounting principles in India. The Certificate(s) issued by the Statutory Auditor certifying the Accounting Treatment of all the Petitioner Companies are filed and placed on record as 'Annexure - A17'.

7. OBSERVATIONS OF THIS TRIBUNAL

(i) This Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* not, in any way detrimental to the interest of the shareholders of the Company. In view of the absence of any material objections from any statutory authorities and since all the requisite statutory compliances have been fulfilled, this Tribunal sanctions the Scheme of Arrangement appended as Annexure "A1" with the Petition as well as the prayer made therein.

(ii) The objectives of the proposed merger are in consonance with the terms of license read with the RBI License. Post the approval of the scheme, the





shareholding of the Transferee Company will be as under:

Particulars	As on date	Post-Merger
Promoter Shareholding	74.52%	Nil
Public Shareholding	25.48%	100%

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



(iv) While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

8. THIS TRIBUNAL DO FURTHER ORDER:

(i) That all properties, rights and interests of the Transferor Company shall, pursuant to Section



232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.

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

(iii) That the Appointed date for the Scheme shall be **01.01.2023** as sought for by the Petitioner Companies.

(iv) The 'Effective date' shall be the last of the dates on which the certified copies of this order of sanctioning the scheme are filed with ROC Chennai as mentioned in clause 2.8 of Part - II of the Scheme.



(v) That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company.

(vi) That all the employees/workmen of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service with all the benefits, as existing on the date.

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- (vii) The Transferee Company do without further application allot fully paid-up equity shares to such members of the Transferor Company, as have not given such notice of dissent, as is required by Clause 10 of Part IV of the Scheme to which they are entitled, in the ratio as mentioned in valuation report as under:

"each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs. 10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs. 10/- each fully paid up held by them in the Transferor Company."

- (viii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies, Chennai and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company after setting off the fees paid by the Transferor Company.

- (ix) That both the Petitioner Companies, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, on such certified copy being so delivered, the Transferor Company shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company registered with





him on the file kept by him in relation to all the Transferee Company and the files relating to all the said companies shall be consolidated accordingly.

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

9. Accordingly, the Company Petition is **allowed** on the aforementioned terms and stands disposed of.

—SD—

SAMEER KAKAR
MEMBER (TECHNICAL)

V.Shreekumar

—SD—

DR. DEEPTI MUKESH
MEMBER (JUDICIAL)



Certified to be True Copy

2. Not F-20/1/23
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

SCHEME OF AMALGAMATION

BETWEEN

EQUITAS HOLDINGS LIMITED ("TRANSFEROR COMPANY")

AND

EQUITAS SMALL FINANCE BANK LIMITED ("TRANFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder)

This Scheme of amalgamation is presented for amalgamation of Equitas Holdings Limited with Equitas Small Finance Bank Limited and for matters incidental and ancillary thereto.

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- 1) Part I deals with Preamble and Share Capital.
- 2) Part II deals with Definitions.
- 3) Part III deals with rationale for the Scheme.
- 4) Part IV deals with operation of the Scheme of Amalgamation.
- 5) Part V deals with the General Terms and Conditions.

PART I - PREAMBLE AND SHARE CAPITAL1. PREAMBLE AND SHARE CAPITAL

- 1.1 Equitas Holdings Limited (hereinafter referred to as "EHL" or "Transferor Company" or "Transferor") was originally incorporated as UPDB Micro Finance Private Limited on June 22, 2007 at Chennai as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by its shareholders on December 17, 2007, the name of EHL was changed to Equitas Micro Finance India Private Limited to convey the principle of fairness and transparency, and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies on February 01, 2008. The microfinance business of EHL was demerged into Singhivi Investment and Finance Private Limited ("Singhivi") pursuant to a scheme of demerger with effect from April 01, 2011. Singhivi was subsequently renamed as Equitas Micro Finance Private Limited. Pursuant to the scheme of demerger, a resolution was passed by EHL's shareholders on January 30, 2012 and the name was changed to Equitas Holdings Private Limited and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies on February 29, 2012. Pursuant to an order issued by the RBI on December 03, 2012, EHL was designated as a Non-systemically Important Core Investment

For Equitas Holdings Limited

For EQUITAS SMALL FINANCE BANK LIMITED



R. Srinath

Chief Financial Officer

K. J. H. H.

Company Secretary

Company and pursuant to the request made by EHL, the certificate of registration dated March 13, 2008 granted to EHL as a non-banking finance company under Section 45-IA of the Reserve Bank of India Act, 1934 was cancelled. Thereafter, pursuant to a special resolution passed by EHL's shareholders on June 12, 2015, EHL was converted into a public limited company and the name was changed to Equitas Holdings Limited. The Registrar of Companies issued a fresh certificate of incorporation consequent to change of name on June 18, 2015. EHL made an initial public offer of its shares pursuant to which its shares were listed on the BSE and the NSE with effect from April 21, 2016. The Corporate Identity Number of EHL is L65100TN2007PLC064069. The registered office of EHL is located at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002. Subsequent to initial public offer and to meet the licensing requirements for setting up a small finance bank, EHL was registered with the RBI as a non-deposit taking Systemically Important Core Investment Company vide certificate number N-07.00822 dated September 1, 2016.

