

**COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**HDB FINANCIAL SERVICES LIMITED**





प्रारूप 1  
पंजीकरण प्रमाण-पत्र

कार्पोरेट पहचान संख्या : U65993GJ2007PLC051028

2007 - 2008

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
HDB FINANCIAL SERVICES LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह  
कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक चार जून दो हजार सात को मेरे हस्ताक्षर से अहमदाबाद में जारी किया जाता  
है।

Form 1  
Certificate of Incorporation

Corporate Identity Number : U65993GJ2007PLC051028 2007 - 2008  
I hereby certify that HDB FINANCIAL SERVICES 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 Ahmedabad this Fourth day of June Two Thousand  
Seven.



(SHASHI RAJ) (RA)

ASH. कम्पनी रजिस्ट्रार / Registrar of Companies  
गुजरात, दादरा एवं नगर हवेली  
Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध : पार क:

Mailing Address as per record available in Registration Companies office  
HDB FINANCIAL SERVICES LIMITED  
HDFC BANK HOUSE, FINAL PLOT NO.287, ELLISBRIDGE, TOWNSHIP SCHEME NO.3,  
NAVRANGPURA  
AHMEDABAD - 380009





**व्यापार प्रारंभ करने का प्रमाण-पत्र**  
कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कार्पोरेट पहचान संख्या : U65993GJ2007PLC051028

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
HDB FINANCIAL SERVICES LIMITED

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक चार जून दो हजार सात को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक इकतीस जुलाई दो हजार सात को मेरे हस्ताक्षर से अहमदाबाद में जारी किया जाता है।

**Certificate for Commencement of Business**

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U65993GJ2007PLC051028

I hereby certify that the HDB FINANCIAL SERVICES LIMITED which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Fourth day of June Two Thousand Seven, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Ahmedabad this Thirty First day of July Two Thousand Seven.

(KAMAL HARJANI)

स.स. कम्पनी रजिस्ट्रार / Registrar of Companies  
गुजरात, दादरा एवं नगर हवेली  
Gujarat, Dadra and Nagar Havelli

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:

HDB FINANCIAL SERVICES LIMITED  
HDFC BANK HOUSE, FINAL PLOT NO.267, ELLISBRIDGE, TOWNSHIP SCHEME NO.3, NAVRANGPURA,  
AHMEDABAD - 380009,  
Gujarat, INDIA



**COMPANIES ACT, 2013\***  
**PUBLIC COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**HDB FINANCIAL SERVICES LIMITED**

- I. The name of the Company is HDB Financial Services Limited.
- II. The Registered Office of the Company will be situated in the State of Gujarat, within the jurisdiction of Registrar of Companies, Ahmedabad, Gujarat.
- III. The Objects for which the Company is established are:
  - A. OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    1. To carry on the business as a finance company and to provide finance and to provide on lease, leave and license or hire purchase basis or on deferred payment basis or on any other basis all types of plant, equipment, machinery, vehicles, vessels, ships and real estate and any other moveable and immovable properties whether in India or abroad for industrial, commercial or other uses.
    2. To carry on the business as investment company and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company and debentures, debenturestock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body, or authority supreme, municipal, local or otherwise, landed property, whether in India or elsewhere and to carry on the business of issue house, underwriting, factoring, bills discounting, cross border leasing, merchant banking, issuance of credit cards, consultancy and to undertake and carry on and execute all such operations.
    3. To set up companies for the purpose of carrying on the business related to asset management, mutual fund and to act as sponsor or co-sponsor by undertaking financial and commercial obligations required to constitute and/or settle any trust or any undertaking to establish any mutual fund or trust in and/or outside India with the prior approval of the concerned authorities with a view to issue units, stocks, securities, certificates or other documents, based on or representing any or all assets appropriated for the purposes of any such trust and to settle and regulate any such trust and to issue, hold or dispose of any such units, stocks, securities, certificates or other documents.
    4. \*\*To carry on the business of labour contractor, recruitment agency, appointment, hiring, seconding and/or supplying manpower, human resources of all types of grades and skills to facilitate, handling, carrying out, processing, managing, controlling, facilitating documentation, documentary services, maintenance, upkeep and all kinds of services, undertaking and or completion of any works, projects, assignments, contracts, joint ventures.
    5. \*\*To carry on business of business process outsourcing agency by providing financial, insurance, technical, information technology, documentary, advisory and other support services and to undertake such activities in the nature of accounting, finance, documentation, banking and other services, including as a call center as may be outsourced by any company, institution, corporation or any other body corporate, whether incorporated or otherwise.

\* Amended vide Special Resolution passed by the Shareholders through Postal ballot, the result of which were announced on Monday, December 04, 2017.



6. \*\*To carry on business of insurance and reinsurance brokers, agents, consultants and advisors or representatives for insurance and reinsurance brokers, agents, consultants and advisors dealing with all classes of insurance (including life, non-life, general insurance and such other insurance), in all forms, within India and outside India, to provide risk management services in the field of insurance and reinsurance business, to undertake run-off insurance, activities to any of the general insurance companies in any insurance and reinsurance matter, to assist insurance companies and insurance brokers in the matter of arranging inspections, surveys and recovery from any of the parties in respect of the claims and to appoint sub-agents for carrying the activities under this clause.
7. \*\*To carry on business of providing services relating to sourcing, marketing, publicizing, promotions, sales and/or generating leads for sale of financial products and/or services for and/or on behalf of financial institutions, banks and/or finance companies whether incorporated in India or outside India and providing services relating to accounting, data, administration, price support services, door-to-door agents for the collection, receipt or payment of money, market research, market survey, telemarketing services etc. and to act as agent for or render services to customers, finance companies, financial institutions, banks etc. and to act as fund mobilisers and to carry on other activities including those activities covered under clause (n) of sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949) to promote the spread of business of banking/ financial services in India or outside India and to appoint sub-agents for carrying the activities under this clause.
8. The Company shall carry on the business of:
  - (a) 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, scrip and other instruments and securities whether transferable or negotiable or not;
  - (b) to organize, manage, and operate receivables and remedial management of key assets products (including credit cards) that also includes telecalling customers who have slipped the payment due date, reminder/awareness calls to customers, service calls, managing portfolio through legal means, and payment assistance through field collections and all support and back end documentation assignments;
  - (c) buying, selling and dealing in bullion and specie;
  - (d) buying and selling of and dealing in foreign exchange including foreign bank notes;
  - (e) acquiring, holding, issuing on commission, under writing and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
  - (f) receiving of all kinds of bonds, scrip or valuables on deposit or for safe custody or otherwise; and
  - (g) collecting and transmitting of money and all kinds of securities.

\*\*Inserted vide amalgamation of HBL Global Private Limited and Atlas Documentary Facilitators Company Private Limited with HDB Financial Services Limited, approved by the Gujarat High Court and Bombay High Court vide their orders dated September 07, 2016 and September 29, 2016 respectively.



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

Subject to applicable laws:

1. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, abandon, dispose of, turn to account or otherwise deal with all or any part of the property, assets, undertakings and rights of the Company for such consideration as the Company may think fit and in particular for shares, stocks, debentures and other securities of any other company whether or not having objects all together or in part similar to those of the Company.
2. To search for and to purchase or otherwise acquire from any government, state or authority any licenses, concessions, grants, decrees, rights, powers and privileges which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
3. To purchase or otherwise acquire, protect, prolong and renew any patents, rights, brevets, invention, licenses, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account the same and to grant licenses or privileges in respect of the same.
4. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press, public places and theaters, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins or periodicals, by organizing or participating in exhibitions and by granting prizes, rewards and donations.
5. To carry on business which may seem to the Company capable of being conveniently carried on in furtherance of or in connection with all or any of the objects as set out above whether in India and/ or overseas business or any of them or calculated, directly or indirectly to enhance the value of or render profitable any of the properties or rights or business or operations of the Company.
6. To aid, pecuniary or otherwise, any association, body or movement having for an object, the solution, settlement or surmounting of industrial or labour problems or troubles for the promotion of industry or trade.
7. To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of underwriting, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
8. To purchase, acquire and undertake all or any part of the businesses, properties and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company, or which can be carried in conjunction therewith or which is capable of being conducted so as, directly or indirectly to benefit the Company and to subsidise or assist any such person or company, financially or otherwise and in particular by subscribing for or guaranteeing the subscription of shares, stocks, debentures, debenture-stocks or other securities of such company.
9. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or any

authority supreme, municipal, local or otherwise or of any person whomsoever, hether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.

10. To take over, operate, recover and/or manage, any non-productive assets/non-performing assets (NPA) of any organization and have infrastructure and machinery for recovering such NPA's to act in the best interest of the Company.
11. To carry on the business of servicers of loans and other facilities, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including securitization, the receivables arising out of loans (whether secured or unsecured), standard or non-performing assets and/ or the lease rentals and hire charges from the leasing and hire of equipment, machinery, vehicles and other assets (whether standard or non-performing) including any underlying securities (where applicable) therewith and to undertake/ participate in / share in the risks associated with such activity, if any.
12. To set up a securitization or an asset reconstruction company and undertake and carry on the business of servicer of non-performing assets, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including by issuing or acquiring security receipt, the receivables arising out of such assets (whether secured or unsecured), including any underlying securities (where applicable) therewith, disposing off the underlying security (where applicable) and to undertake/ participate in/share in the risks associated with such activity, if any.
13. Subject to the provisions of the relevant regulations and guidelines issued by Insurance Regulatory and Development Authority and other applicable statutes, to establish and carry on any kind of insurance broking business, in all forms, within Indian and outside India, including but not limited to providing online services and/or online marketing or to develop and maintain relations with insurance companies in order to secure differentiated products, competitive prices, enhanced remuneration and technology integration or to market the company's products, website development, customer oriented functionality, data analytics and monitoring, process flow and linguistic analytics, IT development, management information systems, online marketing, human resources, compliance management, accounting, financial services, IT maintenance, administration and logistics.
14. To carry on the business of providing consulting, risk management, finance and support services relating to marketing, production, finance, accounts, data collection, data sorting, data analysis, human resource services, bills collection, direct or indirect marketing of the products of clients, after sales service and administration support services. To carry on the business as advisors, consultants, investment consultants, investment analysts, agents, wealth management, financial planning, venture capital, for financial mergers and acquisitions, fund raising, marketing, issue and placement of securities, advisors and portfolio investment managers, advisors for debt trading or derivative trading.
15. To carry on business as proprietors of buildings, apartments and flats and to let or lease or give on hire-purchase basis or otherwise buildings, apartments and flats and to provide for the tenants and occupiers thereof all or any of the conveniences commonly provided in residential buildings, apartments and flats.
16. To carry on the business of share and stock brokers and to apply for and become members of any stock exchange.
17. To render organization development services, staff recruitment, development and training services and assistance in equipment handling and establishing of systems and procedures including preparation / procurement of manuals of all

kinds, literature, business forms and instructions, sets, consultancy and operational services, relating to management, economic, commercial, financing and technical in all fields of endeavor whether business, governmental, social, educational or any other spheres and to render marketing, market research and development services.

18. To establish bureaus for providing computer services to process data and develop systems of all kinds by processing jobs and hiring out machine time and assist to set up, operate and supervise the operation of the data processing divisions of other companies or organizations in India or elsewhere.
19. To carry on all or any of the business of money lending, acting as finance brokers, insurance brokers, agents, underwriters, consultants, assessors, valuers, surveyors, mortgage brokers and undertaking the provision of hire purchase and credit sale finance and of acting as factors and brokers in any line of activity. Provided that nothing contained herein shall enable the Company to carry on the business of banking as defined in the Banking Regulation Act, 1949.
20. To act as investment consultant and advisors to individuals, firms or companies and for that purpose to keep records and statistics of other companies either manually or by computer.
21. To create a full service trading portal which would act as a trading platform for all types of financial products and services, consumer durables and non-durables, real estate and all other value added services related to these.
22. To borrow or raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture-stocks convertible into shares of the company or any other company or perpetual annuities and as securities for any such money so borrowed, raised or received, or of any such debenture-stock so issued to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company, of any obligation undertaken by the Company or any other person or company as the case may be. The Company shall not carry on banking business as defined under the Banking Regulation Act, 1949, subject to provisions of section 58A and directives of the Reserve Bank of India.
23. To vest immovable property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
24. To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the Company is authorised to purchase or otherwise acquire, either by payment in cash or by issue of shares or other securities of the Company or in such other manner as the Company may agree or partly in one and partly in another or others.
25. To draw, accept, make, endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments or securities.
26. To finance or assist in financing the sale/purchase of houses, buildings, flats, either furnished or otherwise by way of hire purchase or deferred payment or similar

transactions and to institute, either into, carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of any such houses, buildings, flats furnished or otherwise as aforesaid upon any term whatsoever.

27. To apply for, promote and obtain any act of Parliament or legislature, charter, privilege, concession, license or authorisation of any government, state or municipality, provisional order or license of the board of trade or other authority for enabling the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly, to prejudice the interest of the Company.
28. To enter into any arrangement with any government or authorities, municipal, local or otherwise, or any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government, authority, person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think desirable to obtain and to carry out, exercise and comply therewith.
29. To insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
30. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes whatsoever conducive to the interest of the Company.
31. To place, reserve or distribute as bonus shares amongst the members or otherwise to apply any moneys received by way of premium on shares or debentures issued at a premium by the Company or any moneys received in respect of or arising from the sale of forfeited shares.
32. To distribute any of the properties of the Company amongst members in specie or in kind.
33. To act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts.
34. 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 fire proof and burglar proof strong rooms, safes and other receptacles for purposes of safe custody or deposit of securities and valuables and to carry on the business of letting on hire the safe deposit lockers to such persons and on such terms and conditions as the Company may deem fit.
35. To acquire, build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, shops, machineries, engines, and other works and conveniences which may seem necessary to achieve the objects of the Company and to join with any other person or company in doing any of these things. To refer to or agree to refer any claims, demands, dispute or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members of the Company and/or his representatives or between the Company and third parties, to arbitration and to observe and perform and do all acts, matters and things to carry out or enforce the awards.

36. To apply for and become a member of any company, association, body corporate or society having any objects similar to or identical with those of the Company or likely to directly promote the interest of the Company.
37. To act as agents of sellers, lessees, or any other person, incidental to the leasing or other objects of business and to enter into any contracts incidental/ancillary thereto.
38. To enter and take possession of the premises whether mortgaged or not and to manage or carry on the business of any individual, firm, company or any other person in the event of any default by such person/persons of any of the terms and conditions of any agreements in respect of loans advanced by, or any arrangement made with the Company and to enforce the rights or securities held against such loans advanced or arrangement made.
39. To purchase, hire or otherwise acquire and maintain suitable buildings, ownership flats, apartment's furniture and other fittings for the purpose of achieving any of the objects for which the Company is established and to construct, alter or keep in repair any buildings, flats or premises required or used by or for the Company.
40. To sell, improve, manage, develop, exchange, loan, lease or let, under-lease, sub-let, mortgage, dispose of, turn to account or otherwise deal with any property of the Company.
41. To undertake, financial and commercial obligations, transactions and operations of all kinds.
42. To accept payment of any property or rights sold or otherwise disposed of or dealt with by the Company either in cash, by installments or otherwise or in fully/partly paid-up shares of any company or corporation, including shares with or without preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise or in debentures or mortgage debentures or debenture stock mortgages or other securities of any company or corporation, or partly in one mode and partly in another and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stock or securities.
43. To form, promote, subsidize, organize and assist or aid in forming, promoting, subsidizing, organizing or aiding companies, syndicates or partnership of all kinds for the purpose of accepting and undertaking any property and liabilities of the Company or for advancing directly or indirectly the objects thereof, or for any other purpose which the Company may think expedient.
44. To invest surplus funds of the Company from time to time in government securities or in other securities including bills of exchange, acceptance, as may from time to time be determined by the directors and from time to time to sell or vary all such investment and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
45. To establish competitions in respect of contributions or information suitable for insertion in any publications of the Company or otherwise for any of the purposes of the Company and to offer and grant prizes, rewards and premium of such character and on such terms as may seem expedient.
46. To take part in the formation, management, supervision or control of the business having similar business or operation as of the Company and for that purpose to act as administrators, advisors, consultants or in any other capacity.

47. To act as trustees of any trusts, constituting or securing any debenture stock or other securities and to undertake and execute any such trusts deeds and also to undertake the office of or exercise the powers of executors, administrators, receivers, custodians, etc.
48. To guarantee the payment of any principal moneys, interest or any other moneys secured by or payable under any debentures, bonds, stocks, mortgage, charge, contract, etc.
49. To negotiate loans, equity participation, cash credits and other financial facilities from banks, financial institutions and others in connection with the objects of the Company.
50. To negotiate, enter into agreements and contracts with companies, firms and individuals for technical assistance, know-how, secret formula, design and technical and financial assistance in the manufacturing, marketing, importing and exporting of any product.
51. To engage in and carry on, provide and act as consultants covering all branches and disciplines of management such as organisational studies, systems analysis, marketing, personnel, finance, corporate legal affairs, taxation, administration, secretarial, accounting, information systems and other allied areas, to conduct market research, operations research, studies in organisational behaviour, to advice, assist and suggest ways and means of industrial promotion and for this purpose to undertake the preparation of project reports, detailed financial studies, schemes for mergers, amalgamation and reconstruction and for planning and promoting new businesses.
52. To provide for the welfare of employees or ex-employees of the Company and the wives, families or dependents of such persons by building or contribution to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, gratuities, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions and trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and assistance as the Company shall think fit.
53. To amalgamate with any company or companies having similar business.
54. To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, co-operation, joint ventures, reciprocal concessions or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which may seem capable of being carried on or conducted so as directly or indirectly, to benefit the Company.
55. To undertake and execute any trust, the undertaking of which may seem to the Company desirable either gratuitously or otherwise.
56. To subscribe or continue or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, objects or purposes or for any exhibition.
57. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation of funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the Company



or is allied to or associated with 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 establish and subsidies and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any other Company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.

58. To do all or any of the above things either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees and otherwise.
59. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or social, economic or moral uplift of public or any section of the public and in such manner and by such means and without prejudice to the generality of foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers etc., or for organising lectures or seminars likely to advance these objects or for giving merit awards for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institutional fund, trust, etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and in order to implement any of the above mentioned objects or purposes and to transfer without consideration or at such fair or concessional value and subject to the provisions of the Companies Act, 2013 divest the ownership of any property of the Company to or in favour of any public or local body or authority or central or state government or any public institutions or trusts or funds.
60. To do the above things in any part of the world and as principals, agents, contractors, trustees or otherwise or by or through trustees, agents or otherwise either alone or in conjunction with others.
61. To do the above things as are incidental or as the Company may think conducive to the attainment of the objects or any of them.
62. To carry on business as developers, consultants, importers, exporters, distributors, dealers of any type of software, computer or electronic, hardware, internet based products and services, to carry on the business of e-commerce, electronic trading, internet trading, web-page design, creation and hosting, any business relating to the internet or e-mail, networking and communication environments, to manufacture, design, medical transcription, data entry, business process outsourcing services, CAD-CAM-CAE, purchase, sell, buy, import, export and deal in all kinds of computer based electronics and electromechanical systems for dispensing, vending machines, automatic teller machines, with or without foreign collaborations and/or imported technology, to provide a wide range of computer and telecommunication related services including network installation and management, to set-up and run value added communication services, to develop multi-media applications and data base services and to act as distributors / dealers for computers, peripherals, communication equipment, computer accessories, training material, components, spare parts and other electronic items and consulting required for software implementation and applications.