- 1.2 **Equitas Small Finance Bank Limited** (hereinafter referred to as "ESFBL" or "Transferee Company" or "Transferee") was originally incorporated on June 21, 1993 under the Companies Act, 1956 as "V.A.P Finance Private Limited". The status of ESFBL was changed from a private company to a public limited company on March 02, 1994. Subsequently, the status was again changed from a public company to a private limited company and a fresh certificate of incorporation was issued dated March 30, 2011. The name of ESFBL was changed to 'Equitas Finance Private Limited' pursuant to a fresh certificate of incorporation dated August 12, 2011. The status of ESFBL was then finally converted into a public limited company and consequently its name was changed to "Equitas Finance Limited" in terms of a revised certificate of incorporation dated September 29, 2015. Equitas Micro Finance Limited and Equitas Housing Finance Limited were merged into ESFBL vide a scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Judicature at Madras by order dated June 06, 2016 in Company Petition Nos. 119 to 121 of 2016. The name of ESFBL was changed to its current name of "Equitas Small Finance Bank Limited" in terms of a revised certificate of incorporation dated September 02, 2016. The Corporate Identity Number of ESFBL is L65191TN1993PLC025280. The registered office of ESFBL is located at, 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.
- 1.3 Pursuant to the small finance bank license dated June 30, 2016, received by ESFBL from the RBI, ESFBL is operating as a small finance bank engaged in retail banking business with focus on micro-finance, commercial vehicle finance, home finance, loan against-property finance, corporate finance, and providing financing solutions for individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels while providing a comprehensive banking and digital platform for all.
- 1.4 The authorized, issued, subscribed and paid-up capital of EHL as on December 31, 2021 is as follows:

Particulars	Amount (Rs in Lakhs)
Authorized Share Capital	
44,00,00,000 equity shares of INR. 10/- each	44,000.00
1,00,00,000 compulsorily convertible preference shares of INR 10/- each	1,000.00
Total	45,000.00
Issued, subscribed and paid-up share capital	



For Equitas Holdings Limited

R. Srinath
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

S. J. H. S.
Company Secretary

341790115 equity shares of INR. 10/- each	34,179.01
Total	

Subsequent to December 31, 2021, there has been no change in the capital structure of EHL. EHL has outstanding employee stock options under the EHL ESOP Scheme, the exercise of which may result in further increase in the issued and paid-up share capital of EHL.

- 1.5 The equity shares of EHL are listed on the BSE (Stock Code: 539844) and the NSE (Stock Code: EQUITAS).
- 1.6 The authorized, issued, subscribed and paid-up capital of ESFBL as on March 21, 2022 is as follows:

Particulars	Amount (Rs in Lakhs)
Authorized Share Capital	
170,00,00,000 equity shares of INR. 10/- each	1,70,000.00
Total	
Issued, subscribed and paid-up Share Capital	
125,20,27,655 equity shares of INR. 10/- each	1,25,202.77
Total	

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

- 1.7 The equity shares of ESFBL are listed on the BSE (Stock Code: 543243) and the NSE (Stock Code: EQUITASBNK) on 2 November 2020 pursuant to Initial Public Offering.
- 1.8 EHL holds 74.59% of the equity shares of ESFBL as on March 21, 2022. Consequently, ESFBL is a subsidiary of EHL. EHL is the promoter of ESFBL as defined in Regulation 2(1)(oo) of the SEBI ICDR and also in accordance with the RBI guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated November 27, 2014.
- 1.9 EHL and ESFBL are not subject to any investigation or proceedings under the Companies Act, 1956 or the Companies Act, 2013. Further, there exist no adverse comments or qualifications in the auditors' report issued under the Companies Act, 2013 for the financial year ended March 31, 2021 for EHL and ESFBL.
- 1.10 As per the conditions laid down in the small finance bank license issued by RBI and the Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated November 27, 2014 ('SFB Licensing Guidelines'), the promoter's shareholding in small finance bank has to be reduced to 40% within a period of 5 years from the date of commencement of business. Accordingly, EHL, as the promoter of ESFBL, is required to reduce its stake to 40% (forty percent) in ESFBL within a period of 5 (five) years from the date of commencement of business of the bank (i.e., before September 04, 2021).
- 1.11 The SFB Licensing Guidelines read with Clarification issued by RBI on January 1, 2015 to the queries on SFB Licensing Guidelines ('RBI Clarification'), permits a promoter to exit or to cease to be a promoter after lock-in period of five years, depending on the RBI's regulatory and supervisory comfort and SEBI Regulations in this regard at that time. The RBI also issued guidelines for on-tap Licensing of Small Finance Banks in Private Sector



For Equitas Holdings Limited

R. Srinathy

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

S. H. S.

Company Secretary

according to which a promoter can exit from the Small Finance Bank after completing the lock in period of five years with the approval from Reserve Bank of India.

- 1.12 EHL is widely held and has no "promoter" (as such term is defined in Regulation 2(1)(oo) of the SEBI ICDR).
- 1.13 In accordance with the SFB Licensing Guidelines read with RBI Clarification, this Scheme of Amalgamation contemplates amalgamation of EHL with ESFBL and issue of shares of ESFBL to the shareholders of EHL as of the Record Date in the manner set out in the Scheme in order to comply with the above directives of the RBI in a manner that is in the best interests of all stakeholders of EHL and ESFBL.

PART II - DEFINITIONS

2. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following capitalized terms shall have the meanings as provided herein:

- 2.1 "Act" or "the Act" means the Companies Act, 2013 and rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 2.2 "Applicable Laws" means any statute, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.
- 2.3 "Appointed Date" means the Effective Date or such other date as determined by the Board of ESFBL to comply with the approvals/ directions from the Appropriate Authority or such other date as NCLT may direct.
- 2.4 "Appropriate Authority" means and includes any applicable governmental, statutory, departmental or public body or authority, including the Central Government, Registrar of Companies, NCLT, RBI, the Stock Exchanges and SEBI.
- 2.5 "BR Act" means the Banking Regulation Act, 1949, and includes all rules, regulations and circulars issued by the RBI thereunder.
- 2.6 "BSE" means BSE Limited.
- 2.7 "Central Government" means the Regional Director, Southern Region, in the Ministry of Corporate Affairs, Government of India.
- 2.8 "Effective Date" means the last of the dates on which the authenticated copy or certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by EHL or ESFBL. Any reference in the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".



For Equitas Holdings Limited
R. Srinath
 Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.
[Signature]
 Company Secretary

- 2.9 **"EHL Board of Directors" or "EHL Board"** means the Board of Directors or any committee thereof of EHL, as the context requires.
- 2.10 **"Eligible Employees"** means the employees of the Transferor Company who are entitled to EHL ESOP Scheme formulated by the Transferor Company, to whom, as on the Effective Date, options of the Transferor Company have been granted, irrespective of whether the same are vested or not;
- 2.11 **"ESFBL Board of Directors" or "ESFBL Board"** means the Board of Directors or any committee thereof of ESFBL, as the context requires.
- 2.12 **"EHL ESOP Scheme"** has the meaning ascribed to it in Clause 12.1 of Part IV of this Scheme.
- 2.13 **"ESFBL Shares"** represents fully paid-up equity shares of ESFBL to be issued by ESFBL to the shareholders of EHL in accordance with this Scheme.
- 2.14 **"Foreign Investment Regulations"** means the foreign investment regulations framed by the RBI under FEMA.
- 2.15 **"FEMA"** means the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.
- 2.16 **"INR"** shall mean Indian Rupees.
- 2.17 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Chennai Bench, the National Company Law Appellate Tribunal ("NCLAT") or such other authority constituted or authorized under the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 234 of the Companies Act, 2013.
- 2.18 **"NSE"** means the National Stock Exchange of India Limited.
- 2.19 **"RBI"** means the Reserve Bank of India.
- 2.20 **"Record Date"** means the date fixed by the ESFBL Board for the purpose of determining the date as of which, according to the records of the depository and register of members of EHL, the shareholders of EHL who shall be eligible for receiving the ESFBL Shares in accordance with the Scheme.
- 2.21 **"Record Date Shareholders"** shall mean the shareholders whose name appears in the register of members of the Company as on the Record Date or his/her heirs, executors, administrators or the successors-in-title, as the case may be.
- 2.22 **"Registrar of Companies"** means Registrar of Companies, Chennai.
- 2.23 **"Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any alternation(s) and modification(s) undertaken in accordance with the provisions thereof.
- 2.24 **"SEBI"** means the Securities and Exchange Board of India.