63. To carry on the business of processing both manual as well as with use of data processing equipment and computers, of financial instruments like shares, debentures, bonds issued by private and public sectors companies, financial institutions, commercial banks, government and semi-government bodies, local authorities and such other bodies and to act and carry on the business of registrar and transfer agents, and to perform all such services associated with such business.
64. To carry on the trade or business of providing complete data center, data entry/ conversion, data processing services on block time or shares time, self service or operator assisted basis, technical and management consultancy services in all areas of computers, computer oriented systems, computer programming, facilities management, telecommunications, software publishing and information technology for business, industrial and general purpose requirement on turnkey basis or otherwise in domestic markets and for exports.
65. To install hardware and software and to provide service thereon such as programming systems, design analysis, documentation data preparation, program planning, computerisation services, project planning, scheduling, production and commercial systems, and such other services to the above hardware and software whether such services be on closed or open shop basis, block time or shares time basis, self service or operator assisted basis or on turnkey contract basis or otherwise.
66. To carry on business as advisers consultants, collaborators on matter and problems relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labor, quality control and data processing technical know-how operation, manufacture, production, storage, distribution, sale and purchase of goods, property and other activities in relation to any business, trade commerce industry, mine agriculture, housing or real estate and upon the means, methods and procedure for the establishment, construction, development expansion of business, trade, commerce industry agriculture, building, real estates, plant or machineries and all systems, methods techniques, processes, principles, in relation to the foregoing, in India and outside India and to act as financial consultants, management consultants, brokers, dealers, agents and carry on the business of share broking, money broking, exchange broking, bill broking and general brokers for shares, debentures stocks, bonds, units, obligations, securities, commodities, bullion currencies and to manage the funds of any person or Company by investment in various avenues like income fund, risk fund, tax exemption funds, pension / superannuation funds, and to pass on the benefits of portfolio investment to the investors as dividends, bonus and interest.
67. To provide or assist in obtaining directly or indirectly, financial and business advisory or consulting services to customers for buying, selling or otherwise dealing in, shares, stocks, debt instruments, units of mutual funds or otherwise, certificate of deposits, commercial paper, participation certificates, warrants instruments and any other securities or money market instruments, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and / or acting as agents or brokers of other entities and / or forming other entities for carrying on financing and other financial activities. *(inserted vide Special Resolution passed at the Extra Ordinary General Meeting held on July 25th, 2008).*

- IV. The Liability of the members of the Company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. \*The Authorised share capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand One Crore Fifty-Five Lakh Only) divided into 100,15,50,000/- (One Hundred Crore Fifteen Lakh Fifty Thousand) equity shares of Rs.10/- (Rupees Ten only) each. The board of directors of the Company may divide the said share capital into such class or classes as they may deem fit and proper from time to time. (*\*Amended on December 01, 2016 as per the terms of the 'Scheme of Amalgamation' between HBL Global Private Limited and Atlas Documentary Facilitators Company Private Limited with HDB Financial Services Limited, approved by the Gujarat High Court and Bombay High Court vide their orders dated September 07, 2016 and September 29, 2016 respectively.*)

The minimum paid up capital of the Company will be Rs.5,00,000/- (Rupees Five Lakhs only) divided into 50,000 (Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each. We, the several persons whose names and addresses are subscribed, and desirous of being formed into a Company, in pursuance of the Memorandum of Association and respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Sr. No.	Signatures, Names, Father's Name, Addresses, Description And Occupations Of The Subscribers.	Number of equity shares taken	Signature, Witness and his Names, Address, Description and Occupation
1.	SD/- MR. VINOD GURUDATTA YENNEMADI, S/O GURUDATTA, 302/303 HASMUKH MANSION, JUNCTION OF 14TH ROAD & C. D. ROAD, KHAR (WEST), MUMBAI 400052 OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	WITNESS TO ALL 1 TO 7 SD/- VIDYADHAR VAMAN CHAKRADEO S/O VAMAN, B-301, MATOSHREE RESIDENCY CHS, 65 PRATHANA SAMAJ ROAD, VILE PARLE (E), MUMBAI 400057 COMPANY SECRETARY
2.	SD/- MR. JIMMY TATA, S/O MR. MINOCHER K. TATA "SEA SIDE" B. DESAI ROAD, MUMBAI 400036 OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	
3.	SD/- MR. PRALAY MONDAL, S/O LATE SUDHIR KUMAR MONDAL 3W, LAXMI NIWAS, 16TH ROAD KHAR (W), MUMBAI - 400052, OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	
4.	SD/- MR. HARISH H ENGINEER, S/O HANSUBHAI M ENGINEER, B-11 SEA FACE PARK, 50, B DESAI ROAD, MUMBAI 400026 OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	
5.	SD/- MR. PARESH SUKTHANKAR S/O DATTATRAYA SUKTHANKAR, FLAT 10, 6TH FLOOR, GOOL RUKH KHAN ABDUL GAFFAR KHAN ROAD, WORLI SEA FACE, MUMBAI 400030 OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	
6.	SD/- MR. SASHI JAGDISHAN S/O C JAGDISHAN, 6/7 JAIPUR GEMS, 15TH ROAD, SANTACRUZ (WEST), MUMBAI 400054 OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares Only)	
7.	SD/- MR. SANJAY DONGRE S/O BINDUMADHAV DONGRE, C-3 SADASUKH SOCIETY, 29 MAHANT CROSS ROAD NO.2, VILE PARLE (EAST), MUMBAI 400057, OCCUPATION - SERVICE	10,000 shares (Ten Thousand Shares only)	

Dated : 22/05/2007

Place : Mumbai

**PUBLIC COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)**

**ARTICLES OF ASSOCIATION**

**OF**

**HDB FINANCIAL SERVICES LIMITED**

*The regulations contained in table “F” of the first Schedule to the Companies Act, 2013, as amended from time to time, shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company.*

**CHAPTER I<sup>1</sup>**

**1. Interpretations:**

1.1	In the interpretation of these Articles, unless repugnant to the subject or context:
Act	Means the Companies Act, 2013 and all amendments or statutory modifications thereto or re-enactments thereof, except where otherwise expressly provided.
Annual General Meeting	Means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Articles	Means these Articles of Association as modified, altered or amended from time to time.
Auditors	Means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board.
Applicable Law	Means the Act together with the rules prescribed under the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority/ regulatory authority having jurisdiction over the matter in question, as may be amended, enacted or revoked from time to time or mandatory standards as may be applicable from time to time.
Beneficial Owner	Means and includes a beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996, as amended, or under Applicable Law.
Board Meeting	Means a meeting of the Directors or a Committee thereof duly called and constituted.
Board or Board of Directors or the Board	Means the board of Directors for the time being of the Company.

<sup>1</sup> New Articles of Association (Chapter I) adopted vide Special Resolution passed by the Shareholders through Postal ballot, the result of which were announced on Monday, December 04, 2017.

Capital	Means the share capital for the time being, raised or authorised to be raised, for the purpose of the Company.
Chairperson	Means the person who acts as a chairperson of the Board of the Company.
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit.
Company or This Company	HDB Financial Services Limited.
Chief Executive Officer	Means an officer of a Company, who has been designated as such by the Company.
Chief Financial Officer	Means a person appointed as the chief financial officer of the Company.
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 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act.
Debenture	Includes debenture-stock, bonds and any other debt Securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Means the Depositories Act, 1996 and includes any statutory modification or enactment thereof.
Depository	Means a 'depository' as defined in clause (e) Sub-Section (1) of Section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
Director	Means the director of the Company for the time being appointed as such.
Dividend	Includes interim dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Electronic Mode	Means the carrying out of, <i>inter alia</i> , the following electronically based (whether main server is installed in India or not): <ul style="list-style-type: none"> <li>i. business to business and business to consumer transactions, data interchange and other digital supply transactions;</li> <li>ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;</li> <li>iii. financial settlements, web based marketing, advisory and transactional services, database services and products, supply chain management;</li> <li>iv. online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services;</li> <li>v. whether conducted by e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise;</li> <li>vi. video conferencing, audio- visual methods, net conferencing and/or any other electronic communication.</li> </ul>

Free Reserves	Means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend: Provided that- (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form.
Independent Director	Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.
Managing Director	Means a Director who, by virtue of the Articles 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.
Meeting or General Meeting	Means a meeting of the Members.
Members	Means, in relation to a company, (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members 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; (c) every person holding shares in the Company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.
Memorandum or Memorandum of Association	Means the memorandum of association of the Company, as may be altered from time to time.
Month	Means a calendar month.
Ordinary Resolution	Means a resolution referred to in Section 114 of the Act.
Paid up	Means the Capital which is paid up presently.
Postal Ballot	Means voting by post through postal papers distributed amongst eligible voters and shall include voting by Electronic Mode or any other mode as permitted under Applicable Law.
Register of Beneficial Owners	Means the Register of Members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode.
Register of Members	Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar	Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated.

Seal	Means the common seal of the Company.
SEBI	Securities and Exchange Board of India.
Section	Means the relevant section of the Act; and shall, in case of any modification or reenactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.
Securities	Includes the Shares, scrips, stocks, bonds, debentures issued by the Company and includes the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).
Share	Means the shares (equity and/or preference, as the context may require) into which the Capital of the Company is divided and includes stock except where a distinction between stock and shares is expressed or implied.
Share Capital	Means the total issued and paid-up share capital of the Company.
Special Resolution	Means a resolution referred to in Section 114 of the Act.
These Presents	Means the Memorandum of Association and the Articles of Association of the Company.

- 1.2 Capitalised term(s) used in these Articles and not specifically defined herein shall bear the same meaning as assigned to the same in the Act or any rules issued thereunder, as amended from time to time.
- 1.3 Heading and bold typeface are used only for convenience and shall be ignored for the purposes of interpretation.
- 1.4 At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Act, or any other Applicable Laws, the provisions of such Applicable Laws shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Applicable Laws, from time to time. Upon listing of the Equity Shares on a recognized stock exchange, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the SEBI Listing Regulations.

## **SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL**

### ***Amount of Capital***

2. The Authorised Capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company, as specified in clause V of the Memorandum of Association, with power to reclassify, consolidate, increase and reduce the Capital and to divide the Shares in the Capital for the time being into several classes as prescribed under the Act and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

### ***Increase of Capital by the Company and how carried in to effect***

3. Subject to the provisions of the Act, these Articles and Applicable Law, the Board may, from time to time, increase the Capital by the creation of new Shares. Such increase shall be of such aggregate amount and be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, Applicable Law



and these Articles, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board may authorise, and in particular, such Shares may be issued with a preferential or qualified right to Dividends, or with a right to participate in profits of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

***New capital part of the existing Capital***

4. Any Capital raised by the creation of new Shares shall be considered as part of the existing Capital and shall, except in so far as otherwise provided in the conditions of issue of Shares, be subject to provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

***Issue of redeemable preference Shares***

5. Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference Shares may be issued from time to time, on the terms that they are redeemable within 20 (Twenty) years and such other terms as may be decided at the time of the issue. Further, subject to the provisions of the Act and Applicable Law:
  - 5.1. Such preference Shares shall always rank in priority with respect to payment of Dividend or repayment of the amount of Capital Paid Up or deemed to have been Paid Up vis-à-vis equity Shares;
  - 5.2. The Board may decide on the participation of preference shareholders in the surplus Dividend, the payment of Dividend on cumulative or non-cumulative basis, conversion terms into equity if any;
  - 5.3. The Board may decide on any premium on the issue or redemption of preference Shares.

***Provision applicable on the issue of redeemable preference Shares***

6. On the issue of redeemable preference Shares under the provisions of Article 5 hereof, the following provisions shall take effect:
  - 6.1. 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 the redemption.
  - 6.2. No such Shares shall be redeemed unless they are fully paid.
  - 6.3. Such Shares shall be redeemed Shares only on the terms on which they were issued or as varied after due approval of preference shareholders in accordance with the provisions of the Act.
  - 6.4. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.
  - 6.5. Register of Members maintained under Section 88 of the Act shall contain the particulars in respect of such preference Share holder(s).
  - 6.6. Where any such Shares are redeemed out of the profits of the Company which would otherwise have been available for Dividend, there shall, out of such profits, 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 Capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were Paid Up Capital of the Company.

### ***Provisions applicable to any other Securities***

7. The Board shall be entitled to authorise the issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares or exchangeable into Shares, or carrying a warrant, carrying such terms including with respect to coupon, returns or repayment as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance. Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount, save as permitted under Section 54 of the Act.

### ***Reduction of Capital***

8. The Company may (subject to the provisions of Sections 52,55 and 66, of the Act and any other applicable provisions of the Act for the time being in force) from time to time by way of Special Resolution reduce its Capital, any Capital Redemption Reserve Account or Securities premium account in any manner for the time being authorised by law.

### ***Sub-division consolidation and cancellation of Shares***

9. Subject to the provisions of Section 61 of the Act and Applicable Law, the Company in General Meeting may from time to time (a) divide and consolidate all or any of its Shares into Shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, voting or otherwise over or as compared with the others, subject to the provisions of the Act.

Subject to aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

### ***Modification of rights***

10. Whenever the Capital is divided into different types or classes of Shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of the Act, be varied with the consent In writing by holders of at least 3/4 (Three-Fourth) of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting, but so that the quorum thereof shall be any 2 (Two) Members present in person. This Article is not to derogate from any power the Company would have if this Article were omitted.

### ***Further issue of Capital***

11. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then subject to the provisions of the Act:
  - 11.1. Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity Shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those Shares at the date.
  - 11.2. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 (Fifteen) days or such lesser time as may be prescribed under Applicable Law from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

- 11.3. 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 Article 11.2 hereof shall contain a statement of this right.
- 11.4. After the expiry of the time specified in the aforesaid notice 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 of them in such manner as they think most beneficial to the interest of the shareholders and the Company.
12. Notwithstanding anything contained in Article 11 hereof the further Shares aforesaid may be offered in any manner whatsoever, to:
- 12.1. employees under a scheme of employees' stock option scheme, subject to Applicable Law;
- 12.2. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to in Article 11 or Article 12 hereof, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.
13. Nothing in Article 11.3 hereof shall be deemed;
- 13.1. To extend the time within which the offer should be accepted; or
- 13.2. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
14. Nothing in Articles 11 to 13 shall apply to the increase of the subscribed Capital of the Company:
- 14.1. caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into Shares in the Company;
- 14.2. Provided that the terms of issue of such Debentures or the terms of such loans 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 General Meeting and are in accordance with Applicable Law.

***Shares at the disposal of the Board***

15. Subject to the provisions above and of Section 62 of the Act the Securities of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Securities either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot Shares in the Capital of the Company or other Securities 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 so be allotted, may be issued as fully Paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Securities shall not be given to any person or persons without the sanction of the Company in the General Meeting.

At all times, the Company shall have the power, subject to the Applicable Law, to conduct an initial public offering (“**IPO**”) of the Securities of the Company, on a recognized stock exchange, in the manner as it may deem fit.

In the event the Company is undertaking an IPO, such IPO may be by means of: (i) a fresh issue of Securities by the Company; (ii) a sale of the existing Securities held by a shareholder; or (iii) a combination of (i) and (ii) above in such manner as may be approved by the Board.

#### ***Power to issue Securities outside India***

16. Pursuant to the provisions of Section 62 of the Act and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as “**Appropriate Authorities**”) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Shares and/or any instruments or Securities (including Global Depository Receipts) representing Shares, any such instruments or Securities being either with or without detachable warrants attached thereto entitling the warrant holder to Shares/instruments or Securities (including Global Depository Receipts) representing Shares, to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. [The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

#### ***Acceptance of Shares***

17. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of Shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a Member.

#### ***Private placement***

18. The Board may, from time to time, offer any Securities on private placement basis, to such persons as the Board may determine, provided that such private placement shall comply with Applicable Law.

#### ***Deposit and call to be a debt payable immediately***

19. The money (if any) which the Board shall, call or otherwise require to be paid in respect of any debt securities allotted by them, shall immediately on the insertion of the name of the allottee in the relevant registers maintained by the Company as the name of the holder of such debt securities, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

#### ***Securities not to be held in trust***

20. Except as required by Applicable Law, no person shall be recognised by the Company as holding any Securities 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 security, or any interest in any fractional part of a security, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any security except an absolute right to the entirety thereof in the registered holder.

#### ***The first named joint holder deemed to be sole holder***

21. If any security stands in the names of 2 (Two) or more persons, the person first named in the register shall, as regards receipt of Dividends or bonus or interest or service of notice and all or any earlier matter connected with the Company, except voting at Meetings, be deemed the sole holder thereof, but the joint holders of a security shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Securities for all incidents thereof according to the Company's regulations.

### ***Register of Members and index***

22. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of Shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
23. A Member, or other security holder or Beneficial Owner may make inspection of Register of Members, the other relevant registers and annual return. Any person other than the Member or security holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 (Fifty) or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 (Two) hours on any day, as may be fixed by the Company Secretary from time to time.
24. Such person, as referred to in Article 23 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 (Ten) for each page, or such higher amount as permitted under Applicable Law, from time to time, as the Board may determine.

### ***Foreign Registers***

25. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture- holders, other security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

## **SHARE CERTIFICATES**

### ***Share and Share certificate to be numbered progressively and no Share to be subdivided***

26. The Shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive or distinctive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.
27. The Share certificates shall be numbered progressively according to their several denominations specify the Shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

### ***Limitation of time for issue of certificates***

28. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to 1 (One) or more certificates for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for 1 (One) or more of such Shares and the Company shall complete and have ready for delivery of such certificates, unless prohibited by any provision of law or any order of any court, tribunal or other authority having jurisdiction, within 2 (Two) Months from the date of allotment, unless the conditions of issue thereof otherwise provide or within 1 (One) Months 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. Every certificate of Shares shall specify the name of the person in whose favor it is issued, the Shares to which it relates and the amount Paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment, save in cases of issued against letters of allotment, save

in cases of issues against letters of acceptance or remuneration, or in cases of issue of bonus Shares. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (Two) Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Company Secretary or some other person appointed by the Board for the purpose and the 2 (Two) Director or their attorneys and the Company Secretary or other person shall sign the Share certificate, provided that if the composition of the Board permits it, at least 1 (One) of the aforesaid 2 (Two) Directors shall be person other than a Managing or whole time director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

***Issue of new certificate in place of one defaced, lost or destroyed***

29. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate 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 and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- (Rupees Fifty Only) for each certificate) as the Directors shall prescribe.

When a new Share certificate has been issued in pursuance of this Article 29 it shall state on the face of it and against the stub or counterfoil to the effect on the face of it and in lieu of Share certificate number, sub divided/replaced on consolidation of Shares.

30. Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- (Rupees Fifty Only) for each certificate) as the Directors shall prescribe.

When a new Share certificate has been in pursuance of this Article 30, it shall state on the face of it and against the stub or counterfoil to the effect that it is “*Duplicate issued in lieu of Share certificate number [●]*” The word “*Duplicate*” shall be stamped or punched in bold letters across the face of the Share certificate.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange (as may be applicable) or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Applicable Law; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate Shares.

31. Where a new Share certificate has been issued in pursuance of Articles 29 and 30, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of persons to whom the certificate is issued, the number and date of issue of the Share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Registrar of Members by suitable cross reference in the “*Remarks*” column.



32. All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall, be consecutively machine-numbered and the forms, blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Company Secretary or such other person as the Board may appoint for the purpose, and the Company Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
33. The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Article 32.
34. The provision of Article 28 to Article 33 shall mutatis mutandis apply to issue of certificates of other Securities of the Company.

#### **FUND OF THE COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OR DEBENTURES OF THE COMPANY**

35. None of the funds of the Company shall be applied in the purchase of any Shares in the Company or Debentures of the Company and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company or of Debentures of the Company, save as provided by the Act.

#### **BUY BACK OF SECURITIES BY THE COMPANY**

36. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68, 69 and 70 of the Act and Applicable Law as prescribed by SEBI or any other authority for the time being in force, the Company may purchase its own Shares or other specified Securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

#### **COMMISSION AND BROKERAGE**

##### ***Commission may be paid***

37. Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the Shares or Debentures or any Securities the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares or Debentures of the Company but so that the commission shall not exceed in the case of Shares, 5 % (Five percent) of the price at which the Shares are issued, and in the case of Debentures, 2.5 % (Two Decimal Point Five per cent) of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act, the Securities and Exchange Board of India Act, 1992 and Applicable Law. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares, Securities or Debentures or partly in one way and partly in the other or in any combination thereof.

##### ***Brokerage***

38. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as sanctioned by the Managing Director.



## **CALLS ON SHARES OR DEBENTURES**

### ***Directors may make calls***

39. The Board of Directors may, from time to time and subject to the terms on which Shares or Debentures have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the Members or holders of Debentures in respect of all moneys unpaid on the Shares or Debentures held by them respectively, and each Member or holder of Debenture shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments.
40. The option or right to make calls on Shares or Debentures shall not be given to any person except with the sanction of the issuer in General Meetings.

### ***Notice of calls***

41. Each Member or holder of Debenture shall, subject to receiving at least 15 (Fifteen) 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 or Debenture. The joint-holders of a Share or Debenture shall be jointly and severally liable to pay all calls in respect thereof.
42. A call may be revoked or postponed at the discretion of the Board.

### ***Calls to date from resolution***

43. A call shall be deemed to have been made at the time when the resolution authorising such call was passed as provided herein and may be required to be paid by installments.

### ***Directors may extend time***

44. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members or holders of Debentures who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no Member or holder of Debentures shall be entitled to such extension save as a Member or holder of Debentures of grace and favour.

### ***Calls to carry interest***

45. If any Member or holder of Debentures fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such Member or holder of Debentures.
46. The Board shall be at liberty to waive payment of any such interest wholly or in part.

### ***Sums deemed to be calls***

47. Any sum, which may by the terms of issue of a Share or Debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or Debenture 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 the same becomes payable and in case of non-payment, 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.

### ***Proof on trial of suit for money due***

48. At the trial or hearing of any action or suit brought by the Company against any Member or holder of Debentures or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares or Debentures, it shall be sufficient to prove that the name of the Member, in respect of whose Shares or Debentures, the money is sought to be recovered appears entered in the Register of Members or Register of Debenture holder as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares or Debentures in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member or holder of Debentures or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

### ***Partial payment not to preclude forfeiture***

49. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member or holder of Debentures to the Company in respect of his Shares or Debentures, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares or Debentures as hereinafter provided.

### ***Payment in anticipation of call may carry interest***

50. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act agree to and receive from any Member or holder of Debentures willing to advance the same whole or any part of the moneys due upon the Shares or Debentures held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares or Debentures in respect of which such advance has been made, the Company may pay interest at such rate, as the Member or holder of Debenture paying such sum in advance and the Board agrees upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member or holder of Debenture 3 (Three) Months' notice in writing.

## **LIEN**

### ***Company to have lien on Shares***

51. The Company shall have a first and paramount lien upon all the Shares (other than fully paid-up Shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares.
52. The Directors may at any time declare any Shares wholly or in part to be exempt from the provision of Article 51. Provided that, fully paid Shares shall be free from all lien.

### ***As to enforcing lien by sale***

53. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise a Member to execute a transfer thereof on behalf of and in the name of such Member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. 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.
54. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of 14 (Fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable and the intention to sell shall have been served on such Member or his representatives, including any person entitled thereto by reason of his death or insolvency and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for 14 (Fourteen) days after such notice.

### ***Application of proceeds of sale***

55. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the Shares at the date of the sale.

## **FORFEITURE**

### ***If call or installment not paid notice may be given***

56. If any Member or holder of Debenture fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such Member or holder of Debenture requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### ***Form of notice***

57. The notice shall:
- 57.1. name a further day (not being earlier than the expiry of 14 (Fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made.
- 57.2. shall detail the amount which is due and payable on the Shares or Debentures and shall state that in the event of non-payment at or before the time appointed the Shares or Debentures will be liable to be forfeited.

### ***If notice not complied with Shares or Debentures may be forfeited***

58. If the requisitions of any such notice as aforesaid be not complied with, any Shares or Debentures in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Shares or Debentures and not actually paid before the forfeiture.

### ***Notice of forfeiture to a Member or Debenture holder***

59. When any Shares or Debentures shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members or Register of Debenture holder, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

### ***Forfeited Share or Debenture to become property of the Company***

60. Any Share or Debenture so forfeited shall be deemed to be the property of the Company, and the Board may sell, or allot or otherwise dispose of the same in such manner as it thinks fit.

Upon any sale after forfeiture or for enforcing a lien purported exercise of the powers hereinbefore given the Board may appoint some person to execute an instrument of transfer of the Shares or Debentures sold and cause the purchaser's name to be entered in the Register of Member in respect of the Shares or Register of Debenture holder in case of Debentures sold the purchaser shall not be found to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register of Members in respect of such Shares or Register of Debenture holder in case of Debentures the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the same shall be in damages only and against the Company exclusively.

### ***Power to cancel forfeiture***

61. The Board may, at any time before any Share or Debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

### ***Liability on forfeiture***

62. A person whose Share or Debenture has been forfeited shall cease to be a Member or holder of Debenture in respect of the forfeited Share or Debenture, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share or Debenture at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the Shares or Debentures at the time of forfeiture, but shall not be under any obligation to do so. 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 or Debentures.

### ***Effect of forfeiture***

63. The forfeiture of a Share or Debenture involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share or Debenture and all other rights, incidental to the Share or Debenture except only such of those rights as by these Articles are expressly saved.

### ***Evidence of forfeiture***

64. A duly verified declaration in writing that the declarant is a Director, the manager or the Company Secretary, and that certain Shares or Debentures have 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 Shares or Debentures.

### ***Cancellation of certificate in respect of forfeited Shares or Debentures***

65. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares or Debentures shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member or holder of Debenture) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares or Debentures to the person or persons, entitled thereto as per the provisions herein:
- 65.1. The Company may receive the consideration, if any, given for the Share or Debenture on any sale or disposal thereof and may execute a transfer of the Share or Debenture in favour of the person to whom the Share or Debenture is sold or disposed of;
- 65.2. The transferee shall thereupon be registered as the holder of the Share or Debenture, as the case may be; and
- 65.3. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share or Debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share or Debenture.

### **THESE ARTICLES TO APPLY IN CASE OF ANY NON-PAYMENT**

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

### **EMPLOYEES STOCK OPTIONS**

67. Subject to the provisions of Section 62 of the Act and Applicable Law, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent company, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that, it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer Securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.

### **POWER TO ISSUE SWEAT EQUITY SHARES**

68. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue the Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

### **PREFERENTIAL ALLOTMENT**

69. Subject to the provisions of Section 62 the Act read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution, the Company may issue Securities, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

## CAPITALISATION OF PROFITS

70. The Company in General Meeting may, upon the recommendation of the Board, resolve:
- 70.1. 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
  - 70.2. that such sum be accordingly set free for distribution in the manner specified in Article 71 hereof amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
71. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards:
- 71.1. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - 71.2. 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;
  - 71.3. partly in the way specified in Article 71.1 hereof and partly in the way specified in Article 72.2 hereof;
  - 71.4. A securities premium account and a capital redemption reserve account may, for the purposes of this Article 71, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
  - 71.5. The Board shall give effect to the resolution passed by the Company in pursuance of this;
  - 71.6. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
    - 71.6.1. 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
    - 71.6.2. generally, do all acts and things required to give effect thereto.
72. The Board shall have power:
- 72.1. 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
  - 72.2. 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;
  - 72.3. Any agreement made under such authority shall be effective and binding on such Members.

## **TRANSFER AND TRANSMISSION**

### ***Register of transfers***

73. The Company shall keep a book to be called the “Register of Transfers”, and therein shall be fairly and directly entered particulars of every transfer or transmission of any security. The Register of Transfers shall not be available for inspection or making of extracts by the Members or any other persons. Entries in the said register should be authenticated by the Company Secretary or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

### ***Instruments of transfer***

74. The instrument of transfer of Securities shall be in common form and in writing and all provisions of Section 56 of the Act shall be duly complied with in respect of all transfer of Shares and registration thereof.

Subject to the provisions of the Act and except where the transfer is in accordance with Article 73, the Board may at its own absolute and uncontrolled discretion decline to register any transfer of Securities (notwithstanding that the proposed transferee be already a security holder), but in such case it shall within 2 (Two) Months from the date the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal.

### ***To be executed by transferor and transferee***

75. Every such instrument of transfer shall be executed by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain the holder of such security until the name of the transferee shall have been entered in the relevant register maintained by the Company in respect thereof. The Board shall not issue or register a transfer of any security in favour of a minor (except in cases when they are fully Paid Up).
76. An application for the registration of the transfer of any security may be made either by the transferee or the transferor. No registration shall, in the case of a partly paid security where an application is made by the transferor alone, be effected unless the Company gives notice of the application to the transferee, in accordance with the provisions of these Articles, Section 56 of the Act and Applicable Law, and the transferee gives his no objection to such transfer within 2 (Two) weeks from the date of receipt of such notice.

### ***Transfer books when closed***

77. The Board shall have power to give at least 7 (Seven) days’ (or such lesser time as may be prescribed under Applicable Law) previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated or in such other manner as may be prescribed, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other security holders at such time or times and for such period or periods, not exceeding 30 (Thirty) days at a time and not exceeding in the aggregate 45 (Forty-Five) days in each year, as it may deem expedient.
78. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register:
- 78.1. the transfer of a security, not being a fully paid security, to a person of whom they do not approve; or
- 78.2. any transfer of Shares on which the Company has a lien.



79. The Board may decline to recognise any instrument of transfer unless:
- 79.1. the instrument of transfer is in the form as prescribed under Applicable Law;
  - 79.2. the instrument of transfer is accompanied by the certificate of the security to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - 79.3. the instrument of transfer is in respect of only 1 (One) class of Shares.

***Directors to recognize Beneficial Owners of Securities***

80. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
81. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
82. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any security or (except otherwise expressly provided by the Articles or the Act or any other Applicable Law) any right in respect of a security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall at their sole discretion register any security in the joint names of any 2 (Two) or more persons or the survivor or survivors of them.
83. Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

***Nomination***

84. Every holder of Securities may at any time nominate, in the manner prescribed under the Act, a person to whom his Securities shall vest in the event of death of such holder.
85. Where the Securities are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities, held by them shall vest in the event of death of all joint holders.
86. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Securities, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities, the nominee shall, on the death of the security holder or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Securities to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
87. Where the nominee is a minor, it shall be lawful for the holder of the Securities to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Securities of the Company, in the event of his death, during his minority.

### ***Death of one or more joint holders of Securities***

88. In the case of the death of any 1 (One) or more of the persons named in the relevant register maintained by the Company as the joint-holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such security, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Securities held by him jointly with any other person.

### ***Title to Securities of deceased holders***

89. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased holder of Securities (not being 1 (One) of 2 (Two) or more joint-holders) shall be the only persons recognised by the Company as having any title to the Securities registered in the name of such holder and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representative, unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate as the case may be, from a duly constituted court in the Union of India, provided that in any case, where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Securities standing in the name of a deceased security holder, as a security holder.

### ***Transmission in the name of nominee***

90. Any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any security holder, or the marriage of a female security holder, or by any lawful means other than by a transfer in accordance with These Presents, may, with the consent of the Board of Directors and subject as hereinafter provided, elect either to be registered himself as holder of the Securities, as the case may be, or to make such transfer of the Securities, as the case may be, as the deceased security holder, as the case may be, could have made.

Provided that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

Provided further, that if such nominee shall elect to have his proposed transferee registered he shall testify the election by executing in favour of his proposed transferee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

91. The Board shall, in the event that the nominee is desirous of either registering himself as the holder of the Securities or transferring such Securities, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent holder of Securities had transferred the Securities before his death or insolvency.
92. If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased holder of the Share or Debenture and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.
93. If the person becoming entitled to a security by reason of death or insolvency of a holder of security shall elect to be registered as a holder of the Security himself, he shall deliver or send to the Company a notice In writing signed by him stating that he so elects. If the person

aforesaid shall elect to transfer the security, he shall testify his election by executing a transfer of the security.

94. All the limitations, restrictions and provisions of the Act and these Articles relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the holder of Securities had not occurred and the notice or transfer were a transfer signed by that holder of security.
95. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant Securities in the name of the nominee of the transferee as if the death of the registered holder of the Securities had not occurred and the notice or transfer were a transfer signed by that holder of security, as the case may be.
96. A nominee on becoming entitled to Securities by reason of the death of the holder or joint holders shall be entitled to the same interest, Dividend and other advantages to which he would be entitled if he were the registered holder of the Securities, except that he shall not before being registered as holder of such Securities, be entitled in respect of them to exercise any right conferred on a holder of Securities in relation to Meetings of the Company.
97. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Securities, and if the notice is not complied with, within 90 (Ninety) days, the Board may thereafter withhold payment of all Dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant Securities, until the requirements of the notice have been complied with.

***No transfer to minor, insolvent etc.***

98. No transfer shall be made to a minor or person of unsound mind. However, in respect of fully Paid Up Shares, Shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

***Transfer to be presented with evidence of title***

99. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Securities and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

***Conditions of registration of transfer***

100. For the purpose of the registration of a transfer, the certificate or certificates of the Securities to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer.

***No fee on transfer or transmission***

101. 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.

***Company not liable for disregard of a notice in prohibiting registration of transfer***

102. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of Securities made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the relevant register of Securities

maintained by the Company) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Securities, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

## **DEMATERIALISATION OF SECURITIES**

### ***Dematerialization of Securities***

103. The Board shall be entitled to dematerialize Securities or to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended from time to time. All Securities held by a Depository shall be dematerialized and be in fungible form.

### ***Options for investors***

104. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such Securities or to hold the Securities with a Depository. If a holder of or subscriber to Securities opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
105. If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within 30 (Thirty) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
106. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by on behalf of the Beneficial Owners.

### ***Rights of Depositories and Beneficial Owners***

107. Notwithstanding anything to the contrary contained these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
108. Save as otherwise provided hereinabove, 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.
109. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of Securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

110. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
111. The provisions of these Articles shall mutatis mutandis apply to securities other than shares and any reference to member herein shall apply to the holder of the concerned security.
112. The members shall bear all charges of the depository participant.
113. If a member having dematerialised his holdings of shares opts for rematerialisation of his holding of shares or a part thereof, share certificates will be issued to him on a written request received for that purpose through the depository participant.

#### ***Service of Documents***

114. Notwithstanding anything contained these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of Electronic Mode.

#### ***Transfer of Securities***

115. The dematerialized shares can be transferred/transmitted as per the rules of the Depository.
116. Nothing contained in 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.

#### ***Allotment of Securities dealt with in a Depository***

117. Notwithstanding anything contained these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

#### ***Distinctive number of Securities held in a Depository***

118. Nothing contained or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

#### ***Register and index of Beneficial Owners***

119. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended from time to time shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles.

### **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

120. Copies of Memorandum and Articles of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

### **BORROWING POWERS**

#### ***Power to borrow***

121. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act and Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without

the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the Paid Up Capital of the Company and its Free Reserves.

***Conditions on which money may be borrowed***

122. Subject to Applicable Law, the repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit by a resolution passed at a meeting of the Board and in particular by the issue of Debentures or Debenture-stock of the Company or bonds or other commercial paper or by mortgage or charge upon all or any part of the property of the Company (both present and future), and Debentures to Debenture-stock and other Securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

***Terms of issue of Debentures***

123. 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 and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall, subject to the provisions of the Act be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

***Instrument of transfer***

124. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures. Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

***Delivery of certificates***

125. Delivery by the Company of certificates upon allotment or registration of transfer of any Debentures shall be governed and regulated by Section 56 of the Act.

***Register of charge, etc.***

126. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property or assets or undertakings of the Company and shall cause the requirements of Sections 77 to 87 of the Act to be duly complied with.
127. Any member or creditor can inspect the Register during 10.00 a.m. to 12.00 noon during business days and any other person can also inspect the Register by payment of Rs. 50 or such higher amount as the Board may decide, subject to the provisions of Applicable Law.

***Register and index of Debenture holders***

128. The Company shall, if at any time it issues Debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any country outside India a Foreign Register containing the particulars of Debenture holders or any other Securities or beneficial owners, resident outside India, in the manner prescribed under the Act.



## Repurchase, Consolidation and Re-issue of Debentures

129. (a) Notwithstanding anything contained in These Presents and subject to the provisions of the Act, the rules made thereunder and the Regulations made by SEBI in this regard from time to time, and all as amended from time to time, the Company may repurchase or redeem its Debentures through its demat account as per the norms prescribed by the relevant Depositories. This right does not construe a call option. In the event of the Debenture(s) being repurchased or redeemed before maturity, in any circumstance whatsoever, the Company shall be deemed to always have the right (subject to the provisions of the Act, the rules made thereunder and the Regulations made by SEBI in this regard, from time to time, and as all amended from time to time) to keep such Debentures in effect without extinguishment thereof, for the purpose of re-sale or re-issue and in exercising such right, the Company shall have and be deemed always to have had the power to re-sell or re-issue such Debentures either by re-selling or re-issuing the same Debentures or by issuing other Debentures in their place. The aforementioned right includes the right to re-issue original Debentures.
- (b) Notwithstanding anything contained in These Presents and subject to the provisions of the Companies Act, 2013, the rules made thereunder and the Regulations made by SEBI in this regard, from time to time, and as amended from time to time, the Company may consolidate and/or re-issue its Debentures in accordance as per the Regulations made by SEBI, the provisions of Companies Act, 2013 and the rules made thereunder and the and the relevant norms issued by Depositories in this regard, as prevalent at the time of such consolidation and/or such re-issuance.

## GENERAL MEETINGS

130. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year.
131. Every Annual General Meeting shall be called during business hours, that is, between 9.00 a.m. and 6.00 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.
132. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.
133. In the case of an Annual General Meeting, all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to the following or such business as may be allowed under the Act:
- 133.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
  - 133.2. the declaration of any Dividend;
  - 133.3. the appointment of Directors in place of those retiring;
  - 133.4. the appointment of and the fixing of the remuneration of the Auditors.
134. In case of an Extraordinary General Meeting, all business shall be deemed special.
135. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
136. Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, these shall be annexed to the notice of the meeting a statement setting out all material

facts concerning each such item of business including in / particular the nature of the concern or interest if any, therein of every Director, and where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 2% (Two percent) of the Paid up Share capital of that other Company.

137. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
138. Where permitted or required by Applicable Law, the Board may, instead of transacting such business at a General Meeting of any Members/ class of Members/ Debenture holders/security holders, seek their assent by Postal Ballot, including by means of e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
139. The intent of these Articles is that in respect of seeking the consent of the Members or Members of a class or any security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the Member, Member of a class or other security holder at a General Meeting convened in that behalf.
140. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding, on the date of receipt of such requisition, in the aggregate not less than 1/10 (One-Tenth) of such of the Paid up Capital as at the said date carries the right of voting in regard to the matter in respect of which the requisition has been made.

#### ***E-voting in case of General Meetings***

141. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
142. Where a Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the Meeting.
143. At least 21 (Twenty One) clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either In writing or through Electronic Mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company. The notice shall be given to such persons as are entitled to receive notice from the Company under the provisions of the Act.
144. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of intention to move the resolution shall be given to the Company not less than 14 (Fourteen) days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to have been served and the day of the meeting.
145. Annual General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% (Ninety-Five percent) of the Members entitled to vote at such Meeting.

146. In every notice there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

#### ***Quorum at General Meeting***

147. 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.
148. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
149. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, if convened by or upon the requisition of Members shall stand dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be quorum and may transact the business for which the Meeting was called.

#### ***Chairperson at General Meetings***

150. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
151. If there is no such Chairperson, or if he is not present within 15 (Fifteen) minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairperson of the Meeting, the Directors present shall elect one among themselves to be Chairperson of the Meeting.
152. If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 (Fifteen) minutes after the time appointed for holding the Meeting, the Members present shall choose one of themselves to be Chairperson of the Meeting on a show of hands.
153. No business shall be discussed at any General Meeting except regarding the election of a Chairperson, while no Chairperson has been appointed.

#### ***Adjournment of Meeting***

154. 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.
155. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
156. When a Meeting is adjourned for 30 (Thirty) days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.
157. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

#### ***Voting rights***

158. No Member shall be entitled to exercise any voting rights at any General Meeting or Meeting of a class of shareholders in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has exercised any right of lien.

159. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
- 159.1. on a show of hands, every Member present in person shall have 1 (One) vote; and
- 159.2. 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.
160. A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
161. (i) 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.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
162. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the Person or Persons specified below, that is to say by any Member present in person or by Proxy and holding Shares in the Company:
- 162.1. in the case a company having a Share capital, by the Members present in person or by proxy, where allowed, and having not less than 1/10 (one-tenth) of the total voting power or holding shares on which an aggregate sum of not less than Rs.5,00,000/- (Rupees Five Lakh) or such higher amount as may be prescribed has been paid-up; and
- 162.2. in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than 1/10 (one-tenth) of the total voting power.
163. 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.
164. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
165. Subject to the provisions of these Articles and of the Act, every Member shall be entitled to be present and to speak and vote at every meeting.
166. (i) No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.

### ***Proxy***

167. Subject to the provisions of these Articles, votes may be given by Members either personally or by proxy. A body corporate being a Member may vote by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which such proxy represents as the body could exercise if it were an individual Member.
168. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited

at the registered office of the Company not less than 48 (Forty-Eight) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Such instrument appointing a proxy shall be treated as valid only till that Meeting of the Company for which instrument of proxy is being deposited or any adjourned meeting thereof.

169. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
170. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
171. The proxy so appointed shall not have any right to speak at the Meeting.
172. 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.

#### ***Passing of resolution by Postal ballot***

173. Where permitted or required by Applicable Law, Board may, instead of calling a Meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal Ballot, which shall include e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.
174. Where permitted/required by Applicable Law, the Board may provide Members/ Members of a class/ Debenture holders the right to vote through e-voting, complying with Applicable Law.
175. The intent of these Articles is that in respect of seeking the consent of the Members or Members of a class or any security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the Member, Member of a class or other security holders by way of personal presence in a Meeting.
176. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal Ballot, as may be prescribed by Section 110 of the Act and Applicable Law.
177. In case of resolutions to be passed by Postal Ballot or e-voting, no Meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
178. Where a resolution will be passed by Postal Ballot the Company shall, in addition to the requirements of giving requisite notice, send to all the Members the following:
  - 178.1. Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.

178.2. Postal Ballot for giving assent or dissent, In writing by Members; and

178.3. Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal Ballot to the Company with a request to the Members to send their communications within 30 (Thirty) days from the date of dispatch of the notice.

### ***Maintenance of records and Inspection of minutes of General Meeting by Members***

179. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
180. The Company shall cause minutes of all proceedings of every General Meeting to be kept in the manner prescribed by Applicable Law by making within 30 (Thirty) days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
181. Any such minutes shall be evidence of the proceedings recorded therein.
182. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company, or any such place as may be approved by the Board, and shall be open during business hours, for such periods not being less than 2 (Two) hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
183. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting within 7 (Seven) working days from the receipt of a specific request and at a fee of Rs. 10/- (Rupees Ten only) for each page or part of any page, or such higher amount as the Board may determine, as permissible by Applicable Law.
184. The provisions of Articles 130 to 183 above shall, subject to Applicable Law and in absence of any contract to the contrary, mutatis mutandis apply to the meetings of the other holders of Securities.

### **BOARD OF DIRECTORS**

185. The number of Directors of the Company which shall be not less than 6 (six) and not more than such number as is prescribed under the Applicable Law. Further, any person or persons having the power to nominate a Director of the Company, may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification Shares. The composition of the Board shall be in accordance with the provisions of Section 149 of the Companies Act, 2013 and other Applicable Laws.

The following were the first Directors of the Company:

- Vinod Gurudatta Yennemadi
- Subramanian Ganapathy Son of Ganapathy Iyer Krishna
- Colathur Narayanan Ram Son of Narayanan Colathur



### ***Board's power to appoint Additional Directors***

186. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, 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 these Articles.
187. Such person shall hold office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company as a Director at that Meeting subject to the provisions of the Act.

### ***Nominee Directors***

188. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.
189. In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, persons, partnership firms, trust, mutual funds, alternative investment funds, any other funds, or from any other source, the lender/security trustee/debenture holder/ debenture trustee concerned may, upon the occurrence of such events as provided in terms of Applicable Law or under a contract, exercise the right and power to appoint granted to it in terms of Applicable Law or under contract, from time to time, any person or persons as a Director or Directors or Nominee Directors of the Company and the Board of Directors of the Company will appoint such person or persons nominated by the lender/security trustee/debenture holder/debenture trustee within the timelines prescribed under Applicable Law, if any.

\*(amended vide Special Resolution passed by members of the Company in the Annual General Meeting held on June 30, 2023).

### ***Appointment of Alternate Directors***

190. Subject to the provisions of Section 161(2) of the Act the Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than 3 (Three) Months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article 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. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

### ***Board's power to fill vacancies***

191. Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

192. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
193. If at the adjourned meeting also, the vacancy caused by the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless:
  - 193.1. at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;
  - 193.2. the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
  - 193.3. he is not qualified or is disqualified for appointment;
  - 193.4. a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - 193.5. the provisions of Section 162 of the Act are applicable to the case.

### ***Independent Directors***

194. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board shall identify potential individuals for the purpose of appointment as Independent Director either from the data bank established under Section 150 of Act or otherwise.
195. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
196. Any vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act or pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law.
197. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence as specified under Section 149 (6) of the Act.
198. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
199. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
200. Subject to Applicable Law, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
201. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

202. Term of Office of Independent Director:

202.1. Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (Five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

202.2. No Independent Director shall hold office for more than 2 (Two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3 (Three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (Three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

***Retirement and rotation of Directors***

203. At least 2/3 (Two-Thirds) of the total number of Directors, excluding Independent Directors will be the Directors who are liable to retire by rotation (hereinafter called "**the Rotational Directors**").

204. At every Annual General Meeting, 1/3 (One-Third) of the Rotational Directors, or if their number is not three or a multiple of 3 (Three), then, the number nearest to one-third, shall retire from office.

205. The Company may appoint a Managing or a Whole-time Director for a term not exceeding 5 (Five) years at a time, provided that no re-appointment shall be made earlier than 1 (One) year before the expiry of his term. If required, in order to comply with the extant provisions of the Act with respect to rotation of directors, the Board may re-classify a Managing Director/ Whole-time Director appointed as a non-rotational Director to be a rotational Director.

206. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

***Resignation of Directors***

207. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall on receipt of such notice take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company.

208. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

***Removal of Directors***

209. Any Director of the Company, except a Director appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

***Remuneration of Directors***

210. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors' and Officers' liability insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

211. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
212. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be payable for participating in meetings through permissible Electronic Mode.
213. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them:
- 213.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings; or
- 213.2. in connection with the business of the Company.
214. The Board may pay all expenses incurred in getting up and registering the Company.