For Equitas Holdings Limited
R. Sumanthy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.
[Signature]
Company Secretary

- 2.25 "SEBI Circulars" mean various Circulars issued by SEBI from time to time.
- 2.26 "SEBI ICDR" means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.27 "Stock Exchanges" means BSE and NSE.
- 2.28 "Transferee Company" means Equitas Small Finance Bank Limited, a company originally incorporated on June 21, 1993 under the Companies Act, 1956, bearing Corporate Identity Number L65191TN1993PLC025280 and having its registered office at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.
- 2.29 "Transferor Company" means Equitas Holdings Limited, a company originally incorporated on June 22, 2007 under the Companies Act, 1956, bearing Corporate Identity Number L65100TN2007PLC064069 and having its registered office at 410A, 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.
- 2.30 "Undertaking" shall mean and include the whole of the undertaking of the Transferor Company on the Appointed Date, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations together with all present and future liabilities (including contingent liabilities) relating to the Transferor Company and all the assets, properties, rights, titles and benefits, whether movable or immovable, which shall be subject to clause 4.1 (m), real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, permits, quotas, approvals, registrations, accreditations to trade and industrial bodies, incentives, municipal permissions, regulatory permissions, consents or power of every kind, nature and description whatsoever in connection with the operating or relating to the Transferor Company, copyrights, patents, trade names, trademarks and other rights (including rights under any contracts, government contracts, memoranda of understanding etc.) and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, domain names, industrial designs, trade secrets, technical know-how or intellectual property rights of any nature and any other intangibles, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, turnover tax, CENVAT credit, service tax, Goods and Service tax etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.



For Equitas Holdings Limited

R. Srinath
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LIMITED,

K. S. H. S.
Company Secretary

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time. Any reference to a statutory provision shall be deemed to include such provision as amended, modified or re-enacted from time to time.

PART III – RATIONALE

3.1 RATIONALE

As part of the conditions laid down in the small finance bank licence referenced Licence No. MUM: 119 dated June 30, 2016 issued by the RBI and the Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated November 27, 2014, the RBI had directed that

- 3.1.1 The equity shares of ESFBL should be listed on recognized stock exchange(s) in India within a time period of 3 (three) years from the date the net worth of ESFBL reaches INR 500 crores (i.e., by September 04, 2019, since ESFBL commenced banking operations with a net worth of more than INR 500 crores); and
- 3.1.2 If the promoter of ESFBL, i.e., EHL holds more than 40% (forty percent) of equity shares in ESFBL, then EHL should reduce its stake in ESFBL to 40% (forty percent) within a period of 5 (five) years from the date of commencement of business of the bank (i.e., up to September 04, 2021).
- 3.2 The directive of the RBI as mentioned under Clause 3.1.1 was complied by ESFBL by way of Initial Public Offering and shares were listed on the Stock Exchanges on 2 November 2020.
- 3.3 This Scheme seeks to achieve compliance with the directive of the RBI as mentioned under Clause 3.1.2 by EHL in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, the shareholders of EHL or any other stakeholders.
- 3.4 Further, as per the SFB Licensing Guidelines read with RBI Clarification, a promoter can exit from the Small Finance Bank after completing the lock-in period of five years with the approval from RBI and subject to applicable SEBI Regulations
- 3.5 The Scheme is expected to provide the following benefits to EHL, ESFBL and their respective shareholders:
 - Achieve satisfaction and compliance of the conditions laid down by RBI in relation to the shareholding of ESFBL thereby ensuring continuity of the business of ESFBL which is also in accordance with the SFB Licensing Guidelines read with RBI Clarification.
 - Providing all the public shareholders of EHL with direct shareholding in ESFBL thereby helping them to unlock value to their investments in the business of ESFBL, which is currently held through EHL. Consequently, the shareholders of EHL can take independent decisions with respect to their holdings in ESFBL without being constrained to hold an investment in EHL to be able to derive value of benefit from ESFBL's business.

For Equitas Holdings Limited
R. Simathy
 Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LIMITED.
[Signature]
 Company Secretary



- The Scheme also ensures that there is no dilution of value to public shareholders of EHL in the process of amalgamation in accordance with this Scheme.
- 3.6 There is no likelihood that the interests of any shareholder, depositor or creditor or employee of either EHL or ESFBL would be prejudiced as a result of the Scheme. The Scheme will not impose any additional burden on the members of EHL or ESFBL. The Scheme is not in any manner prejudicial or against public interest and would, on the contrary, serve the interest of all shareholders, depositors, creditors and stakeholders given that the Scheme ensures compliance of the conditions prescribed by RBI required for continued banking operations.