***Traveling expenses incurred by Directors not bonafide resident or by Directors going out on Company's business***

215. The Board shall allow and pay to any Director, if required by the Director, who is not a bona fide resident of the place where, general meetings or meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any General Meeting such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses incurred in India, and if any Director be called upon to go or reside out of the ordinary place of his residence, on the Company's business, he shall be entitled to be paid, any traveling or other expenses reasonably incurred by him in connection with the business of the Company.

***Directors may act notwithstanding any vacancies on Board***

216. The continuing Directors may act notwithstanding any vacancy in the Board but if, and so long as their number is reduced below the minimum number fixed by Article 185 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by the Article 185 hereof or for summoning a General Meeting for the purpose of increasing the number of Directors to such minimum number, but for no other purpose.

***Vacation of office of Director***

217. The office of a Director shall ipso facto be vacated:
- 217.1. on the happening of any of the events as specified in Section 167 of the Act;
- 217.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;
- 217.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;

217.4. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;

217.5. if he is removed in pursuance of Section 169 of the Act;

217.6. any other disqualification that the Act for the time being in force may prescribe.

***Notice of candidature for office of Directors except in certain cases***

218. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than 14 (Fourteen) days before the Meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rs.1,00,000/- (Rupees One Lakh) or such higher amount as the Board may determine, as permissible by Applicable Law, which shall be refunded to such person or the Member, as the case may be, if the person proposed gets elected as a Director or gets more than 25 % (Twenty-Five percent) of total valid votes cast either on show of hands or on poll on such resolution.
219. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
220. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within 30 (Thirty) days of his appointment.

***Director may contract with the Company***

221. Subject to the provisions of Section 188 of the Act and Applicable Law, a Director or any Related Party may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law.
222. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a Related Party entered into in the ordinary course of business of the Company on arm's length basis. Subject to Applicable Law, where a contract complies with such conditions of arm's length contracts as laid down in a policy on related party transactions framed by the Board and approved by a General Meeting, the contract shall be deemed to be a contract entered into on arm's length basis.

***Disclosure of interest***

223. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose his concern or interest in the manner specified in Section 184(1) of the Act and the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into

or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than 2 % (Two per cent) of the shareholding in such other body corporate.

#### **Interested Director not to be present at Board's proceedings with respect to related party contracts**

224. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

#### ***Register of contracts in which Directors are interested***

225. The Company shall keep a Register in accordance with Section 189(1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
226. Such a Register shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be provided to a Member of the Company on his request, within 7 (Seven) days from the date on which such request is made and upon the payment of Rs. 10/- (Rupees Ten only) per page.

#### ***Register of Directors and Key Managerial Personnel and their shareholding***

227. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance with Section 170 of the Act and Applicable Law.
228. Such a Register will be available for inspection by any Member during 10.00 a.m. to 12.00 noon during business days and at every Annual General Meeting and shall be made accessible to any person attending such meeting. Any Member can also request for copies to be made which shall be provided free of cost within 30 (Thirty) days from the date of such request.

#### ***Miscellaneous***

229. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine in accordance with Section 22(1) of the Act.

### **PROCEEDINGS OF THE BOARD**

#### ***Meetings of Board***

230. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
231. The Chairperson and in his absence the co-Chairperson (if appointed in terms of Article 243) or the Managing Director may at any time request the Company Secretary to convene a meeting of the Board.
232. A meeting of the Board shall be called by giving not less than 7 (Seven) days' notice In writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. The notice of a meeting of the Board must contain information regarding the option available to them to participate through electronic



mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.

233. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least 1 (One) Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least 1 (One) Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice and decisions taken at such meeting shall be circulated to all the Directors and shall be final only on the ratification thereof by at least 1 (One) independent Director, if any.
234. The Board shall so meet at least once in every 4 (Four) Months and at least 4 (Four) such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
235. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated.
236. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### ***Meetings of Board by Video/audio-visual conferencing***

237. Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board through physical presence or Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode.

#### ***Regulation for meeting through Electronic Mode***

238. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In the event that a Director is desirous of participating through Electronic Mode at a meeting from a place other than the place so decided, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings.
239. The conduct of the Board meeting where a Director participates through Electronic Mode shall be in the manner as laid down in Applicable Law.
240. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through Electronic Mode, as the case may be.
241. The Chairperson or the Company Secretary shall record the deliberations made during each meeting and circulate the draft minutes of the meeting to all Directors who attended such meeting within 15 (Fifteen) days of such meeting, either in physical form in writing or by Electronic Mode as may be determined by the Board. Every such Director who attended the

meeting shall confirm or give his comments In writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within 7 (Seven) days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.

242. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

#### ***Chairperson for Board Meetings***

243. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson. The Board may also designate any 1 (One) of its Directors as a co-chairperson of the Company, who shall act as the Chairperson (for any of the purposes specified in the Act or in these Articles) in the event that the Chairperson is not present or is otherwise unable or unwilling to act as the Chairperson.
244. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (Five) minutes after the time appointed for holding the meeting and the co-chairperson (if one has been appointed) is also not present, the Directors present may choose one of the members to be Chairperson of the meeting.

#### ***Quorum***

245. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act and SEBI Listing Regulations. If a quorum is not present within 15 (Fifteen) minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.
246. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company and for no other purpose.

#### ***Exercise of powers to be valid in meetings where quorum is present***

247. Subject to the provisions of the Act, a meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act the powers of the Company.

#### ***Matter to be decided on majority of votes***

248. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

#### ***Power to appoint Committee and to delegate powers***

249. Subject to the restriction contained in the Act, the Board shall delegate any of their powers and responsibilities to a committee or committees of the Board, consisting of such member

or members of its body as it thinks fit, referred to in Article 251 below except in respect of those matters reserved to the Board by any law or regulatory authority. The Board, from time to time, may revoke and discharge any such committee either wholly or in part and either as to persons or purposes; but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations shall have the like force and effect as if done by the Board. The proceedings of such a committee shall be placed before the Board of Directors at its next meeting.

250. Such committee(s) may be responsible for such activities as may be approved by the Board.
251. The meetings and proceedings of any committee of the Board consisting of 2 (Two) or more Directors and appointed and constituted pursuant to and in accordance with the provisions of Article 230-236 hereof shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under Article 249.

***Resolution without Board Meeting/ Resolution by Circulation***

252. Subject to Section 175 of the Act or Applicable Laws, a resolution by circulation of the Board or Committee, as the case may be, duly called and constituted, may be passed, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or the members of the Committee, as the case may be, at their addresses registered with the Company in India, and has been approved by a majority of the Directors or members of the Committee as are entitled to vote on the resolution.

Provided that, where not less than 1/3 (One-Third) of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a Board Meeting.

***Acts of Board / Committee valid notwithstanding formal appointment***

253. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or that the appointment of any of them had been terminated by virtue of any provisions contained or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been noticed by the Company to be invalid or to have been terminated.

***Minutes of proceedings of meeting of Board***

254. The Company shall maintain the minutes of proceedings of every meeting of the Board and Committee thereof in electronic form in such manner as the Board may think fit, in accordance with the provisions of Section 118 of the Act and Applicable Law.
255. Where the minute books of the Company are also maintained in physical form (in addition to being maintained in electronic form), each page of every minute book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairperson of the said meeting or the chairperson of the next succeeding meeting.
256. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

257. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means.
258. All appointments made at any of the meetings aforesaid shall be included in the minutes of the meetings.
259. The minutes shall also contain:
- 259.1. The names of the Directors present at the meeting; and
- 259.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
260. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:
- 260.1. is, or could reasonably be regarded as defamatory of any person.
- 260.2. is irrelevant or immaterial to the proceedings; or
- 260.3. is detrimental to the interest of the Company.
261. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in Article 260 hereof.
262. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

#### ***Powers of Board***

263. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other act, or by the Memorandum of Association, or by these Articles, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
264. The Board may, subject to the provisions of Section 185 of the Act and Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may, subject to Applicable Law, allow such time for payment of the said money as is acceptable within customary periods for payment of similar money in contemporaneous commercial practice.
265. The Board may subject to Section 186 of the Act and provisions of Applicable Law, by means of resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

#### ***Restriction on powers of Board***

266. Subject to the provisions of Section 180 of the Act, the Board of Directors may exercise the following powers, subject to the approval of Company by a Special Resolution:
- 266.1. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than 1 (One) undertaking, of the whole or substantially the whole of any of such undertakings.

266.2.to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

266.3.to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and Free-Reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business;

266.4.to remit, or give time for the repayment of, any debt due from a Director.

***Contribution to charitable and other funds***

267. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in General Meeting (Ordinary Resolution) shall be required for such contribution in case any amount, the aggregate of which, in any financial year exceeds 5% (Five percent) of its average net profits for the 3 (Three) immediately preceding financial years.

***Absolute powers of Board in certain cases***

268. Without prejudice to the powers conferred by Section 179 of the Act or Applicable Laws or these Articles and so as not in any way to limit or restrict those powers, but subject to the restrictions contained in these Articles or Applicable Law, it is hereby declared that the Directors shall have the following powers:

268.1.to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

268.2.to pay any commission lawfully payable under the provisions of Section 40 of the Act;

268.3.subject to Sections 179 and 188 of the Companies Act, 2013 to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

268.4.subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, Debentures, mortgages, or other Securities of the Company, and such Shares may be issued either as fully Paid Up or with such amount credited as Paid Up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;

268.5.to secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;

268.6.to accept from any Member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

268.7.to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company;

- 268.8.to refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same;
- 268.9.to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 268.10.to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- 268.11.Subject to the provisions of Sections 179 and 186 of the Act to invest and deal with any moneys of the Company upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act all investments shall be made and held in the Company's own name;
- 268.12.to determine, from time to time, who shall be entitled to sign, make, draw, accept, endorse and negotiate on the Company's behalf, bills, notes receipts, acceptances, endorsements, cheques, drafts, Dividend warrants, Debentures, instruments, releases, contracts, government Securities and documents and to give the necessary authority for such purpose;
- 268.13.to distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to charge such bonus as part of the working expenses of the Company;
- 268.14.subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the 4 (Four) next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- 268.15.to comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- 268.16.from time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the Members of such local boards and to fix their remuneration;
- 268.17.subject to Section 179 and 180 of the Act from time to time and at any time, delegate to any person so appointed, any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- 268.18.subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively;



- 268.19.to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- 268.20.before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as a reserve fund, or sinking fund, or any special fund to meet contingencies or to repay Debentures, or for special Dividends or for equalized Dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding article), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013 to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special funds as the Board may think fit, with full power to transfer the whole, or any portion of a reserve fund or division of a reserve fund to another reserve fund or division, of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
- 268.21.at any time and from time to time under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under These Presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the Members or any of the Members of any local board, established as aforesaid or in favour of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- 268.22.subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into and carry out 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;

- 268.23.to take on lease, purchase or otherwise acquire for the Company and property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- 268.24.to grant lease or sub-lease in respect of any of the properties of the Company and to let on lease or on hire the whole or any part of the immovable and movable properties of the Company and to sign, execute, complete and register all deeds, documents and writings that may be necessary for the purpose aforesaid;
- 268.25.to appoint any person (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 268.26.to appoint, remunerate or give by way of commission an emolument out of the funds of the Company to any person or persons for any special acts or services rendered or to be rendered to the Company;
- 268.27.to lend or advance money to employees, workers or any other person with or without security and charge interest thereon or otherwise;
- 268.28.to draw, make, accept, endorse, discount, execute, negotiate and issue promissory notes, bills of exchange, bills of lading, warrants, Debentures and any other negotiable or transferable instruments;
- 268.29.to open account(s) in the name of the Company in such bank or banks as they may think fit and to operate on such account(s) on behalf of the Company;
- 268.30.to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- 268.31.subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, a share in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 268.32.to act jointly and severally in all on any of the powers conferred on them;
- 268.33.to appoint and nominate any person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a Meeting of any company or association;
- 268.34.to comply with the provisions of Applicable Law;
- 268.35.to make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants;
- 268.36.to borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debentures, perpetual or otherwise charged upon all or any of the Company's property (both present and future);
- 268.37.to open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company;

- 268.38.to act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankruptcy and insolvency;
- 268.39.to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- 268.40.to pay such remuneration to Chairperson / vice Chairperson of the Board upon such conditions as they may think fit;
- 268.41.to take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks; and
- 268.42.to take insurance on behalf of its Managing Director, Whole-Time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any Officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

### ***Establishment of vigil mechanism***

269. Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. The audit Committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the audit Committee or the Director nominated to play the role of audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the audit Committee may take suitable action against the concerned Director or employee including reprimand.

## **MANAGING DIRECTOR**

### ***Board may appoint Managing Director(s)***

270. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding 5 (Five) years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.
271. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

### ***Remuneration to Managing Directors/ Whole time Directors***

272. Subject to the provisions of Section 197 of the Act and Applicable Law, a Managing or whole time director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

273. Subject to the provisions of the Act and Applicable Law-

- 273.1. A Chief Executive Officer, manager, Company Secretary or Chief Financial Officer may be appointed at a Board Meeting for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution at a Board Meeting;
- 273.2. A Director may be appointed as Chief Executive Officer, manager, Company Secretary or Chief Financial Officer subject to provisions of Section 203 of the Act.
- 273.3. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, manager, Company Secretary or Chief Financial Officer shall not be satisfied by that being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, manager, Company Secretary or Chief Financial Officer.
- 273.4. The functions of a Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law.
- 273.5. The powers conferred on the Chief Executive Officer shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit which may from time to time be revoked, withdrawn, altered or varied by the Board.
- 273.6. The Chief Executive Officer shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

#### **POWER TO AUTHENTICATE DOCUMENTS**

274. Any Director or the Company Secretary or any Officer appointed and duly authorised by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the manager or other Officer of the Company having the custody thereof and duly authorised by the Board in this behalf, shall have the power to authenticate such documents.

#### **THE SEAL**

275. The Board shall provide a common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
276. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of such Directors and/or the Company Secretary or such other person as the Board may specify/appoint for the purpose; and the Director and/or the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

#### **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

277. Subject to the provisions of the Act the following shall have effect:

277.1. Subject to the provisions of the Act and Applicable Law, the Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

277.2. Subject to the provisions of the Act and Applicable Law, the Board may at any time establish any local office for managing the affairs of the Company outside India and may appoint any person to be a member of any such local office or any manager or agents and may fix their remuneration and the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed or vary the terms of any such appointment.

277.3. The Board may, from time to time under the common Seal, authorise any person to be the attorney of the Company to execute deeds on behalf of the Company whether in India or outside India either generally or in respect of specified matters for such period and subject to such conditions as the Board may, from time to time, think fit, and such authorisation may, if the Board thinks fit, be made in favour of any of the members of any local office established as aforesaid, or in favour of any other person.

## **DIVIDENDS AND RESERVE**

### ***Division of profits***

278. The profits of the Company, subject to any special rights as to Dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital Paid-up on the Shares held by them respectively.

### ***The Company in General Meeting may declare a Dividend***

279. The Company in General Meeting may declare Dividends to be paid to Members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in General Meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

### ***Dividend only to be paid out of profits***

280. Subject to provisions of Applicable Law, the Dividend can be declared and paid only out of the following profits:

280.1. Profits of the financial year remaining undistributed, after providing depreciation as stated in Section 123(2) of the Act read with Schedule II and Applicable Laws.

280.2. Accumulated profits of the earlier years remaining undistributed, after providing for depreciation under Section 123(2) of the Act read with Schedule II and Applicable Laws.

280.3. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

280.4. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the

profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123(2) of the Act or Applicable Law, or against both.

### ***Transfer to reserve***

281. The Board may, before recommending any Dividend, set aside, out of the profits of the Company, such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be 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 may, from time to time, think fit.
282. Such reserve, being Free Reserve, may also be used to declare Dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### ***Interim Dividend***

283. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim Dividends as appear to it to be justified by the profits of the Company.

### ***Calls in advance not to carry rights to participate in profits***

284. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

### ***Payment of pro rata Dividend***

285. 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.

### ***Deduction of money owed to the Company***

286. The Board may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

### ***Rights to Dividend where Shares transferred***

287. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

### ***Dividend to be kept in abeyance***

288. The Board may hold in abeyance the Dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transfer of Shares pending registration of transfer in accordance with Section 126 of the Act or Applicable Law. The Board may also hold in abeyance Dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.



### ***Notice of Dividend***

289. 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 Act.

### ***Manner of paying Dividend***

290. Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of 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 1 (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.
291. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the Member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

### ***Receipts for Dividends***

292. Any 1 (one) of 2 (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.

### ***Non-forfeiture of unclaimed Dividend***

293. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank.
- (ii) Any money transferred to the unpaid dividend account of a 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 Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (iii) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investor Education and Protection Fund subject to the provisions of the Act.

No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of the Act in respect of all unclaimed or unpaid Dividends.

## **ACCOUNTS**

### ***Company to keep true accounts***

294. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.

295. Where the Board decides to keep all or any of the books of account at any place in India other than the registered office of the Company, the Company shall within 7 (Seven) days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
296. The Company shall preserve in good order the books of account relating to the period of not less than 8 (Eight) years preceding the current year together with the vouchers relevant to any entry in such books of account.
297. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than 3 (Three) months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's books of account are kept as aforesaid.
298. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The books of account and other books and papers shall be open to inspection by any Directors during business hours.

#### ***Places of keeping accounts***

299. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.
300. 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 or by the Company in General Meeting.

### **AUDIT**

#### ***Auditors to be appointed***

301. Statutory Auditors shall be appointed in accordance with the provisions of the Act and Applicable Laws. An audit of the secretarial and related records of the Company shall be conducted by a company secretary in whole time practice in accordance with Sections 204 of the Act and Applicable Laws.

#### ***Statutory Auditors***

302. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the statutory auditors of the Company shall be appointed for a period of 5 (Five) consecutive years or such number of years as may be required under Applicable Laws, subject to ratification by Members at every Annual General Meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors prior to the expiry of the said term by a Special Resolution after obtaining the approval of the Central Government in that behalf in accordance with Section 140 of the Act or Applicable Laws and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 139 of the Act or Applicable Laws.

#### ***Remuneration of Auditors***

303. The remuneration of the Auditors shall be fixed by the Company in Annual General Meeting or in such manner as the Company in General Meeting may determine.

## **DOCUMENTS AND NOTICES**

### ***Service of documents and notice***

304. A document or notice may be served or given by the Company on/ to any Member or security holder sending it by post or registered post or speed post or by courier to him to his office or registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder: Provided that a Member or security holder may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.
305. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice. Such service shall be deemed to have been effected in the case of notice of a meeting, at the expiration of 48 (Forty-Eight) hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

### ***Newspaper advertisement of notice to be deemed duly serviced***

306. A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every Member or security holder who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

### ***Notice to whom served in case of joint shareholders***

307. A document or notice may be served or given by the Company on or given to the joint-holders of a Share or other security by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share or the relevant register in case of other security holder.

### ***Notice to be served to representative***

308. A document or notice may be served or given by the Company on or to the persons entitled to a security in consequence of the death or insolvency of a security holder by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

### ***Service of notice of Meetings***

309. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every Member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company. The provision of this Article shall apply mutatis mutandis to the meetings of other security holders of the Company.

### ***Members bound by notice***

310. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Shares,

previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such Shares. The provision of this Article shall apply mutatis mutandis to the meetings of other security holders of the Company.

***Documents or notice to be signed***

311. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

***Notice to be served by post or other electronic means***

312. All documents or notices to be served or given by Members or other security holders on or to the Company or any office thereof shall be served or given by sending it to the Company or Officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

***Admissibility of micro films, computer prints and documents to be treated as documents and evidence***

313. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 of the Act are complied with.

**WINDING UP**

314. If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the Paid up Capital, such assets (whether they shall consist of property of the same kind or not) shall be distributed in proportion to the Capital Paid up or which ought to have been Paid up at the commencement of the winding-up on the Shares held by them respectively, and if in a winding up the assets (whether they shall consist of property of the same kind or not) available for distribution among the Members shall be more than sufficient to repay the whole of the Capital Paid up at the commencement of the winding-up, such assets shall be distributed amongst the Members in proportion to the Capital Paid up at the commencement of the winding up or which ought to have been Paid up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
315. If the Company shall be wound up whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution and any other sanction as may be required under the Act, divide among 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).
316. For the aforesaid purpose, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
317. The liquidators may, with the like sanction and vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members or any of them as the liquidators, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Shares or other Securities whereon there is any liability.

## **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

318. Every Member and other security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles in a bonafide manner, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, in case any Member/security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes.

## **INDEMNITY**

319. For the purpose of Article 320, the following expressions shall have the meanings respectively assigned below:

319.1. “Claims” means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;

319.2. “Indemnified Person” shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;

319.3. “Losses” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim.

320. Indemnification

320.1. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees);

320.2. The Company shall further indemnify the Indemnified Person and hold him harmless on an ‘as incurred’ basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body;

320.3. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:

320.3.1. Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;

320.3.2. Any liability arising due to any benefit wrongly availed by the Indemnified Person;

320.3.3. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person;

320.34. The Indemnified Person shall continue to be indemnified under the terms of the indemnities under these Articles notwithstanding that he may have ceased to be a Director or Officer of the Company or of any of its subsidiaries.

## **SECRECY**

321. Every manager, Auditor, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by Applicable Law and except so far as maybe necessary in order to comply with any of the provisions in these Presents and the provisions of the Act.
322. Subject to the provisions of these Articles and the Act, no Member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.



We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Articles and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names:

Sr. No.	Names, Addresses, Description and Occupations of each Subscribers	Signature of Subscriber	Signature, Witness and his Names, Address, Description and Occupation
1.	MR. VINOD GURUDATTA YENNEMADI, S/O GURUDATTA, 302/303 HASMUKH MANSION, JUNCTION OF 14TH ROAD & C. D. ROAD, KHAR (WEST), MUMBAI 400052 OCCUPATION - SERVICE	Sd/-	WITNESS TO ALL 1 TO 7 SD/- VIDYADHAR VAMAN CHAKRADEO SON OF VAMAN, B-301, MATOSHREE RESIDENCY CHS,65 PRATHANA SAMAJ ROAD, VILE PARLE (E), MUMBAI 400057 COMPANY SECRETARY
2.	MR. JIMMY TATA, S/O MR. MINOCHER K. TATA, “SEA SIDE”, B. DESAI ROAD, MUMBAI 400036 OCCUPATION - SERVICE	Sd/-	
3.	MR. PRALAY MONDAL, S/O LATE SUDHIR KUMAR MONDAL, 3W, LAXMI NIWAS, 16TH ROAD KHAR (W), MUMBAI 400052 OCCUPATION - SERVICE	Sd/-	
4.	MR. HARISH H ENGINEER, S/O HANSUBHAI M ENGINEER, B-11 SEA FACE PARK, 50, B DESAI ROAD, MUMBAI 400026 OCCUPATION - SERVICE	Sd/-	
5.	MR. PARESH SUKTHANKAR, S/O DATTATRAYA SUKTHANKAR, FLAT 10, 6TH FLOOR, GOOL RUKH KHAN ABDUL GAFFAR KHAN ROAD, WORLI SEA FACE, MUMBAI 400030 OCCUPATION - SERVICE	Sd/-	
6.	MR. SASHI JAGDISHAN, S/O C JAGDISHAN, 6/7 JAIPUR GEMS, 15TH ROAD, SANTACRUZ (WEST), MUMBAI 400054 OCCUPATION - SERVICE	Sd/-	
7.	MR. SANJAY DONGRE, S/O BINDUMADHAV DONGRE, C-3 SADASUKH SOCIETY, 29 MAHANT CROSS ROAD NO.2, VILE PARLE (EAST), MUMBAI 400057 OCCUPATION - SERVICE	Sd/-	

Dated : 22/05/2007

Place : Mumbai

## **Alteration in the Memorandum and Article of Association of HDB Financial Services Limited**

Pursuant to Section 15 of the Companies Act, 2013, following are the alterations in the memorandum and article of association of the Company.

### **1. Special Resolution passed at the Extra Ordinary General Meeting of the Company held on July 25, 2008**

#### **Alteration of Memorandum of Association**

“**RESOLVED THAT** pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, and subject to requisite approvals, consents, permissions and sanctions as may be necessary from regulatory/appropriate authorities, the amendment to the Object Clause of the Memorandum of Association of the Company be and is hereby approved to insert a new sub-clause 78 (as given below) immediately after the existing sub-clause 77 under ‘Other Objects’:

78. *To provide or assist in obtaining directly or indirectly, financial and business advisory or consulting services to customers for buying, selling or otherwise dealing in, shares, stocks, debt instruments, units of mutual funds or otherwise, certificate of deposits, commercial paper, participation certificates, warrants instruments and any other securities or money market instruments, whatsoever including but not limited to options, futures and other derivatives, buying, selling, marketing, distributing or providing any financial products, advisory services and / or any other services either directly or through intermediaries and / or acting as agents or brokers of other entities and / or forming other entities for carrying on financing and other financial activities.”*

### **2. Special Resolution passed at the Court convened Meeting of Equity Shareholders of the Company held on February 02, 2016**

#### **Approval of Scheme of Amalgamation of HBL Global Private Limited and Atlas Documentary Facilitators Company Private Limited with HDB Financial Services Limited and their respective Shareholders and Creditors**

“**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and enabling provisions in the Company’s Memorandum of Association and Articles of Association and subject to the sanction of the Hon’ble High Court of Gujarat, at Ahmedabad and High Court of Judicature at Bombay (hereinafter jointly referred to as “High Courts” and individually as “High Court”), and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the proposed Scheme of Amalgamation of HBL Global Private Limited and Atlas Documentary Facilitators Company Private Limited with HDB Financial Services Limited (‘the Scheme’ or ‘this Scheme’), as placed before and along with the changes incorporated during the meeting, be and is hereby approved;

**RESOLVED FURTHER THAT** Mr. G. Subramanian, Chairman, Mr. Kaizad Bharucha, Director, Mr. Venkatraman Srinivasan, Director, Ms. Smita Affinwalla, Director, Mr. Ramesh G., Managing Director, Mr. Haren Parekh, Chief Financial Officer and Mr. Harsh Bajpai, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification(s) and / or condition(s), if any, which may be required and / or imposed by the Hon’ble High Courts while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme.”

3. **Special Resolution passed through the Postal Ballot, the results of which were announced on December 4, 2017**

**Approval for Adoption of Memorandum of Association (“MOA”)**

“**RESOLVED THAT** pursuant to the provisions of Sections 13 and other applicable provisions, of the Companies Act 2013, read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force (‘the Act’) and subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members of the Company be and is hereby accorded to alter the existing Memorandum of Association of the Company, by replacing, it with the new set of Memorandum of Association in accordance with Table ‘A’ of Schedule I of the Act and that the new set of Memorandum of Association be and is hereby approved and adopted as the Memorandum of Association of the Company in total exclusion, substitution and supersession of the existing Memorandum of Association of the Company.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of the powers conferred herein to any of the Directors and / or any of the Committees and / or Key Managerial Personnel (KMPs) of the Company with the power to further delegate to any officers or employees of the Company.”

**Approval for Adoption of Articles of Association (“AOA”)**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act 2013, read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force (‘the Act’) and subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members of the Company be and is hereby accorded to alter the existing Articles of Association of the Company, by replacing, it with the new set of Articles of Association in accordance with Table ‘F’ of Schedule I of the Act and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and supersession of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of the powers conferred herein to any of the Directors and / or any of the Committees and / or Key Managerial Personnel (KMPs) of the Company with the power to further delegate to any officers or employees of the Company.”

4. **Special Resolution passed at the Annual General Meeting of the Company held on June 30, 2023**

**To Approve Alteration of Articles of Association of the Company**

“**RESOLVED THAT** pursuant to the provisions of Sections 14 and all other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and /or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force) and subject to such terms, conditions and modifications as may be considered necessary and proper by the Board of

Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee of the Board constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), the consent of the members be and is hereby accorded to alter the existing Articles of Association of the Company, by replacing the existing Article 184 as follows:

**Article 184:**

“In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, persons, partnership firms, trust, mutual funds, alternative investment funds, any other funds, or from any other source, the lender/security trustee/debenture holder/ debenture trustee concerned may, upon the occurrence of such events as provided in terms of Applicable Law or under a contract, exercise the right and power to appoint granted to it in terms of Applicable Law or under contract, from time to time, any person or persons as a Director or Directors or Nominee Directors of the Company and the Board of Directors of the Company will appoint such person or persons nominated by the lender/security trustee/debenture holder/debenture trustee within the timelines prescribed under Applicable Law, if any”;

**RESOLVED FURTHER THAT** any of the Director and / or Key Managerial Personnel of the Company be and are hereby jointly and severally authorised to do and perform all such acts, deeds, matters and things as may be required or deemed necessary or incidental thereto including signing and filing all the e-forms and other documents with the statutory authorities and to execute all such deeds, documents, agreements and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein as they may deem fit in the best interest of the Company and its Members.”

**5. Special Resolution passed by the members through Postal Ballot on October 21, 2024**

**Adoption of updated Article of Association of the Company**

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and in order to align the Articles of Association of the Company (the “Articles of Association”) with the listing requirements of the Stock Exchanges where the Equity Shares of the Company are proposed to be listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, subject to the necessary approvals required, of the Registrar of Companies, Gujarat at Ahmedabad (“ROC”), and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the ROC, and the Securities and Exchange Board of India and Stock Exchanges in connection with listing of equity shares, in accordance with the enabling provisions of the Memorandum and Articles of Association and subject to the applicable provisions of any other applicable law, the set of existing Articles of Association, as placed before the Shareholders of the Company be and is hereby substituted with the updated set of Articles of Association placed before the Shareholders of the Company and the same is hereby approved and adopted by the Members as Articles of Association, in total exclusion and substitution of the existing Articles of Association;

**RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer, Company Secretary of the Company, and such other persons as may be authorised by the Board of Directors of the Company be and are hereby severally authorised to issue certified true copies of this resolution and the same may be forwarded to concerned authorities for necessary action and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Gujarat at Ahmedabad;

**RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized by the Company to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any.”

**HIGH COURT, BOMBAY**

**720855**

**HBL**

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**

**ORDINARY ORIGINAL CIVIL JURISDICTION**

**COMPANY SCHEME PETITION NO. 290 OF 2016**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTION NO. 104 OF 2016**

**HBL GLOBAL PRIVATE LIMITED**

**... PETITIONER/  
TRANSFEROR NO.1**

**AND**

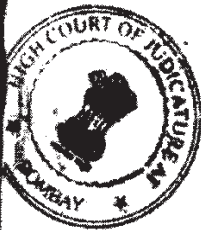
**COMPANY SCHEME PETITION NO. 291 OF 2016**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTION NO. 105 OF 2016**

**ATLAS DOCUMENTARY FACILITATORS  
COMPANY PRIVATE LIMITED**

**... PETITIONER/  
TRANSFEROR NO.2**



In the matter of Companies Act, 1956  
(including any statutory re-enactments,  
amendments or modifications thereof)

**AND**

In the matter of sections 391 to 394 of the  
Companies Act, 1956 (including any  
statutory re-enactments, amendments or  
modifications thereof)

**AND**

In the matter of Scheme of Amalgamation  
amongst HBL Global Pvt. Ltd. (Transferor  
Company No.1)

**AND**

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Atlas Documentary Facilitators Company  
Pvt. Ltd. (Transferor Company No.2)

AND

HDB Financial Services Limited  
(Transferee Company)

AND

Their respective shareholders and creditors

**Called for Hearing**

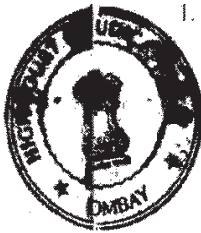
Mr. Sameer Pandit along with Ms. Madhupreetha Elango i/b. Wadia Ghandy &  
Co., Advocates for the Petitioners.

Mr. S. Ramakantha for the Regional Director.

Coram: A.K. Menon, J.

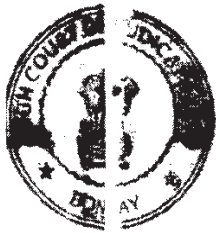
Date: 29<sup>th</sup> September, 2016

**P.C.**



1. Heard learned Advocates appearing for the parties. No objector has come before the court to oppose the Scheme, nor has any party controverted any averments made in the captioned Petitions.

The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Arrangement ("Scheme of Arrangement") for amalgamation of HBL Global Private Limited ("Transferor Company No.1") and Atlas Documentary Facilitators Company Private Limited ("Transferor Company No.2") collectively "Transferor Companies" with HDB Financial Services Limited ("Transferee Company") and their respective shareholders and creditors.



3. Learned Advocate for the Petitioners, submits that the Petitioner in CSP No. 290 of 2016 provides specialized services relating to marketing and promotion of the various financial products of HDFC Bank Ltd. and that Petitioner in CSP No.291 of 2016 primarily provides processing support to HDFC Bank Ltd. and few other customers in the areas of retail liabilities, retail assets, credit cards processing, cheque clearing, cash management services and depositary services.
4. The Transferor Companies and the Transferee primarily cater to the same customer, i.e., HDFC Bank Ltd., on different service fronts. The Scheme of Arrangement would simplify and consolidate the various services offered by the Transferor Companies and the Transferee into a single entity and enable the merged entity to offer a comprehensive bouquet of end to end services to HDFC Bank Ltd. The purpose of the Scheme of Arrangement as more particularly set out at Paragraph 2 of the Scheme of Arrangement, is to achieve synergistic integration and consolidation of the businesses presently being carried on by the Transferor Companies and the Transferee.
5. The Learned Advocate for the Petitioners states that the Board of Directors of the Transferor Companies and the Transferee Company have approved the Scheme of Arrangement in their Board Meeting and extract of the resolutions passed in this regard are annexed to the respective Company Scheme Petitions.
6. The Learned Advocate for the Petitioners states that the Transferee Company has its registered office in Ahmedabad in the State of Gujarat and has filed appropriate proceedings for the sanction of the Scheme of Arrangement by the High Court of Gujarat at Ahmedabad. Further, the

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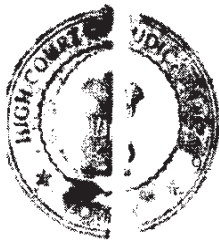
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High Court of Gujarat by its order dated August 26, 2016 sanctioned the Scheme of Arrangement, subject to similar sanctions being granted by this Court.

7. The Learned Advocate for the Petitioners states that Petitioners have complied with all the directions passed in the Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the Order passed in the Company Summons for Direction.
8. The Learned Advocate for the Petitioners states that the Petitioners have complied with all requirements as per the directions of this Court and have filed necessary affidavit of compliance in the Court. Moreover, the Petitioners through its Advocate undertakes to comply with all statutory requirements, if any, as required under Companies Act, 1956/2013 and the Rules made thereunder, as applicable. The said undertaking is accepted.



The Official Liquidator has filed its Report on September 6, 2016 stating therein that the affairs of the Petitioners have been conducted in a proper manner and that the Petitioners may be ordered to be dissolved by this Court.

10. The Regional Director has filed its Affidavit on September 16, 2016 stating therein that save and except as stated in paragraphs 6 (a) to 6(c) of the said affidavit, it appears, according to the Regional Director, that the Scheme is not prejudicial to the interest of shareholders and public. The aforesaid paragraphs 6(a) to 6(c) read as under:

*"6. That the Deponent further submits that:*

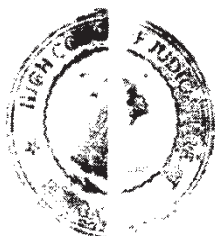
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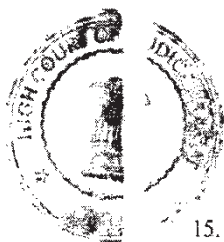
- (a) Regarding clause 4 of the Scheme, the appointed date means opening of business on 1<sup>st</sup> April, 2014 or such other date as may be determined by the Boards of Directors of the Transferor Companies and the Transferee Company or such the date as may be decided by the High Court. In this regard the appointed date should be opening of business on 1<sup>st</sup> April, 2014 or such other date, the Hon'ble Court at Judicature at Bombay may direct.
- (b) Clause 14 of the scheme, it is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the scheme shall be debited to Goodwill Account and will not be adjusted against any other reserves of the Transferee Company.
- (c) The tax implication if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner company.



11. As regards the observations at paragraph 6(a) of the Regional Director's Affidavit is concerned, the Learned Advocate for the Petitioners states that the Petitioners have no objection to the observations of the Regional Director. Accordingly, the Appointed Date for the Scheme shall be opening of business on April 1, 2014.
12. As regards the observations at paragraph 6(b) of the Regional Director's Affidavit is concerned, the Petitioners through its Advocate undertakes

that the surplus, if any, arising out of the Scheme shall be credited to Capital Reserve and deficit, if any, arising out of the Scheme shall be debited to Goodwill Account and will not be adjusted against any other reserves of the Transferee Company.

13. As regards the observations at paragraph 6(c) of the Regional Director's Affidavit is concerned, the Petitioners through its Advocate undertakes to comply with the applicable provisions of the Income Tax Act, 1961 and all issues concerning taxation arising as a consequence of the said Scheme shall be dealt with and addressed in accordance with the applicable provisions of the applicable income tax laws.
14. The Learned Advocate for Regional Director, on the instructions of S. Ramakantha, Joint Director, Inspection, in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Advocate for the Petitioners. The said undertakings given by the Petitioners are accepted.
15. Learned Advocate for the Petitioners further submits that the last date by which the Scheme of Arrangement was to come into effect has expired during the pendency of proceedings for obtaining sanction before this Court. In accordance with Clause 11.3 of the Scheme of Arrangement, the Board of Directors of the Transferor Companies and the Transferee Company have passed necessary resolutions extending the date of revocation of the Scheme of Arrangement to March 31, 2017. The Petitioners accordingly seeks appropriate orders or directions from this Court extending the date of revocation of the Scheme, from September 30, 2016 with March 31, 2017.



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16. The date of revocation of the Scheme is accordingly extended to March 31, 2017 by this Order and no further steps are required to be taken by the Petitioners in that regard.
17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
18. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petitions are made absolute in terms of prayer clauses (a), (c) and (d).
19. The Petitioners are directed to lodge a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same, within 60 (sixty) days from the date of the Order.
20. The Petitioners are further directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC 28 in addition to physical copies as per the relevant provisions of the Companies Act, 1956 / 2013.
21. The Petitioners to pay costs of Rs.10,000/- each, to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Mumbai. Costs to be paid within four weeks from the date of this Order.
22. Filing and issuance of the drawn up order is dispensed with.





# HIGH COURT, BOMBAY

720862

23. All concerned regulatory authorities to act on a copy of this order along with the Scheme, duly authenticated by the Company Registrar, High Court, Bombay.

(A.K. MENON, J.)

## CERTIFICATE

"I certify that this Order uploaded is a true and correct copy of original signed order."

*Uploaded by: Shankar Gawde, Stenographer*



**TRUE COPY**

*Shankar Gawde*

Section Officer 26-10-16  
High Court, Appellate Side  
Bombay

**TRUE-COPY**

*R. C. Kale*

(R. C. KALE)  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

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**SCHEME OF AMALGAMATION  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
AMONGST**

**HBL GLOBAL PRIVATE LIMITED                      ... TRANSFEROR COMPANY NO. 1**  
**AND**  
**ATLAS DOCUMENTARY FACILITATORS  
COMPANY PRIVATE LIMITED                      ... TRANSFEROR COMPANY NO. 2**  
**AND**  
**HDB FINANCIAL SERVICES LIMITED                      ... TRANSFEREE COMPANY**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**

**1. PURPOSE OF THE SCHEME OF AMALGAMATION ("SCHEME")**

This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956, as amended and the corresponding provisions of Companies Act, 2013, upon their notification (including any statutory modifications or reenactments thereof) for amalgamation of HBL Global Private Limited ("**Transferor Company No.1**" or "**HBL**") and Atlas Documentary Facilitators Company Private Limited ("**Transferor Company No. 2**" or "**ADFC**", collectively "**the Transferor Companies**") with HDB Financial Services Limited ("**the Transferee Company**" or "**HDB**").

**2. RATIONALE OF THE SCHEME**

- a. Transferor Company No. 1 is a subsidiary of Transferor Company No. 2 and provides specialized services relating to marketing and promotion of the various financial products of HDFC Bank Ltd., which includes credit cards, vehicle loans, personal loans, merchant establishments, loan against shares, home loans and various retail asset products of HDFC Bank Ltd.
- b. Transferor Company No. 2 primarily provides processing support to HDFC Bank Ltd. and few other customers in the areas of retail liabilities, retail assets, credit cards processing, cheque clearing, cash management services and depository services.
- c. The Transferee Company is a subsidiary of HDFC Bank Ltd. and a non-deposit taking Non-Banking Finance Company (NBFC) engaged in the business of financing the requirements of mainly individual borrowers and medium, small and micro business enterprises. The Transferee Company also carries on a BPO business and provides services to HDFC Bank Ltd., to run collections call centers and collects overdues from borrowers. The Transferee Company has set up such call centers across the country, which provide collection services for the entire gamut of retail lending products of HDFC Bank Ltd. The Transferee Company offers end to end collection services in over 400 locations through its BPO business.
- d. The proposed Scheme will result in the following synergies:
  - i. **Related Diversification:** Acquiring the business of the Transferor Companies would be a related diversification for the Transferee

Company, in the financial services arena. The Transferee Company's BPO business and the Transferor Companies cater to primarily the same customer, i.e. HDFC Bank Ltd. on different service fronts. The proposed Scheme would simplify and consolidate the various services offered by the Transferor Companies and the Transferee Company into a single entity and enable the merged entity to offer a comprehensive bouquet of services, including BPO services, to its customers. The amalgamation will also help the Transferee Company provide end-to-end services in the financial services arena covering *inter alia* sales, document processing, back-office support services and collections to banks, finance companies and financial institutions.

- ii. **Balanced Revenue mix:** The amalgamation will result in a diversified and balanced revenue mix through an increased share of fee based income from the services business along with interest income from lending business.
- iii. **Synergy In Operations:** The Transferor Companies and the Transferee Company primarily cater to the same customer i.e. HDFC Bank Ltd. on different service fronts. The proposed amalgamation would simplify and consolidate the various services offered by the Transferee Company and the Transferor Companies into a single entity and will enable the Transferee Company to offer a comprehensive bouquet of services to its customer(s). Set out hereinbelow are some of the other synergies and benefits that would be achieved upon implementation of the proposed Scheme:
  - The Transferee Company has developed a platform for delivering collections BPO services. The same will be extended to the operations of the Transferor Companies being transferred under the Scheme which is expected to result in higher operating margins for the merged entity. Further the merged entity will have expertise in offering full scale service offerings to its clients.
  - Consolidation of the Transferor Companies' services business with the Transferee Company's BPO Business would lead to synergy in operations and improve the position of the merged entity by offering unified yet comprehensive bouquet of BPO and financial services to its customer(s).
  - Achieve greater integration, flexibility and greater financial strength by simplifying and consolidating the various services offered by the Transferee Company and the Transferor Companies.
  - Opportunities to achieve improved operational, management and financial efficiency
  - Achieve diversified and balanced revenue mix through increased share of fee based income from services business along with interest income from the lending business.
- e. It is proposed that pursuant to Sections 391 to 394 and other relevant provisions of the Act, the Transferor Companies be amalgamated with the Transferee Company, upon which the Transferor Companies will stand dissolved without winding up. As a consequence of the amalgamation, the share capital of the Transferee Company shall increase in accordance with the provisions of paragraph 7.1 to 7.3 of this Scheme.
- f. The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (as defined hereinbelow).