PART IV – SCHEME OF AMALGAMATION

4 TRANSFER OF UNDERTAKING

- 4.1 Upon the Scheme becoming effective, the Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 230 to 232 and all other applicable provisions, if any, of the Act, in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Section 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date after the Appointed Date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.
- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:

For Equitas Holdings Limited

S. Srinathy

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]

Company Secretary



- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositor as the case may be, that pursuant to the Tribunal having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realise the same stands extinguished.
- (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor that pursuant to the Tribunal having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (d) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.
- (e) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the said Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall

For Equitas Holdings Limited

S. Kurathy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

K. J. H. K.
Company Secretary



continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (f) Upon the Scheme becoming effective and with effect from the Appointed Date, all consents, permissions, certificates, permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, authorities (including for operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, quality certifications and approvals, trademarks, patents, industrial designs and trade secrets, product registrations, and other intellectual property and any other intangibles, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- (g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (h) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (i) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- (j) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the



For Equitas Holdings Limited

R. Srinath
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]
Company Secretary

Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, unexpired credit for minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, Goods and Service tax and other incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

- (k) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, Goods and Service tax), special reservations, sales tax remissions, holidays, incentives, grants, subsidies, concessions and other authorizations relating to the Undertaking of the Transferor Company, shall stand transferred under this Scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- (l) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- (m) The Transferor Company shall transfer the investment in Equitas Technologies Private Limited and dispose of any other assets in order to comply with the provision of the Banking Regulation Act, 1949 prior to the Appointed Date.

5 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 5.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.



For Equitas Holdings Limited

R. Srinathy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

K. J. J. J.
Company Secretary

5.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party 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 the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

5.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

6 LEGAL PROCEEDINGS

6.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.

6.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till the Effective Date, and the Transferee Company shall reimburse and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof

7 TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

7.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
- The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- In the event of retrenchment or termination of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and



For Equitas Holdings Limited
R. Srinath
 Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.
[Signature]
 Company Secretary

- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure of employment in the Transferor Company, by virtue of non-applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes

8 SAVING OF CONCLUDED TRANSACTIONS

- 8.1 The transfer of Undertaking under Clause 4 above, the continuance of the effectiveness of contracts and deeds under Clause 5 above and legal proceedings by or against the Transferee Company under Clause 6 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9 CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

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

- 9.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 9.2 All profits or income or taxes, including but not limited to income tax, minimum alternate tax (including unexpired credit for minimum alternate tax), fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 9.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any



For Equitas Holdings Limited

R. Sumathy

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]

Company Secretary

part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

- 9.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 9.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- 9.6 The Transferor Company, after filing the Scheme with the Tribunal, shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 9.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.
- 9.8 Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Value Added Tax Act (prevalent in respective state) Goods and Service tax Act etc. arising out of the transactions entered into amongst the Transferor Company and / or with the Transferee Company post the Appointed date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company/ Transferee Company has availed CENVAT Credit / VAT credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit/ VAT credit, subject to the rules and regulations under the respective indirect tax law

10 CONSIDERATION

- 10.1 Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme:
- each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company.

The above ratio in which the ESFBL Shares will be issued to the equity shareholders of the Transferor Company is herein after referred to as the "Share Exchange Ratio"

- 10.2 In applying the Share Exchange Ratio, fractional entitlements, if any, will be dealt with in the manner explained below as prescribed by SEBI Master circular dated November 23, 2021 or in such other manner as may be prescribed by SEBI from time to time.

The fractional entitlements will be consolidated into whole numbers of shares and such consolidated shares be issued and allotted to a trustee appointed by ESFBL in that behalf,



For Equitas Holdings Limited

R. Srinath
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

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who shall sell such shares in the market within a period of 90 days from the date of allotment of shares, as per the draft Scheme and distribute the net sale proceeds (after deduction of applicable taxes and other expenses) to the eligible Record Date Shareholders in proportion to their fractional entitlements.

ESFBL will submit to the designated stock exchange, a report from its Audit Committee and the Committee of Independent Directors certifying that ESFBL has compensated the eligible Record Date Shareholders as detailed above. The said report will be submitted within seven days of having compensated the eligible Record Date Shareholders.

10.3 The ESFBL Shares shall be issued to the shareholders of the Transferor Company in the following manner:

- (a) in dematerialised form to those shareholders who hold shares in dematerialised form in the Transferor Company into the account in which the shares of Transferor Company are held.
- (b) in physical form to those shareholders who hold shares in physical form in the Transferor Company.

Provided that if for any reason the Transferee Company is unable to issue the shares to the shareholders of the Transferor Company as described above, the ESFBL Shares shall be transferred by the Transferee Company to the Unclaimed Share Suspense Account of ESFBL and the shareholders may claim the same by following the procedure as prescribed by ESFBL from time to time.

10.4 Joint shareholders shall not be treated as separate shareholders but shall be jointly eligible to receive the ESFBL Shares.

10.5 The ESFBL Board shall, if and to the extent required, apply for and obtain any approvals from Appropriate Authority and undertake necessary compliance for the issue of the ESFBL Shares to the Record Date Shareholders pursuant to Clause 10.1 and Clause 10.4 of the Scheme.