- g. The amalgamation of the Transferor Companies with the Transferee Company in accordance with the terms of the present Scheme shall be in compliance with the applicable provisions of the Income Tax Act, 1961, including Section 2(1B), as a result whereby, by virtue of the amalgamation all the assets, properties and liabilities of the Transferor Companies existing immediately before the amalgamation (save and except shares of the Transferor Company No. 1 held by Transferor Company No. 2, which will stand extinguished), shall become the assets, properties and liabilities of the Transferee Company. Further, the amalgamation is expected to lead to creation of a stronger and larger entity which would be to the benefit of the shareholders of the Transferor Companies and the Transferee Company. Moreover, under the Scheme the shareholders of the Transferor Companies are to be allotted shares of the Transferee Company in accordance with the swap ratio as set out at paragraph 7.5 of the Scheme, which is based on a fair and independent valuation ("**Valuation**"). Hence, the Scheme will not prejudicially affect the interests of any shareholder of either of the Transferee Company or the Transferor Companies. Moreover, as the Transferee Company is adopting all liabilities of the Transferor Companies and has sufficient assets to discharge these liabilities, the Scheme will not prejudicially affect the interests of the creditors of either the Transferor Companies or the Transferee Company.
- h. The amalgamation is not a result of any acquisition of property of the Transferor Companies by the Transferee Company through purchase or a result of the distribution of such property to the Transferee Company pursuant to the winding up of the Transferor Companies.
- i. This Scheme has been drawn up to comply with applicable provisions of law, including the provisions of Section 2(1B) of the Income Tax Act, 1961. In the event any term of this Scheme is found or interpreted for any reason to be inconsistent with the provisions of the law at a subsequent date, including as a result of an amendment of the law, the Scheme shall stand modified to the extent necessary to comply with such amendments. The modification will however not affect other parts of the Scheme.

### 3. **PARTS OF THE SCHEME**

This Scheme of Amalgamation is divided into the following parts:

- a. **PART I**, which is a general section is further divided into two parts, providing (A) definitions applicable to this Scheme; (B) details of the share capital and shareholding structure of the Transferor Companies and the Transferee Company;
- b. **PART II**, which deals with the provisions and terms based on which the amalgamation of the Transferor Companies with the Transferee Company shall take place; and
- c. **PART III**, which deals with the dissolution without winding up of the Transferor Companies and the general terms and conditions applicable to the Scheme of Amalgamation.

#### **PART I**

### 4. **DEFINITIONS**

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

**"Act"** means the Companies Act, 1956, as amended and the corresponding provisions of the Companies Act, 2013, upon their notification (including any statutory modifications or re-enactments thereof), for the time being in force;

**"Appointed Date"** means the opening of business on April 1, 2014, or such other date as may be determined by the Board of Directors of the Transferor Companies and the Transferee Company or such other date as may be decided by the High Court;

**"Board of Directors"** or **"Board"** shall mean in relation to each of the Transferor Companies and the Transferee Company, as applicable, the board of directors of such company and shall include any committee which has been duly authorised and constituted for the purposes of the Scheme and the amalgamation and/or any matters pertaining to the same;

**"Effective Date"** means the date or the last of the dates on which the certified copies of the orders passed by the High Court of Judicature at Bombay and the High Court of Judicature at Gujarat, sanctioning the Scheme, are filed by each of the Transferor Companies and the Transferee Company with the respective Registrar of Companies. References herein to 'coming into effect of the Scheme' and 'effectiveness of the scheme' shall be construed as reference to the Effective Date;

**"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body;

**"High Court"** shall mean in relation to the Transferee Company, the High Court of Judicature at Gujarat having jurisdiction in relation to the Transferee Company and in relation to the Transferor Company No. 1 and Transferor Company No. 2, the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company No. 1 and Transferor Company No. 2, (references to High Court shall be construed accordingly); and shall include the National Company Law Tribunal, as applicable, or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

**"Liabilities"** shall include all secured and unsecured debts (in either Indian or foreign currency), liabilities, duties, obligations, undertakings of any kind or description whatsoever and raised or incurred for the business activities along with any charge, lien, encumbrance or security thereon;

**"New Equity Shares"** shall have the meaning ascribed to the expression in paragraph 7.5 (c) of Part II of the Scheme;

**"Record Date"** shall mean such date after the Effective Date, to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Companies in terms of this Scheme;

**"Registrar of Companies"** shall mean in relation to the Transferee Company and the Transferor Companies, the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the Registrar of Companies, Maharashtra, Mumbai, respectively;

**"Scheme"** means this scheme of amalgamation, as amended or modified in accordance with the provision for the same herein;

**"Transferee Company"** means HDB Financial Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380 009;



**"Transferor Company No. 1"** means HBL Global Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra;

**"Transferor Company No. 2"** means Atlas Documentary Facilitators Company Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 26A, Narayan Properties Chandivali Farm Road, Off Saki Vihar Road, Chandivali, Andheri (East), Mumbai 400 072, Maharashtra;

**"Undertaking"** means and includes the following:

- (a) All assets of the Transferor Companies as on the Appointed Date;
- (b) All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
- (c) Without prejudice to the generality of sub-clauses (a) and (b) hereinabove, Undertaking shall mean and include the whole of the undertaking of the Transferor Companies, as a going concern, including its business, all secured and unsecured debts, liabilities, duties, obligations, all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, current assets, present or contingent assets including stock, shares, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, arrangements, engagements, rights, titles, interests, benefits, advantages, sundry debtors, bills of exchange, loans and advances, leasehold rights, tenancy rights, permits, authorisations, quota rights, including reserves, funds, provisions, equipments and installations and utilities, electricity water and other service connections, records, files, employees and benefits of agreements, contracts and arrangements, balances with all regulatory authorities, liberties, advantages, easements and all rights titles, interest goodwill benefits and advantages, deposits, reserves, benefits, advantages, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of Income Tax, Minimum Alternate Tax, VAT, Sales Tax, Service Tax etc.) and all other rights, 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 Companies, as on the Appointed Date, and all the earnest money and/or deposits including security deposits paid by the Transferor Companies as on the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes, including Direct and Indirect Tax laws, derived by the Transferor Companies and all necessary records, files, papers, computer programs, websites, domain names and other records whether in physical or electronic form in connection with or relating to the Transferor Companies.

- 4.2. Headings shall not affect the interpretation or construction of this Scheme;
- 4.3. Words using the singular terms shall also include the plural terms and vice versa;
- 4.4. Reference to the word "include" and "including" shall be construed without limitation;
- 4.5. References to a person includes any individual, firm, body corporate, Governmental Authority, joint venture, association or partnership.

## **5. SHARE CAPITAL AND SHAREHOLDING PATTERN**



### 5.1. Transferor Company No. 1

The share capital and shareholding pattern of the Transferor Company No.1 as on March 31, 2014 is as under:

PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
10,00,000 Equity Shares of Rs.10 each	1,00,00,000
<b>TOTAL</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
10,200 Equity Shares of Rs.10 each/-	1,02,000/-
<b>TOTAL</b>	<b>1,02,000/-</b>

### 5.2. Transferor Company No. 2

The share capital and shareholding pattern of the Transferor Company No.2 as on March 31, 2014 is as under:

PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
5,50,000 Equity Shares of Rs.10 each	55,00,000
<b>TOTAL</b>	<b>55,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
4,50,180 Equity Shares of Rs.10 each/-	45,01,800/-
<b>TOTAL</b>	<b>45,01,800/-</b>

### 5.3. Transferee Company

The authorised, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2014 is as follows:-

PARTICULARS	AMOUNT (IN RS.)
<b>Authorised Share Capital:</b>	
100,00,00,000 Equity Shares of Rs.10/- each	1000,00,00,000/-
<b>TOTAL</b>	<b>1000,00,00,000/-</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
51,37,50,219 Equity Shares of Rs. 10/- each	513,75,02,190/-
<b>TOTAL</b>	<b>513,75,02,190/-</b>

## PART II

### AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

#### 6. TRANSFER

With effect from the Appointed Date and pursuant to the sanction of the Scheme by the relevant High Court and in accordance with the provisions of Section 391 to 394 and/or any other applicable provisions of the Act or any

other law for the time being in force, the entire Undertaking of the Transferor Companies shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern without any further act, deed, instrument, matter or thing, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interest of the Transferee Company, by virtue of and in accordance with the provisions of this Scheme.

#### 6.1. Transfer of Assets

- (a) On and from the Appointed Date, all estate, assets, properties, rights, claims, titles, interest and authorities, including accretions and appurtenances comprised in the Transferor Companies of whatsoever nature and wherever situate shall, without any further act, deed or instrument, be and stand transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- (b) On and from the Appointed Date, the movable properties and assets of the Transferor Companies (excluding the shares of Transferor Company No. 1 held by Transferor Company No. 2 which are being extinguished under the Scheme since Transferor Company No. 1 and Transferor Company No. 2 are both being merged into the Transferee Company), the same shall be and stand transferred by the Transferor Companies to the Transferee Company and shall become the assets and property of the Transferee Company with effect from the Appointed Date, without requiring any further deed, conveyance or instrument of transfer.
- (c) In addition to what is stated at paragraph 6.1 (b) above, the assets and properties of the Transferor Companies, in particular receivables, bills, loans and advances recoverable in cash or kind, bank balances, investments, deposits of any nature, shall stand transferred to and vested in the Transferee Company on and from the Appointed Date without any further act, instrument or deed, cost or change and without any need to notify or intimate any third party.
- (d) All assets, rights, interests, properties, whether immovable or movable, acquired by the Transferor Companies on or after the Appointed Date but before the Effective Date, shall be deemed to be and shall become the assets, rights, interests, properties of the Transferee Company and shall stand transferred to and vested in the Transferee Company on and from the Appointed Date, without any further act, instrument or deed.
- (e) All the licenses, permits, entitlements, approvals, permissions, registration, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on or before or after the Appointed Date, including benefits and exemptions of taxation that have or may accrue to the Transferor Companies on, before or after the Appointed Date, tax holidays, subsidies, special incentives, special status and other privileges and benefits granted by any Government Authority or any person, shall stand transferred to and vested in the Transferee Company and shall be enforceable by the Transferee Company on the same terms and conditions.

#### 6.2. Transfer of Contracts

- (a) Subject to the provisions of this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature to which the Transferor Companies are party to, or under which the Transferor Companies are to obtain a benefit, and which are subsisting/effective immediately prior to the Effective Date, shall continue to operate against or in favour of the Transferee Company and be enforced against or by the Transferee Company as if the Transferee Company is a party to the same.
- (b) The Transferee Company shall on and from the Effective Date be authorized to act on behalf of the Transferor Companies for the purposes of compliance by the Transferor Companies of its various obligations under all contracts, deeds, agreements and other instruments to which it is a party and/or under which it is deriving a benefit.

#### 6.3. Transfer of Liabilities

- (a) On and from the Appointed Date, all Liabilities of the Transferor Companies shall without any further act, instrument, deed, be transferred to and vested in the Transferee Company to the extent that they are outstanding and shall become the Liabilities of the Transferee Company on the same terms and conditions. The Transferee Company shall meet and discharge the said Liabilities without any need to notify or intimate any third party.
- (b) All Liabilities of the Transferor Companies that have arisen or accrued on or after the Appointed Date but before the Effective Date, shall become the Liabilities of the Transferee Company pursuant to this Scheme and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any discharge by the Transferor Companies of its Liabilities on or after the Appointed Date shall be deemed to be for and on behalf of the Transferee Company.
- (d) All existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.
- (e) Any Liabilities due and/or outstanding or which may become due/outstanding between the Transferor Companies and the Transferee Company shall stand discharged and no liability/obligation will be imposed on any party with respect to the same.

#### 6.4. Staff, Workmen and Employees

- (a) On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service as on the Effective Date, shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service. On the basis of continuity of employment there shall be no substantial change in the terms of employment of the employees of the Transferor Companies, to their prejudice, at the time of such transfer of employment.



- (b) On the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

#### 6.5. Legal, Taxation and other Proceedings

- (a) On and from the Effective Date, all suits, actions and other proceedings, including legal, taxation and proceedings before any quasi-judicial or administrative body, by or against the Transferor Companies, whether pending and/or arising on or before the Effective Date shall be continued by the Transferee Company.
- (b) On and from the Effective Date, the Directors of the Transferor Companies will cease to be Directors of each respective Transferor Company and shall not be entitled merely by virtue thereof to any directorship in the Transferee Company pursuant to the provisions of the Scheme. It is clarified that this Scheme will not affect or cause any change in the directorship of the Transferee Company.



#### **REORGANISATION OF SHARE CAPITAL OF THE TRANSFEE COMPANY**

- 7.1. Consequent to and as part of the amalgamation of the Transferor Companies with the Transferee Company, the Authorised Share Capital of the Transferor Companies shall stand merged into and combined with the Authorised Share Capital of the Transferee Company, without any further act, deed including without payment of any stamp duty, registration or filing fee on such combined Authorised Share Capital under Section 403 of the Companies Act, 2013.
- 7.2. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall automatically stand enhanced by the aggregate share capital of the Transferor Companies of Rs.1,55,00,000/- (Rupees One Crore and Fifty Five Lac only). The Authorised Share Capital of the Transferee Company shall therefore stand enhanced to Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each. Clause V of the Memorandum of Association of the Transferee Company and Article 4 of the Articles of Association of the Transferee Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 394 of the Companies Act, 1956 or Sections 13, 14, 61 of the Companies Act, 2013 (corresponding to Sections 16, 31 and 94 of the Companies Act, 1956) or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.
- 7.3. Upon the Scheme becoming effective, the issued, subscribed and paid up Share Capital of the Transferee Company shall be as mentioned in paragraph 7.11 hereunder.



- 7.4. Accordingly, upon the Scheme becoming effective, the Capital Clause of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each."*

Clause 4 of the Articles of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each to be increased or reduced in accordance with the relevant provisions of the Companies Act, 2013. The minimum paid up share capital of the Company will be Rs.5,00,000/- (Five Lacs only) divided into 50,000 equity shares of Rs.10/-."*

The Transferee Company shall file the requisite forms with the relevant Registrar of Companies, or any other applicable authority for such increase of the authorized share capital.

- 7.5. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall:

- (a) in consideration of the amalgamation of the Transferor Company No. 1 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 1 holding fully paid up equity shares in Transferor Company No. 1, and whose names appear in the Register of Members of the Transferor Company No. 1 as on the Record Date, 102.35 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 1.
- (b) in consideration of the amalgamation of the Transferor Company No. 2 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 2 holding fully paid up equity shares in Transferor Company No. 2, and whose names appear in the Register of Members of the Transferor Company No. 2 as on the Record Date, 16.75 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 2.
- (c) The equity shares of the Transferee Company issued to the shareholders of the Transferor Companies are hereinafter collectively referred to as **"New Equity Shares"**. For the avoidance of doubt, it is clarified that even though Transferor Company No. 2 is a shareholder of Transferor Company No. 1, since both Transferor Company No. 1 and Transferor Company No. 2 are merging into the Transferee Company, no shares of Transferee Company are to be allotted to Transferor Company No. 2 under this Scheme and the same has been taken into account in the share swap ratio for equity shareholders of the Transferor Company No. 2 as mentioned in paragraph 7.5(b) above.

- 7.6. Pursuant to the Scheme, the shares of the Transferor Companies held by their respective equity shareholders, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and extinguished in full, without any requirement to surrender the share certificates,

if any. The Transferee Company shall take such actions in relation to the Equity Shares of the Transferor Companies, as may be necessary.

- 7.7. No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Companies may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot New Equity Shares in lieu thereof to any director of the Transferee Company appointed for the purpose who shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such director shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said director shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlement. The director shall be appointed by the Board of Directors of the Transferee Company.
- 7.8. The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Companies shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari passu* in all respects with the existing equity shares in the Transferee Company.
- 7.9. The New Equity Shares in the Transferee Company will be issued to the members of the Transferor Companies in dematerialized form, with such New Equity Shares being credited to the existing depository accounts of the members of the Transferor Companies entitled thereto. Members of the Transferor Companies holding physical share certificates will be entitled to receive such New Equity Shares in the physical form, if they choose to receive such New Equity Shares in physical form.

7.10. The issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Transferor Companies as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 and any other applicable provisions of the Companies Act, 2013 and/or the Companies Act, 1956, and Rules made thereunder and all other relevant regulations and laws for the time being in force were duly complied with.

7.11. The equity shareholding pattern of the Transferee Company upon the Scheme coming into effect and upon the issuance and allotment of New Equity Shares of the Transferee Company as mentioned in paragraph 7.5 hereinabove, will subject to what is stated herein below, be as hereunder:

Sr.No.	Shareholder	Total Shareholding	
		No. of shares	% of shares
1.	HDFC Bank Ltd.	68,21,85,875	96.39%
2.	Others	2,55,47,536	3.61%
	<b>Total</b>	<b>70,77,33,411</b>	<b>100</b>

The above equity shareholding pattern is based on the assumption that: (a) the equity shares to be offered to the members of the Transferee Company by way of the proposed rights issue are fully subscribed to before the Effective Date; and (b) all Employee Stock Options granted by the Transferee Company are fully exercised before the Effective Date.

In the event the rights issue proposed by the Transferee Company is not fully subscribed to and/or the Employee Stock Options are not fully exercised, the total number of issued equity shares of the Transferee Company upon the Scheme coming into effect may be different from what is indicated above. This, however, will not affect the number of New Equity Shares of the Transferee



Company that are to be issued and allotted to the equity shareholders of the Transferor Companies under paragraph 7.5 above.

**8. DECLARATION OF DIVIDEND AND ISSUANCE OF RIGHTS / BONUS SHARES**

- 8.1. On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not declare or pay dividends, whether interim or final, or issue any debentures (non-convertible or partly or fully convertible) or shares by way of bonus, rights or otherwise, to their respective shareholders, except with the prior written consent of the Board of Directors of the Transferee Company.
- 8.2. The Board of the Transferee Company has already approved issuance of further shares by way of rights that may take place after the Appointed Date but before the Effective Date up to 18,53,00,000 (Eighteen Crore Fifty Three Lac) equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company. This rights issue can be proceeded with and completed by the Transferee Company pending sanction/ approval of the Scheme by the High Court.

**9. CONDUCT OF BUSINESS**

- 9.1. With effect from the Appointed Date and upto and including the Effective Date:
- (a) The Transferor Companies shall carry on and be deemed to have carried on all its business and activities for and on behalf of and in trust for the Transferee Company.
- (b) All profits, losses, income and expenditure arising or incurred by the Transferor Companies (including taxes) for the period commencing from the Appointed Date shall be treated to be the profits, losses, income and expenditure as applicable, of the Transferee Company.
- (c) The Transferor Companies shall be deemed to have exercised all rights, powers, authorities and undertaken and/or discharged any obligations, duties or liabilities for and on behalf of, and as an agent of the Transferee Company.
- (d) The coming into effect of this Scheme shall not affect any prior transactions or proceedings already concluded by the Transferor Companies on, before or after the Appointed Date and until the Effective Date, in as much as the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as if the same are done and executed by the Transferee Company.
- (e) Pending the sanction of the Scheme, the Transferee Company may apply as required to any authority, including any Governmental Authority, for such consents, permissions, approvals which may be necessary to carry on the business of the Transferor Companies.

**PART III**

**DISSOLUTION OF THE TRANSFEROR COMPANIES AND OTHER TERMS AND CONDITIONS**

**10. ACCOUNTING**

- 10.1. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:

- (a) As per Accounting Standard 14 issued by Council of the Institute of Chartered Accountants of India, the amalgamation is in the nature of merger & pooling of interest method of accounting will be followed.
  - (b) The Transferee Company shall record the assets and liabilities of the Transferor Companies pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies.
  - (c) All the reserves of the Transferor Companies shall be recorded in the books of the Transferee Company in the same form in which they appear in the books of the Transferor Companies.
- 10.2. Upon the coming into effect of this Scheme, inter-company transactions, including loans and advances, debts, deposits, balances, or other obligations between the Transferor Companies and Transferee Company shall end and corresponding effect shall be given in the books of accounts and records of the Transferee Company. Moreover, there will be no accrual of interests or any other charges in respect of inter-company loans, deposits, debts, balances, on and from the Effective Date.

## **11. CONDITIONS PRECEDENT**

11.1. The Scheme is conditional upon the following:

- (a) The Scheme being agreed to by the requisite number of shareholders and/or creditors and/or classes of shareholders and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and in accordance with the orders of the High Court;
- (b) The certified copies of the High Court's orders sanctioning this Scheme being filed with the relevant Registrar of Companies;
- (c) Such other approvals and sanctions in respect of the Scheme, as may be required by law being obtained.



11.2. On approval of the Scheme by the shareholders and creditors of the Transferor Companies and the Transferee Company, if required, in accordance with Section 391(1) of the Act, the shareholders and/or creditors of these Companies shall be deemed to have also resolved and given all relevant consents under the other provisions of the Act and Rules to the extent applicable and necessary to give effect to this Scheme.

11.3. In the event of this Scheme failing to take effect by September 30, 2016, or such other date as may be mutually decided by the Board of Directors of the Transferor Companies and Transferee Company, this Scheme shall stand revoked, cancelled and be null and void and of no effect whatsoever. In such a case, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or any other person. In such a case, parties shall bear their own costs and expenses.

11.4. Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up, without any further act or deed. The Transferor Companies shall be removed from the register of the Registrar of Companies on the effectiveness of this Scheme.

11.5. The Transferor Companies and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme pursuant to Sections 391 to 394 of the Act.

11.6. Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies which are valid and operating as of the Effective Date shall be considered as the resolutions passed by the Transferee Company.

- 11.7. Subject to applicable law and the orders of the High Court, the Transferor Companies through their Boards and the Transferee Company through its Board may at any time, in their absolute discretion, and jointly and mutually in writing, modify, vary, alter, interpret, clarify, give such directions as may be necessary to settle any question or difficulty in relation to this Scheme. This would include any alteration or modification in the Scheme pursuant to any directions issued by the High Court and/or any other Governmental Authority.
- 11.8. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts of this Scheme.
- 11.9. All costs charges and expenses payable by both the Transferor Companies and the Transferee Company in connection with this Scheme and for the completion of the amalgamation shall be borne equally by the Transferor Companies and the Transferee Company.

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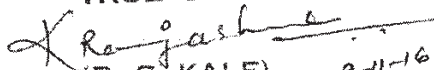


*Partner*

*Wadia Ghandy & Co.  
Advocates, Solicitors & Notaries  
N. M. Wadia Building  
123, Mahatma Gandhi Road  
Fort, Mumbai - 400 023.*



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(R. C. KALE) 9-11-16  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT  
BOMBAY  
ORDINARY ORIGINAL CIVIL  
JURISDICTION  
COMPANY SCHEME PETITION NO. 290 OF  
2016  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO.  
104 OF 2016

HBL Global Private Limited. ... Petitioner/  
Transferor Company No.1

In the matter of Companies Act, 1956  
(including any statutory re-enactments,  
amendments or modifications thereof)

AND

In the matter of sections 391 to 394 of  
the Companies Act, 1956 (including any  
statutory re-enactments, amendments or  
modifications thereof)

AND

In the matter of Scheme of  
Amalgamation amongst HBL Global  
Pvt. Ltd. (Transferor Company No.1)

AND

Atlas Documentary Facilitators  
Company Pvt. Ltd. (Transferor  
Company No.2)

AND

HDB Financial Services Limited  
(Transferee Company)

AND

Their respective shareholders and creditors

AUTHENTICATED COPY OF THE MINUTES  
OF ORDER DATED 29<sup>TH</sup> SEPTEMBER, 2016  
ALONG WITH SCHEME

plied for authenticated copies on... 27/10/2016  
Authenticated copies submitted on... 07/11/2016  
Engrossed on... 09/11/2016  
Examined by... *(H.B. Punyarth)*  
Compared with... *reke*  
Ready on... 09 NOV 2016  
Dated on... 10 NOV 2016

M/S. WADIA GHANDY & Co.  
Advocates for the Petitioner,  
N. M. Wadia Building,  
123, M.G. Road, Fort,  
Mumbai - 400 001.  
HC/BCD/10982/SSP/ME

**HIGH COURT, BOMBAY**

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
 ORDINARY ORIGINAL CIVIL JURISDICTION  
 COMPANY SCHEME PETITION NO. 290 OF 2016  
 CONNECTED WITH  
 COMPANY SUMMONS FOR DIRECTION NO. 104 OF 2016

HBL GLOBAL PRIVATE LIMITED

... PETITIONER/  
 TRANSFEROR NO.1

AND

COMPANY SCHEME PETITION NO. 291 OF 2016  
 CONNECTED WITH  
 COMPANY SUMMONS FOR DIRECTION NO. 105 OF 2016

ATLAS DOCUMENTARY FACILITATORS  
 COMPANY PRIVATE LIMITED

... PETITIONER/  
 TRANSFEROR NO.2

In the matter of Companies Act, 1956  
 (including any statutory re-enactments,  
 amendments or modifications thereof)

AND

In the matter of sections 391 to 394 of the  
 Companies Act, 1956 (including any  
 statutory re-enactments, amendments or  
 modifications thereof)

AND

In the matter of Scheme of Amalgamation  
 amongst HBL Global Pvt. Ltd. (Transferor  
 Company No.1)

AND

Page 1 of 8

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# HIGH COURT, BOMBAY

720885

Atlas Documentary Facilitators Company  
Pvt. Ltd. (Transferor Company No.2)

AND

HDB Financial Services Limited  
(Transferee Company)

AND

Their respective shareholders and creditors

## Called for Hearing

Mr. Sameer Pandit along with Ms. Madhupreetha Elango i/b. Wadia Ghandy &  
Co., Advocates for the Petitioners.

Mr. S. Ramakantha for the Regional Director.

Coram: A.K. Menon, J.

Date: 29<sup>th</sup> September, 2016

## P.C.

1. Heard learned Advocates appearing for the parties. No objector has come before the court to oppose the Scheme, nor has any party controverted any averments made in the captioned Petitions.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Arrangement ("Scheme of Arrangement") for amalgamation of HBL Global Private Limited ("Transferor Company No.1") and Atlas Documentary Facilitators Company Private Limited ("Transferor Company No.2") collectively "Transferor Companies" with HDB Financial Services Limited ("Transferee Company") and their respective shareholders and creditors.

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3. Learned Advocate for the Petitioners, submits that the Petitioner in CSP No. 290 of 2016 provides specialized services relating to marketing and promotion of the various financial products of HDFC Bank Ltd. and that Petitioner in CSP No.291 of 2016 primarily provides processing support to HDFC Bank Ltd. and few other customers in the areas of retail liabilities, retail assets, credit cards processing, cheque clearing, cash management services and depositary services.
4. The Transferor Companies and the Transferee primarily cater to the same customer, i.e., HDFC Bank Ltd., on different service fronts. The Scheme of Arrangement would simplify and consolidate the various services offered by the Transferor Companies and the Transferee into a single entity and enable the merged entity to offer a comprehensive bouquet of end to end services to HDFC Bank Ltd. The purpose of the Scheme of Arrangement as more particularly set out at Paragraph 2 of the Scheme of Arrangement, is to achieve synergistic integration and consolidation of the businesses presently being carried on by the Transferor Companies and the Transferee.
5. The Learned Advocate for the Petitioners states that the Board of Directors of the Transferor Companies and the Transferee Company have approved the Scheme of Arrangement in their Board Meeting and extract of the resolutions passed in this regard are annexed to the respective Company Scheme Petitions.
6. The Learned Advocate for the Petitioners states that the Transferee Company has its registered office in Ahmedabad in the State of Gujarat and has filed appropriate proceedings for the sanction of the Scheme of Arrangement by the High Court of Gujarat at Ahmedabad. Further, the



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High Court of Gujarat by its order dated August 26, 2016 sanctioned the Scheme of Arrangement, subject to similar sanctions being granted by this Court.

7. The Learned Advocate for the Petitioners states that Petitioners have complied with all the directions passed in the Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the Order passed in the Company Summons for Direction.
8. The Learned Advocate for the Petitioners states that the Petitioners have complied with all requirements as per the directions of this Court and have filed necessary affidavit of compliance in the Court. Moreover, the Petitioners through its Advocate undertakes to comply with all statutory requirements, if any, as required under Companies Act, 1956/2013 and the Rules made thereunder, as applicable. The said undertaking is accepted.



The Official Liquidator has filed its Report on September 6, 2016 stating therein that the affairs of the Petitioners have been conducted in a proper manner and that the Petitioners may be ordered to be dissolved by this Court.

10. The Regional Director has filed its Affidavit on September 16, 2016 stating therein that save and except as stated in paragraphs 6 (a) to 6(c) of the said affidavit, it appears, according to the Regional Director, that the Scheme is not prejudicial to the interest of shareholders and public. The aforesaid paragraphs 6(a) to 6(c) read as under:

*"6. That the Deponent further submits that*

- (a) Regarding clause 4 of the Scheme, the appointed date means opening of business on 1<sup>st</sup> April, 2014 or such other date as may be determined by the Boards of Directors of the Transferor Companies and the Transferee Company or such the date as may be decided by the High Court. In this regard the appointed date should be opening of business on 1<sup>st</sup> April, 2014 or such other date, the Hon'ble Court at Judicature at Bombay may direct.
- (b) Clause 14 of the scheme, it is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the scheme shall be debited to Goodwill Account and will not be adjusted against any other reserves of the Transferee Company.
- (c) The tax implication if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner company.



11. As regards the observations at paragraph 6(a) of the Regional Director's Affidavit is concerned, the Learned Advocate for the Petitioners states that the Petitioners have no objection to the observations of the Regional Director. Accordingly, the Appointed Date for the Scheme shall be opening of business on April 1, 2014.
12. As regards the observations at paragraph 6(b) of the Regional Director's Affidavit is concerned, the Petitioners through its Advocate undertakes

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that the surplus, if any, arising out of the Scheme shall be credited to Capital Reserve and deficit, if any, arising out of the Scheme shall be debited to Goodwill Account and will not be adjusted against any other reserves of the Transferee Company.

13. As regards the observations at paragraph 6(c) of the Regional Director's Affidavit is concerned, the Petitioners through its Advocate undertakes to comply with the applicable provisions of the Income Tax Act, 1961 and all issues concerning taxation arising as a consequence of the said Scheme shall be dealt with and addressed in accordance with the applicable provisions of the applicable income tax laws.
14. The Learned Advocate for Regional Director, on the instructions of S. Ramakantha, Joint Director, Inspection, in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Advocate for the Petitioners. The said undertakings given by the Petitioners are accepted.
15. Learned Advocate for the Petitioners further submits that the last date by which the Scheme of Arrangement was to come into effect has expired during the pendency of proceedings for obtaining sanction before this Court. In accordance with Clause 11.3 of the Scheme of Arrangement, the Board of Directors of the Transferor Companies and the Transferee Company have passed necessary resolutions extending the date of revocation of the Scheme of Arrangement to March 31, 2017. The Petitioners accordingly seeks appropriate orders or directions from this Court extending the date of revocation of the Scheme, from September 30, 2016 with March 31, 2017.



16. The date of revocation of the Scheme is accordingly extended to March 31, 2017 by this Order and no further steps are required to be taken by the Petitioners in that regard.
17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
18. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petitions are made absolute in terms of prayer clauses (a), (c) and (d).
19. The Petitioners are directed to lodge a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same, within 60 (sixty) days from the date of the Order.
20. The Petitioners are further directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC 28 in addition to physical copies as per the relevant provisions of the Companies Act, 1956 / 2013.
21. The Petitioners to pay costs of Rs.10,000/- each, to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Mumbai. Costs to be paid within four weeks from the date of this Order.
22. Filing and issuance of the drawn up order is dispensed with.



- (A.K. MENON, J.)

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Section Officer  
High Court, Appellate Side  
Bombay



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(1) (2) (3) 9-11-76  
COLLEGE OF LETTERS  
HIGH COURT (C.S.)  
BOMBAY

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**SCHEME OF AMALGAMATION  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

**AMONGST**

**HBL GLOBAL PRIVATE LIMITED**                      ... **TRANSFEROR COMPANY NO. 1**  
**AND**

**ATLAS DOCUMENTARY FACILITATORS  
COMPANY PRIVATE LIMITED**                      ... **TRANSFEROR COMPANY NO. 2**  
**AND**

**HDB FINANCIAL SERVICES LIMITED**                      ... **TRANSFeree COMPANY**  
**AND**

**THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**

**1. PURPOSE OF THE SCHEME OF AMALGAMATION ("SCHEME")**

This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956, as amended and the corresponding provisions of Companies Act, 2013, upon their notification (including any statutory modifications or reenactments thereof) for amalgamation of HBL Global Private Limited ("Transferor Company No.1" or "HBL") and Atlas Documentary Facilitators Company Private Limited ("Transferor Company No. 2" or "ADFC", collectively "the Transferor Companies") with HDB Financial Services Limited ("the Transferee Company" or "HDB").

**2. RATIONALE OF THE SCHEME**

- a. Transferor Company No. 1 is a subsidiary of Transferor Company No. 2 and provides specialized services relating to marketing and promotion of the various financial products of HDFC Bank Ltd., which includes credit cards, vehicle loans, personal loans, merchant establishments, loan against shares, home loans and various retail asset products of HDFC Bank Ltd.
- b. Transferor Company No. 2 primarily provides processing support to HDFC Bank Ltd. and few other customers in the areas of retail liabilities, retail assets, credit cards processing, cheque clearing, cash management services and depository services.
- c. The Transferee Company is a subsidiary of HDFC Bank Ltd. and a non-deposit taking Non-Banking Finance Company (NBFC) engaged in the business of financing the requirements of mainly individual borrowers and medium, small and micro business enterprises. The Transferee Company also carries on a BPO business and provides services to HDFC Bank Ltd., to run collections call centers and collects overdues from borrowers. The Transferee Company has set up such call centers across the country, which provide collection services for the entire gamut of retail lending products of HDFC Bank Ltd. The Transferee Company offers end to end collection services in over 400 locations through its BPO business.
- d. The proposed Scheme will result in the following synergies:
  - i. **Related Diversification:** Acquiring the business of the Transferor Companies would be a related diversification for the Transferee

Company, in the financial services arena. The Transferee Company's BPO business and the Transferor Companies cater to primarily the same customer, i.e. HDFC Bank Ltd. on different service fronts. The proposed Scheme would simplify and consolidate the various services offered by the Transferor Companies and the Transferee Company into a single entity and enable the merged entity to offer a comprehensive bouquet of services, including BPO services, to its customers. The amalgamation will also help the Transferee Company provide end-to-end services in the financial services arena covering *inter alia* sales, document processing, back-office support services and collections to banks, finance companies and financial institutions.

- ii. **Balanced Revenue mix:** The amalgamation will result in a diversified and balanced revenue mix through an increased share of fee based income from the services business along with interest income from lending business.
- iii. **Synergy in Operations:** The Transferor Companies and the Transferee Company primarily cater to the same customer i.e. HDFC Bank Ltd. on different service fronts. The proposed amalgamation would simplify and consolidate the various services offered by the Transferee Company and the Transferor Companies into a single entity and will enable the Transferee Company to offer a comprehensive bouquet of services to its customer(s). Set out hereinbelow are some of the other synergies and benefits that would be achieved upon implementation of the proposed Scheme:
  - The Transferee Company has developed a platform for delivering collections BPO services. The same will be extended to the operations of the Transferor Companies being transferred under the Scheme which is expected to result in higher operating margins for the merged entity. Further the merged entity will have expertise in offering full scale service offerings to its clients.
  - Consolidation of the Transferor Companies' services business with the Transferee Company's BPO Business would lead to synergy in operations and improve the position of the merged entity by offering unified yet comprehensive bouquet of BPO and financial services to its customer(s).
  - Achieve greater integration, flexibility and greater financial strength by simplifying and consolidating the various services offered by the Transferee Company and the Transferor Companies.
  - Opportunities to achieve improved operational, management and financial efficiency
  - Achieve diversified and balanced revenue mix through increased share of fee based income from services business along with interest income from the lending business.
- e. It is proposed that pursuant to Sections 391 to 394 and other relevant provisions of the Act, the Transferor Companies be amalgamated with the Transferee Company, upon which the Transferor Companies will stand dissolved without winding up. As a consequence of the amalgamation, the share capital of the Transferee Company shall increase in accordance with the provisions of paragraph 7.1 to 7.3 of this Scheme.
- f. The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (as defined hereinbelow).



- g. The amalgamation of the Transferor Companies with the Transferee Company in accordance with the terms of the present Scheme shall be in compliance with the applicable provisions of the Income Tax Act, 1961, including Section 2(1B), as a result whereby, by virtue of the amalgamation all the assets, properties and liabilities of the Transferor Companies existing immediately before the amalgamation (save and except shares of the Transferor Company No. 1 held by Transferor Company No. 2, which will stand extinguished), shall become the assets, properties and liabilities of the Transferee Company. Further, the amalgamation is expected to lead to creation of a stronger and larger entity which would be to the benefit of the shareholders of the Transferor Companies and the Transferee Company. Moreover, under the Scheme the shareholders of the Transferor Companies are to be allotted shares of the Transferee Company in accordance with the swap ratio as set out at paragraph 7.5 of the Scheme, which is based on a fair and independent valuation ("**Valuation**"). Hence, the Scheme will not prejudicially affect the interests of any shareholder of either of the Transferee Company or the Transferor Companies. Moreover, as the Transferee Company is adopting all liabilities of the Transferor Companies and has sufficient assets to discharge these liabilities, the Scheme will not prejudicially affect the interests of the creditors of either the Transferor Companies or the Transferee Company.
- h. The amalgamation is not a result of any acquisition of property of the Transferor Companies by the Transferee Company through purchase or a result of the distribution of such property to the Transferee Company pursuant to the winding up of the Transferor Companies.
- i. This Scheme has been drawn up to comply with applicable provisions of law, including the provisions of Section 2(1B) of the Income Tax Act, 1961. In the event any term of this Scheme is found or interpreted for any reason to be inconsistent with the provisions of the law at a subsequent date, including as a result of an amendment of the law, the Scheme shall stand modified to the extent necessary to comply with such amendments. The modification will however not affect other parts of the Scheme.

### 3. **PARTS OF THE SCHEME**

This Scheme of Amalgamation is divided into the following parts:

- a. **PART I**, which is a general section is further divided into two parts, providing (A) definitions applicable to this Scheme; (B) details of the share capital and shareholding structure of the Transferor Companies and the Transferee Company;
- b. **PART II**, which deals with the provisions and terms based on which the amalgamation of the Transferor Companies with the Transferee Company shall take place; and
- c. **PART III**, which deals with the dissolution without winding up of the Transferor Companies and the general terms and conditions applicable to the Scheme of Amalgamation.



#### **PART I**

### 4. **DEFINITIONS**

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

**"Act"** means the Companies Act, 1956, as amended and the corresponding provisions of the Companies Act, 2013, upon their notification (including any statutory modifications or re-enactments thereof), for the time being in force;

**"Appointed Date"** means the opening of business on April 1, 2014, or such other date as may be determined by the Board of Directors of the Transferor Companies and the Transferee Company or such other date as may be decided by the High Court;

**"Board of Directors"** or **"Board"** shall mean in relation to each of the Transferor Companies and the Transferee Company, as applicable, the board of directors of such company and shall include any committee which has been duly authorised and constituted for the purposes of the Scheme and the amalgamation and/or any matters pertaining to the same;

**"Effective Date"** means the date or the last of the dates on which the certified copies of the orders passed by the High Court of Judicature at Bombay and the High Court of Judicature at Gujarat, sanctioning the Scheme, are filed by each of the Transferor Companies and the Transferee Company with the respective Registrar of Companies. References herein to 'coming into effect of the Scheme' and 'effectiveness of the scheme' shall be construed as reference to the Effective Date;

**"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body;

**"High Court"** shall mean in relation to the Transferee Company, the High Court of Judicature at Gujarat having jurisdiction in relation to the Transferee Company and in relation to the Transferor Company No. 1 and Transferor Company No. 2, the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company No. 1 and Transferor Company No. 2, (references to High Court shall be construed accordingly); and shall include the National Company Law Tribunal, as applicable, or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

**"Liabilities"** shall include all secured and unsecured debts (in either Indian or foreign currency), liabilities, duties, obligations, undertakings of any kind or description whatsoever and raised or incurred for the business activities along with any charge, lien, encumbrance or security thereon;

**"New Equity Shares"** shall have the meaning ascribed to the expression in paragraph 7.5 (c) of Part II of the Scheme;

**"Record Date"** shall mean such date after the Effective Date, to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Companies in terms of this Scheme;

**"Registrar of Companies"** shall mean in relation to the Transferee Company and the Transferor Companies, the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the Registrar of Companies, Maharashtra, Mumbai, respectively;

**"Scheme"** means this scheme of amalgamation, as amended or modified in accordance with the provision for the same herein;

**"Transferee Company"** means HDB Financial Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380 009;

"**Transferor Company No. 1**" means HBL Global Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra;

"**Transferor Company No. 2**" means Atlas Documentary Facilitators Company Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 26A, Narayan Properties Chandivali Farm Road, Off Saki Vihar Road, Chandivali, Andheri (East), Mumbai 400 072, Maharashtra;

"**Undertaking**" means and includes the following:

- (a) All assets of the Transferor Companies as on the Appointed Date;
- (b) All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
- (c) Without prejudice to the generality of sub-clauses (a) and (b) hereinabove, Undertaking shall mean and include the whole of the undertaking of the Transferor Companies, as a going concern, including its business, all secured and unsecured debts, liabilities, duties, obligations, all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, current assets, present or contingent assets including stock, shares, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, arrangements, engagements, rights, titles, interests, benefits, advantages, sundry debtors, bills of exchange, loans and advances, leasehold rights, tenancy rights, permits, authorisations, quota rights, including reserves, funds, provisions, equipments and installations and utilities, electricity water and other service connections, records, files, employees and benefits of agreements, contracts and arrangements, balances with all regulatory authorities, liberties, advantages, easements and all rights titles, interest goodwill benefits and advantages, deposits, reserves, benefits, advantages, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of Income Tax, Minimum Alternate Tax, VAT, Sales Tax, Service Tax etc.) and all other rights, 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 Companies, as on the Appointed Date, and all the earnest money and/or deposits including security deposits paid by the Transferor Companies as on the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes, including Direct and Indirect Tax laws, derived by the Transferor Companies and all necessary records, files, papers, computer programs, websites, domain names and other records whether in physical or electronic form in connection with or relating to the Transferor Companies.

- 4.2. Headings shall not affect the interpretation or construction of this Scheme;
- 4.3. Words using the singular terms shall also include the plural terms and vice versa;
- 4.4. Reference to the word "include" and "including" shall be construed without limitation;
- 4.5. References to a person includes any individual, firm, body corporate, Governmental Authority, joint venture, association or partnership.

## **5. SHARE CAPITAL AND SHAREHOLDING PATTERN**

### 5.1. Transferor Company No. 1

The share capital and shareholding pattern of the Transferor Company No.1 as on March 31, 2014 is as under:

PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
10,00,000 Equity Shares of Rs.10 each	1,00,00,000
<b>TOTAL</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
10,200 Equity Shares of Rs.10 each/-	1,02,000/-
<b>TOTAL</b>	<b>1,02,000/-</b>

6.1

### 5.2. Transferor Company No. 2

The share capital and shareholding pattern of the Transferor Company No.2 as on March 31, 2014 is as under:

PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
5,50,000 Equity Shares of Rs.10 each	55,00,000
<b>TOTAL</b>	<b>55,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
4,50,180 Equity Shares of Rs.10 each/-	45,01,800/-
<b>TOTAL</b>	<b>45,01,800/-</b>

### 5.3. Transferee Company

The authorised, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2014 is as follows:-

PARTICULARS	AMOUNT (IN RS.)
<b>Authorised Share Capital:</b>	
100,00,00,000 Equity Shares of Rs.10/- each	1000,00,00,000/-
<b>TOTAL</b>	<b>1000,00,00,000/-</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
51,37,50,219 Equity Shares of Rs. 10/- each	513,75,02,190/-
<b>TOTAL</b>	<b>513,75,02,190/-</b>

## PART II

### AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

### 6. TRANSFER

With effect from the Appointed Date and pursuant to the sanction of the Scheme by the relevant High Court and in accordance with the provisions of Section 391 to 394 and/or any other applicable provisions of the Act or any



1 as

other law for the time being in force, the entire Undertaking of the Transferor Companies shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern without any further act, deed, instrument, matter or thing, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interest of the Transferee Company, by virtue of and in accordance with the provisions of this Scheme.