10.6 ESFBL shall, if and to the extent required, apply for and obtain any approvals from the Appropriate Authorities including the RBI, for the issuance of ESFBL Shares to non-resident equity shareholders of EHL, if any, in terms of the Foreign Investment Regulations.

10.7 EHL shall comply with the relevant and applicable rules and regulations including the provisions of FEMA to enable ESFBL to issue ESFBL Shares to the non-resident equity shareholders of EHL. Without prejudice to the generality of the foregoing, and notwithstanding anything contained in this Scheme, ESFBL shall not be required to issue any ESFBL Shares:

- (a) to a Record Date Shareholder who is a foreign portfolio investor singly, and to all Record Date Shareholders who are foreign portfolio investors collectively;
- (b) to a Record Date Shareholder who is a non-resident Indian singly, and to all Record Date Shareholders who are non-resident Indians collectively, whether on a repatriation or on a non-repatriation basis; or



For Equitas Holdings Limited
R. Srinathy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.
[Signature]
Company Secretary

- (c) to a Record Date Shareholder who is a person resident outside India, singly and to all Record Date Shareholders who are persons resident outside India collectively;

In each case, in excess of applicable limits prescribed under Foreign Investment Regulations. For the purposes of this Scheme, the terms "foreign portfolio investor", "non-resident Indian" and "person resident outside India", shall have the meaning ascribed to them under Foreign Investment Regulations. For the avoidance of doubt, ESFBL shall not be required to apply to the Government of India to permit any increase in the foreign investment limit applicable to private sector banks over and above the sectoral cap (as of the Record Date) up to which foreign investment under the automatic route is permitted under the Foreign Investment Regulations.

- 10.8 With respect to any ESFBL Shares that is unable to be issued by ESFBL due to Applicable Laws (including, without limitation, on account of non-receipt of approvals of an Appropriate Authority as required under Applicable Laws) or any regulations or otherwise, the issuance of such ESFBL Shares shall be held in abeyance by ESFBL and shall be dealt with in the manner as may be permissible under Applicable Laws and deemed fit by the ESFBL Board, including to enable issuance of such ESFBL Shares to a trustee, followed by a sale of such ESFBL Shares and thereafter to require the trustee to make distributions of the net sales proceeds (after the deduction of taxes and expenses incurred) to such Record Date Shareholders who are unable to receive any ESFBL Shares, in proportion to their entitlements (to the extent such issuance could not have been given effect to). If the above cannot be effected for any reason, ESFBL shall ensure that this does not delay implementation of the Scheme; and shall take all such appropriate actions as may be necessary under Applicable Laws. ESFBL and/or the depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein. To the extent any Record Date Shareholder requires the previous approval of the RBI in terms of Section 12B(1) of the BR Act to receive any ESFBL Shares, ESFBL shall provide reasonable assistance to such Record Date Shareholder to enable such Record Date Shareholder to procure such approval.
- 10.9 In event of there being any additional raise of equity share capital by the Transferee Company or issuance of equity shares on account of any business exigencies after approval of the Scheme by the Board of Directors of the Transferee Company, the said allotment shall be made in accordance with the relevant rules, regulations as may be applicable issued by SEBI. The Transferor Company and Transferee Company shall disclose any such allotment made during the pendency of the Scheme to the NCLT. The Transferee Company shall make appropriate disclosures of the pendency of the Scheme in their respective filings and offer documents made for the invitation of subscription of equity share capital of the Transferee Company and the subscription of such equity shares made by the prospective shareholders shall be deemed and construed as their consent to the Scheme. Any such action or event of capital raise or share issuance undertaken by the Transferee Company would not in any manner impact or affect any stakeholders nor would it affect the provisions laid down under 10.1 to 10.9 of the Scheme. Such raise of equity share capital, filings made, and disclosures made to the relevant statutory authorities and the NCLT shall be deemed as an appropriate compliance without requiring any further amendment to the Scheme.

For Equitas Holdings Limited

B. Srinath

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

S. S. Srinivas

Company Secretary



11 ACCOUNTING TREATMENT

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

- 11.1 The Transferee Company shall follow the method of accounting as prescribed for the pooling of interest method' under Accounting Standard 14 as notified under the Companies Accounting Rules, 2006.
- 11.2 The Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, record the assets and liabilities of the Transferor Company transferred to and vested in it pursuant to this Scheme at their respective book values as appearing in the books of the Transferor Company as at the close of business of a day immediately preceding the Appointed Date.
- 11.3 The share capital held by the Transferor Company in the Transferee Company shall stand cancelled upon the Scheme becoming effective.
- 11.4 In respect of inter-company outstanding balances between the Transferor Company and Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 11.5 The Transferee Company shall issue and allot equity shares to the shareholders of the Transferor Company in accordance with Clause 10 above and credit the face value of such equity shares to its share capital account.
- 11.6 The balances in the revenue reserves and statutory reserves as appearing in the books of the Transferor Company as at the close of business of a day immediately preceding the Appointed Date shall be recorded in the books of the Transferee Company as required by accounting standards applicable to the Transferee Company.
- 11.7 The excess or short fall, if any after recording the assets and liabilities of the Transferor Company and after making the adjustments as per Clause 11.3 to 11.6 shall be credited to Capital Reserve Account or debited to the General Reserve Account of the Transferee Company, as the case may be.
- 11.8 In case of any difference in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve /Capital Reserve Account, as the case may be, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.9 Notwithstanding the above the Board of Directors of the Transferee Company are authorised to account for any of these balances in any manner whatsoever, as may be deemed fit in accordance with the prescribed accounting standards' under the Act and applicable RBI regulations and applicable generally accepted accounting principles as applicable to the Transferee Company.
- 11.10 As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective; hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

For Equitas Holdings Limited

R. Sumanthy

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]

Company Secretary



12 EMPLOYEE STOCK OPTION PLAN

- 12.1 With respect to the stock options granted by the Transferor Company under the employees stock options scheme of the Transferor Company including the benefit of exercise price, titled Employees Stock Option Scheme 2015 (the "EHL ESOP Scheme"), upon coming into effect of this Scheme, the Transferee Company shall issue stock options to Eligible Employees taking into account the Share Exchange Ratio and on the same terms and conditions as (and which are not less favourable than those) provided in the EHL ESOP Scheme. Such stock options may be issued by the Transferee Company either under its existing stock option scheme or a revised employee stock option scheme ("ESFBL ESOP Scheme").
- 12.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Transferor Company to the Eligible Employees under the EHL ESOP Scheme shall automatically stand cancelled. Further, upon this Scheme becoming effective and after cancellation of the options granted to the Eligible Employees under the EHL ESOP Scheme, the fresh options shall be granted by the Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio (i.e. for every 100 options held by an Eligible Employee in the Transferor Company, such Eligible Employee will be conferred 231 options in the Transferee Company which shall entitle him to acquire 231 equity shares in the Transferee Company), such that the Eligible Employee shall, as option holders of the Transferee Company, enjoy the same economic benefit as they would have received under the EHL ESOP Scheme. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by the Transferee Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the EHL ESOP Scheme as adjusted after taking into account the effect of the Share Exchange Ratio.
- 12.3 On the Effective Date, the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended to-date, shall apply, to the extent applicable, to the stock options granted by the Transferee Company under the ESFBL ESOP Scheme in pursuance of this Scheme.
- 12.4 The approval granted to the Scheme by the shareholders, the RBI, and/or any other regulatory authority shall be deemed to be approval granted to any modifications made to the EHL ESOP Scheme by the Transferor Company and approval granted to the ESFBL ESOP Scheme to be adopted by the Transferee Company.
- 12.5 It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the EHL ESOP Scheme or the ESFBL ESOP Scheme, as the case may be.

The Transferor Company and the Transferee Company shall take all such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

For Equitas Holdings Limited

R. Srinath

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]

Company Secretary



13 CONSEQUENTIAL MATTERS RELATING TO TAX

- 13.1 Save Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, credits, pertaining to any income tax, advance tax, service tax, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses and unabsorbed depreciation including in respect of income-tax subject to the provisions of Section 72A of the Income Tax Act, 1961, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses and unabsorbed depreciation of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Goods and Service Tax returns, Sales tax returns, Excise & CENVAT returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Also, the loss brought forward and unabsorbed depreciation as per books of accounts of Transferor Company as on the Appointed Date would be deemed to be loss brought forward and unabsorbed depreciation as per books of accounts of the Transferee Company. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company.
- 13.2 Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between the Transferor Company and the Transferee Company and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 13.3 In accordance with the CENVAT Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties / service tax / VAT paid on inputs/capital goods/ input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.
- 13.4 In accordance with the State Value Added Tax/ sales tax laws, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.
- 13.5 In accordance with the Central Goods and Service Tax Act, 2017 ('CGST Act, 2017') and applicable State Goods and Service Tax Act, 2017 ('SGST Act, 2017') read with rules made thereunder as are prevalent on the Effective Date, the unutilized credits relating to GST paid on inputs/capital goods/ input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the GST payable by it.



For Equitas Holdings Limited
R. Arimathy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]
Company Secretary

- 13.6 Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Value Added Tax Act (prevalent in respective state) Goods and Service tax Act etc. arising out of the transactions entered into between the Transferor Company and the Transferee Company post the Appointed date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company / Transferee Company has availed CENVAT Credit / VAT credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit / VAT credit, subject to the rules and regulations under the respective indirect tax law.
- 13.7 Upon the Scheme coming into effect, the Transferee Company shall make and file all necessary applications, documents and adhere to all statutory compliances as may be applicable and necessary laid down under the relevant Central or State laws, regulations, rules in order to facilitate the implementation of the Scheme of Amalgamation

PART V – GENERAL TERMS AND CONDITIONS

14 APPLICATION TO THE NCLT

- 14.1 EHL and ESFBL shall, with reasonable dispatch, apply to the NCLT for necessary orders or directions for holding or dispensing with the meetings of the members of EHL and ESFBL and such class(es) of creditors of EHL and ESFBL, if any, as directed by the NCLT, and for sanctioning this Scheme under Section 230 to 232 and other applicable provisions of the Act for carrying this Scheme into effect.
- 14.2 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income- tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income- tax Act, 1961, at a later date including resulting from an amendment of law or for any other reasons whatsoever, the provisions of the said Section of the Income- tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income- tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

15 DISSOLUTION OF TRANSFEROR COMPANY

- 15.1 Subject to an order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.
- 15.2 In the event the Scheme of Amalgamation is sanctioned by the NCLT prior to the Appointed Date, the Transferor Company would continue to operate its business in the same manner as it has been prior to the sanction of the Scheme of Amalgamation until dissolution is ordered by the NCLT. The Transferor Company in such circumstances would make a separate application under the applicable provisions of the Companies Act 2013 to the NCLT for the dissolution of the Transferor Company.

In the event the Scheme of Amalgamation is sanctioned by the NCLT after the Appointed Date, the Transferor Company would stand dissolved without any further act or deed upon sanction.

For Equitas Holdings Limited

R. Sumanthy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

[Signature]
Company Secretary



- 15.3 It is expressly clarified that notwithstanding the sanction of the Scheme, the Transferor Company shall continue its business activities and operations until the Effective Date.

16 MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 16.1 The EHL Board and ESFBL Board or other persons, duly authorized by the EHL Board and ESFBL Board in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, including any alteration or modification any Appropriate Authority may deem fit to direct, approve or impose, without having to obtain any further approvals from their respective shareholders or creditors.
- 16.2 The EHL Board and ESFBL Board or any such persons or committees of persons as authorized by the EHL Board and ESFBL Board, be and are hereby authorized to take all such steps as may be necessary, desirable or proper for the purposes of implementing the Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any Appropriate Authority or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 16.3 If any Part or provision of this Scheme hereof is invalid, illegal or unenforceable, including as a result of any ruling of any Appropriate Authority, under present or future laws, then it is the intention that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any person, in which case EHL and ESFBL shall attempt to bring about a modification in the Scheme, as will best preserve for all stakeholders the benefits and obligations of the Scheme, including but not limited to such Part or provision.
- 16.4 In the event of any of the conditions that may be imposed by the NCLT or any other Appropriate Authority which the Transferor Company or the Transferee Company may find unacceptable for any reason, in whole or in part, then the Transferor Company or Transferee Company is at liberty to withdraw the Scheme.

17 DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

18 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional upon and subject to:

- 18.1 The sanction or approval under Applicable Law or any other Appropriate Authority, agency or department concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 18.2 The Scheme being approved by the Stock Exchanges and SEBI.
- 18.3 The Scheme being approved by the RBI as per Applicable Laws. The sanction by the NCLT to the Scheme is subject to the RBI certifying, in exercise of its powers conferred under Section 44B(1) of the BR Act, if applicable, that the Scheme is not incapable of being worked and as not being detrimental to the interests of the depositors of ESFBL.



For Equitas Holdings Limited
R. Sumathy
Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.
[Signature]
Company Secretary

- 18.4 The Scheme being agreed to by the respective requisite majorities of the shareholders and creditors of EHL and the public shareholders and creditors of ESFBL as the NCLT may direct and the sanction of the NCLT being accorded to the Scheme. As required under the SEBI Master circular dated November 23, 2021 on Scheme of Arrangement by Listed Entities, EHL and ESFBL shall provide electronic voting facility to its public shareholders and the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

19 **EFFECT OF NON-RECEIPT OF CONFIRMATION / SANCTIONS**

In the event of the Scheme not being sanctioned by the NCLT, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se between the Transferor Company, Transferee Company and its shareholders in terms of the Scheme.

20 **BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and Transferee Company and all concerned parties without any further act, deed, matter, or thing.

21 **EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges, levies, fees, duties and expenses in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by ESFBL.

For Equitas Holdings Limited

R. Sumathy

Chief Financial Officer

For EQUITAS SMALL FINANCE BANK LTD.

J. J. J.

Company Secretary