#### 6.1. Transfer of Assets

15



- (a) On and from the Appointed Date, all estate, assets, properties, rights, claims, titles, interest and authorities, including accretions and appurtenances comprised in the Transferor Companies of whatsoever nature and wherever situate shall, without any further act, deed or instrument, be and stand transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- (b) On and from the Appointed Date, the movable properties and assets of the Transferor Companies (excluding the shares of Transferor Company No. 1 held by Transferor Company No. 2 which are being extinguished under the Scheme since Transferor Company No. 1 and Transferor Company No. 2 are both being merged into the Transferee Company), the same shall be and stand transferred by the Transferor Companies to the Transferee Company and shall become the assets and property of the Transferee Company with effect from the Appointed Date, without requiring any further deed, conveyance or instrument of transfer.
- (c) In addition to what is stated at paragraph 6.1 (b) above, the assets and properties of the Transferor Companies, in particular receivables, bills, loans and advances recoverable in cash or kind, bank balances, investments, deposits of any nature, shall stand transferred to and vested in the Transferee Company on and from the Appointed Date without any further act, instrument or deed, cost or charge and without any need to notify or intimate any third party.
- (d) All assets, rights, interests, properties, whether immovable or movable, acquired by the Transferor Companies on or after the Appointed Date but before the Effective Date, shall be deemed to be and shall become the assets, rights, interests, properties of the Transferee Company and shall stand transferred to and vested in the Transferee Company on and from the Appointed Date, without any further act, instrument or deed.
- (e) All the licenses, permits, entitlements, approvals, permissions, registration, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on or before or after the Appointed Date, including benefits and exemptions of taxation that have or may accrue to the Transferor Companies on, before or after the Appointed Date, tax holidays, subsidies, special incentives, special status and other privileges and benefits granted by any Government Authority or any person, shall stand transferred to and vested in the Transferee Company and shall be enforceable by the Transferee Company on the same terms and conditions.

#### 6.2. Transfer of Contracts

- (a) Subject to the provisions of this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature to which the Transferor Companies are party to, or under which the Transferor Companies are to obtain a benefit, and which are subsisting/effective immediately prior to the Effective Date, shall continue to operate against or in favour of the Transferee Company and be enforced against or by the Transferee Company as if the Transferee Company is a party to the same.
- (b) The Transferee Company shall on and from the Effective Date be authorized to act on behalf of the Transferor Companies for the purposes of compliance by the Transferor Companies of its various obligations under all contracts, deeds, agreements and other instruments to which it is a party and/or under which it is deriving a benefit.

#### 6.3. Transfer of Liabilities

- (a) On and from the Appointed Date, all Liabilities of the Transferor Companies shall without any further act, instrument, deed, be transferred to and vested in the Transferee Company to the extent that they are outstanding and shall become the Liabilities of the Transferee Company on the same terms and conditions. The Transferee Company shall meet and discharge the said Liabilities without any need to notify or intimate any third party.
- (b) All Liabilities of the Transferor Companies that have arisen or accrued on or after the Appointed Date but before the Effective Date, shall become the Liabilities of the Transferee Company pursuant to this Scheme and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any discharge by the Transferor Companies of its Liabilities on or after the Appointed Date shall be deemed to be for and on behalf of the Transferee Company.
- (d) All existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.
- (e) Any Liabilities due and/or outstanding or which may become due/ outstanding between the Transferor Companies and the Transferee Company shall stand discharged and no liability/obligation will be imposed on any party with respect to the same.

#### 6.4. Staff, Workmen and Employees

- (a) On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service as on the Effective Date, shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service. On the basis of continuity of employment there shall be no substantial change in the terms of employment of the employees of the Transferor Companies, to their prejudice, at the time of such transfer of employment.



- (b) On the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

6.5. Legal, Taxation and other Proceedings

- (a) On and from the Effective Date, all suits, actions and other proceedings, including legal, taxation and proceedings before any quasi-judicial or administrative body, by or against the Transferor Companies, whether pending and/or arising on or before the Effective Date shall be continued by the Transferee Company.
- (b) On and from the Effective Date, the Directors of the Transferor Companies will cease to be Directors of each respective Transferor Company and shall not be entitled merely by virtue thereof to any directorship in the Transferee Company pursuant to the provisions of the Scheme. It is clarified that this Scheme will not affect or cause any change in the directorship of the Transferee Company.



7.

**REORGANISATION OF SHARE CAPITAL OF THE TRANSFEE COMPANY**

- 7.1. Consequent to and as part of the amalgamation of the Transferor Companies with the Transferee Company, the Authorised Share Capital of the Transferor Companies shall stand merged into and combined with the Authorised Share Capital of the Transferee Company, without any further act, deed including without payment of any stamp duty, registration or filing fee on such combined Authorised Share Capital under Section 403 of the Companies Act, 2013.
- 7.2. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall automatically stand enhanced by the aggregate share capital of the Transferor Companies of Rs.1,55,00,000/- (Rupees One Crore and Fifty Five Lac only). The Authorised Share Capital of the Transferee Company shall therefore stand enhanced to Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each. Clause V of the Memorandum of Association of the Transferee Company and Article 4 of the Articles of Association of the Transferee Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 394 of the Companies Act, 1956 or Sections 13, 14, 61 of the Companies Act, 2013 (corresponding to Sections 16, 31 and 94 of the Companies Act, 1956) or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.
- 7.3. Upon the Scheme becoming effective, the issued, subscribed and paid up Share Capital of the Transferee Company shall be as mentioned in paragraph 7.11 hereunder.

- 7.4. Accordingly, upon the Scheme becoming effective, the Capital Clause of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each."*

Clause 4 of the Articles of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each to be increased or reduced in accordance with the relevant provisions of the Companies Act, 2013. The minimum paid up share capital of the Company will be Rs.5,00,000/- (Five Lacs only) divided into 50,000 equity shares of Rs.10/-."*

The Transferee Company shall file the requisite forms with the relevant Registrar of Companies, or any other applicable authority for such increase of the authorized share capital.

- 7.5. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall:

- (a) in consideration of the amalgamation of the Transferor Company No. 1 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 1 holding fully paid up equity shares in Transferor Company No. 1, and whose names appear in the Register of Members of the Transferor Company No. 1 as on the Record Date, 102.35 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 1.
- (b) in consideration of the amalgamation of the Transferor Company No. 2 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 2 holding fully paid up equity shares in Transferor Company No. 2, and whose names appear in the Register of Members of the Transferor Company No. 2 as on the Record Date, 16.75 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 2.
- (c) The equity shares of the Transferee Company issued to the shareholders of the Transferor Companies are hereinafter collectively referred to as **"New Equity Shares"**. For the avoidance of doubt, it is clarified that even though Transferor Company No. 2 is a shareholder of Transferor Company No. 1, since both Transferor Company No. 1 and Transferor Company No. 2 are merging into the Transferee Company, no shares of Transferee Company are to be allotted to Transferor Company No. 2 under this Scheme and the same has been taken into account in the share swap ratio for equity shareholders of the Transferor Company No. 2 as mentioned in paragraph 7.5(b) above.

- 7.6. Pursuant to the Scheme, the shares of the Transferor Companies held by their respective equity shareholders, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and extinguished in full, without any requirement to surrender the share certificates,

if any. The Transferee Company shall take such actions in relation to the Equity Shares of the Transferor Companies, as may be necessary.

- 7.7. No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Companies may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot New Equity Shares in lieu thereof to any director of the Transferee Company appointed for the purpose who shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such director shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said director shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlement. The director shall be appointed by the Board of Directors of the Transferee Company.
- 7.8. The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Companies shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari passu* in all respects with the existing equity shares in the Transferee Company.
- 7.9. The New Equity Shares in the Transferee Company will be issued to the members of the Transferor Companies in dematerialized form, with such New Equity Shares being credited to the existing depository accounts of the members of the Transferor Companies entitled thereto. Members of the Transferor Companies holding physical share certificates will be entitled to receive such New Equity Shares in the physical form, if they choose to receive such New Equity Shares in physical form.
- 7.10. The issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Transferor Companies as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 and any other applicable provisions of the Companies Act, 2013 and/or the Companies Act, 1956, and Rules made thereunder and all other relevant regulations and laws for the time being in force were duly complied with.
- 7.11. The equity shareholding pattern of the Transferee Company upon the Scheme coming into effect and upon the issuance and allotment of New Equity Shares of the Transferee Company as mentioned in paragraph 7.5 hereinabove, will subject to what is stated herein below, be as hereunder:

Sr.No.	Shareholder	Total Shareholding	
		No. of shares	% of shares
1.	HDFC Bank Ltd.	68,21,85,875	96.39%
2.	Others	2,55,47,536	3.61%
	<b>Total</b>	<b>70,77,33,411</b>	<b>100</b>

The above equity shareholding pattern is based on the assumption that: (a) the equity shares to be offered to the members of the Transferee Company by way of the proposed rights issue are fully subscribed to before the Effective Date; and (b) all Employee Stock Options granted by the Transferee Company are fully exercised before the Effective Date.

In the event the rights issue proposed by the Transferee Company is not fully subscribed to and/or the Employee Stock Options are not fully exercised, the total number of issued equity shares of the Transferee Company upon the Scheme coming into effect may be different from what is indicated above. This, however, will not affect the number of New Equity Shares of the Transferee

Company that are to be issued and allotted to the equity shareholders of the Transferor Companies under paragraph 7.5 above.

**8. DECLARATION OF DIVIDEND AND ISSUANCE OF RIGHTS / BONUS SHARES**

- 8.1. On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not declare or pay dividends, whether interim or final, or issue any debentures (non-convertible or partly or fully convertible) or shares by way of bonus, rights or otherwise, to their respective shareholders, except with the prior written consent of the Board of Directors of the Transferee Company.
- 8.2. The Board of the Transferee Company has already approved issuance of further shares by way of rights that may take place after the Appointed Date but before the Effective Date up to 18,53,00,000 (Eighteen Crore Fifty Three Lac) equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company. This rights issue can be proceeded with and completed by the Transferee Company pending sanction/ approval of the Scheme by the High Court.

**9. CONDUCT OF BUSINESS**

- 9.1. With effect from the Appointed Date and upto and including the Effective Date:
- (a) The Transferor Companies shall carry on and be deemed to have carried on all its business and activities for and on behalf of and in trust for the Transferee Company.
  - (b) All profits, losses, income and expenditure arising or incurred by the Transferor Companies (including taxes) for the period commencing from the Appointed Date shall be treated to be the profits, losses, income and expenditure as applicable, of the Transferee Company.
  - (c) The Transferor Companies shall be deemed to have exercised all rights, powers, authorities and undertaken and/or discharged any obligations, duties or liabilities for and on behalf of, and as an agent of the Transferee Company.
  - (d) The coming into effect of this Scheme shall not affect any prior transactions or proceedings already concluded by the Transferor Companies on, before or after the Appointed Date and until the Effective Date, in as much as the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as if the same are done and executed by the Transferee Company.
  - (e) Pending the sanction of the Scheme, the Transferee Company may apply as required to any authority, including any Governmental Authority, for such consents, permissions, approvals which may be necessary to carry on the business of the Transferor Companies.

**PART III**

**DISSOLUTION OF THE TRANSFEROR COMPANIES AND OTHER TERMS AND CONDITIONS**

**10. ACCOUNTING**

- 10.1. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:



- (a) As per Accounting Standard 14 issued by Council of the Institute of Chartered Accountants of India, the amalgamation is in the nature of merger & pooling of interest method of accounting will be followed.
  - (b) The Transferee Company shall record the assets and liabilities of the Transferor Companies pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies.
  - (c) All the reserves of the Transferor Companies shall be recorded in the books of the Transferee Company in the same form in which they appear in the books of the Transferor Companies.
- 10.2. Upon the coming into effect of this Scheme, inter-company transactions, including loans and advances, debts, deposits, balances, or other obligations between the Transferor Companies and Transferee Company shall end and corresponding effect shall be given in the books of accounts and records of the Transferee Company. Moreover, there will be no accrual of interests or any other charges in respect of inter-company loans, deposits, debts, balances, on and from the Effective Date.

## 11. CONDITIONS PRECEDENT

11.1. The Scheme is conditional upon the following:

- (a) The Scheme being agreed to by the requisite number of shareholders and/or creditors and/or classes of shareholders and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and in accordance with the orders of the High Court;
- (b) The certified copies of the High Court's orders sanctioning this Scheme being filed with the relevant Registrar of Companies;
- (c) Such other approvals and sanctions in respect of the Scheme, as may be required by law being obtained.



- 11.2. On approval of the Scheme by the shareholders and creditors of the Transferor Companies and the Transferee Company, if required, in accordance with Section 391(1) of the Act, the shareholders and/or creditors of these Companies shall be deemed to have also resolved and given all relevant consents under the other provisions of the Act and Rules to the extent applicable and necessary to give effect to this Scheme.
- 11.3. In the event of this Scheme failing to take effect by September 30, 2016, or such other date as may be mutually decided by the Board of Directors of the Transferor Companies and Transferee Company, this Scheme shall stand revoked, cancelled and be null and void and of no effect whatsoever. In such a case, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or any other person. In such a case, parties shall bear their own costs and expenses.
- 11.4. Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up, without any further act or deed. The Transferor Companies shall be removed from the register of the Registrar of Companies on the effectiveness of this Scheme.
- 11.5. The Transferor Companies and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme pursuant to Sections 391 to 394 of the Act.
- 11.6. Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies which are valid and operating as of the Effective Date shall be considered as the resolutions passed by the Transferee Company.

- 11.7. Subject to applicable law and the orders of the High Court, the Transferor Companies through their Boards and the Transferee Company through its Board may at any time, in their absolute discretion, and jointly and mutually in writing, modify, vary, alter, interpret, clarify, give such directions as may be necessary to settle any question or difficulty in relation to this Scheme. This would include any alteration or modification in the Scheme pursuant to any directions issued by the High Court and/or any other Governmental Authority.
- 11.8. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts of this Scheme.
- 11.9. All costs charges and expenses payable by both the Transferor Companies and the Transferee Company in connection with this Scheme and for the completion of the amalgamation shall be borne equally by the Transferor Companies and the Transferee Company.

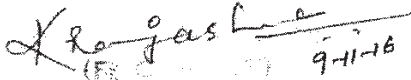


TRUE COPY

  
Partner

Wadia Ghandy & Co.  
Advocates, Solicitors & Notaries  
N. M. Wadia Building,  
123, Mahatma Gandhi Road,  
Fort, Mumbai-400 023.

TRUE-COPY

  
(F) 9-11-16

COMPANY REGISTRAR  
HIGH COURT (C.S.)  
BOMBAY



IN THE HIGH COURT OF JUDICATURE AT  
BOMBAY  
ORDINARY ORIGINAL CIVIL  
JURISDICTION  
COMPANY SCHEME PETITION NO. 291 OF  
2016  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO.  
105 OF 2016

Atlas Documentary Facilitators  
Company Private Limited ... Petitioner/  
Transferor Company No.2

In the matter of Companies Act, 1956  
(including any statutory re-enactments,  
amendments or modifications thereof)

AND

In the matter of sections 391 to 394 of  
the Companies Act, 1956 (including any  
statutory re-enactments, amendments or  
modifications thereof)

AND

In the matter of Scheme of  
Amalgamation amongst HBL Global  
Pvt. Ltd. (Transferor Company No.1)

AND

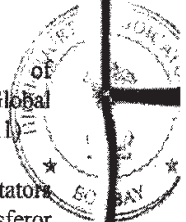
Atlas Documentary Facilitators  
Company Pvt. Ltd. (Transferor  
Company No.2)

AND

HDB Financial Services Limited  
(Transferee Company)

AND

Their respective shareholders and creditors



**AUTHENTICATED COPY OF THE MINUTES  
OF ORDER DATED 29<sup>TH</sup> SEPTEMBER, 2016  
ALONG WITH SCHEME**

plied for authenticated copies on... 27/10/2016  
Authenticated copies submitted on... 07/11/2016  
Engrossed on... 09/11/2016  
Examined by... *(H.R. Panyarthi)*  
Compared with... *file*  
... 9 NOV 2016  
Delivered on... 10 NOV 2016

**M/S. WADIA GHANDY & Co.**  
Advocates for the Petitioner,  
N. M. Wadia Building,  
123, M.G. Road, Fort,  
Mumbai - 400 001.  
HC/BGD/10982/SSP/ME

PAGES: 14

CHARGE: 25

U/5815/2016

Read By: pul

Prepared By : K.K. Joshi

Applied on : 08/09/2016

Examined By: 15-9-16

Prepared on : 08/09/2016

Notified on : 15-9-16

Delivered on :

Dy.S.O. 15/9/16

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
ORDER PASSED BY THE COURT IN THE CASE OF

1 HDB FINANCIAL SERVICES LTD  
2ND FLOOR, RADHIKA, LAW GARDEN ROAD  
NAVARANGPURA, AHMEDABAD - 380 009

VERSUS

Petitioner(s)

1



Respondent(s)

Being COMPANY PETITION No. 65 of 2016

Appearance on Record:

M/S WADIAGHANDY &amp; CO as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE R.M.CHHAYA

Date of Decision: 07/09/2016

NATIONAL INFORMATICS CENTRE



(COPY OF ORDER ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE



O/COMP/65/2016

ORDER

## IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

## COMPANY PETITION NO. 65 of 2016

[On note for speaking to minutes of order dated 26/08/2016 in  
O/COMP/65/2016]



NATIONAL INFORMATICS CENTRE

=====

HDB FINANCIAL SERVICES LTD....Petitioner(s)

Versus

.....Respondent(s)

=====

Appearance:

M/S WADIAGHANDY &amp; CO, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

=====

CORAM: HONOURABLE MR.JUSTICE R.M.CHHAYA

Date : 07/09/2016

ORDER BELOW THE NOTE FOR SPEAKING TO MINUTES

1. Considering the note filed by the learned advocate for the petitioner, there is a typographical error in Paragraph 2 of the order dated 26.8.2016. The said Paragraph stands deleted and the same is substituted as under:-

"The petitioner Company i.e. HDB Financial Services Limited is the Transferee Company whereas HBL Global Private Limited and Atlas Documentary Facilitators Private Limited are the Transferor Companies. HBL Global Private Limited shall hereinafter

O/COMP/55/2016

ORDER



NATIONAL INFORMATICS CENTRE

be referred to as the Transferor Company No.1, Atlas Documentary Facilitators Private Limited shall hereinafter be referred to as the Transferor Company No.2 and HDB Financial Services Limited shall hereinafter be referred to as the petitioner/Transferee Company."

2. Similarly, in Paragraph 12 of the order, the date is mentioned as "16<sup>th</sup> October, 2016". The same is substituted to read as "16<sup>th</sup> October, 2015".

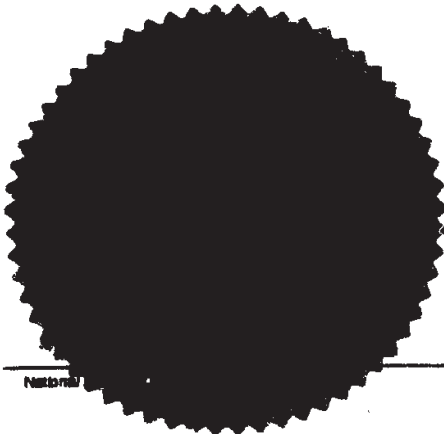
3. Rest of the order remains as it is.

4. Registry is directed to issue a fresh copy of the aforesaid order containing above-mentioned corrections.

5. Accordingly, the note for speaking to minutes is disposed of.

*SM*  
(R.M.CHHAYA, J.)

mrp



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ASSISTANT REGISTRAR  
THIS DAY OF

Page 2 of 2

National

Page 4 of 14

O/COMP/65/2016

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 65 of 2016

HDB FINANCIAL SERVICES LTD....Petitioner(s)

Versus

.....Respondent(s)

Appearance:

M/S WADIAGEANDY &amp; CO, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

CORAM: HONOURABLE MR.JUSTICE R.M.CHRAYA

Date : 26/08/2016

ORAL ORDER

1. The Petitioner Company has presented a Scheme of Arrangement in the nature of amalgamation between HBL Global Private Limited and Atlas Documentary Facilitators Private Limited with HDB Financial Services Limited and their respective shareholders and creditors under Sections 391 and 394 of the Companies Act, 1956 and seek sanction thereof.

2. The Petitioner Company i.e. HDB Financial Services Private Limited is the Transferee Company whereas HBL Global Private Limited and Atlas Documentary Facilitators Private Limited are the Transferor Companies. HBL Global Private Limited shall hereinafter be referred to as the Transferor Company No. 1, Atlas Documentary Facilitators Private Limited shall hereinafter be referred to as the Transferor Company No. 2 and HDB Financial Services Private Limited shall



NATIONAL INFORMATICS CENTRE



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ORDER

hereinafter be referred to as the  
Petitioner/Transferee Company.



NATIONAL INFORMATICS CENTRE

3. The Petitioner/Transferee Company has its registered office at 2<sup>nd</sup> Floor, Radhika, Law Garden Road, Navarangpura, Ahmedabad - 380 009. Both the Transferor Companies have their registered office in Mumbai, Maharashtra and have filed separate Petitions for approval of the Scheme of Amalgamation from the Hon'ble High Court of Judicature at Bombay.
4. The present Petition filed by the Petitioner Company sets out the details about its share capital, the objects with which the company came to be incorporated and other relevant facts. The Petitioner/Transferee Company was incorporated on 4<sup>th</sup> June, 2007 and is *inter alia* engaged in the business of financing the requirements of individual borrowers and medium, small and micro business enterprises. It also carries a Business Process Outsourcing ("BPO") business and provides services to HDFC Bank Ltd. to run collections call centers. The Transferor Company No. 1 commenced its business in the year 2000 and is *inter alia* engaged in the business of providing specialized services relating to marketing and promotion of various financial and retail asset products of various financial institutions such as credit cards, vehicle and personal loans, home loans etc. The Transferor Company No. 2 commenced

O/COMP/52/2015

ORDER

its business in the year 1997 and is *inter alia* engaged in the business of providing processing support to various banks, in the areas of retail assets and liabilities, credit card processing, depository services etc.



NATIONAL INFORMATICS CENTRE

5. The Petitioner/Transferee Company had filed Company Application No. 391 of 2015 seeking appropriate directions for convening meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company in terms of Section 391 of the Companies Act, 1956. This Court, by an Order dated 23<sup>rd</sup> December, 2015, took note of the aforesaid fact and issued necessary directions for convening respective meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company.
6. The meetings were held on 2<sup>nd</sup> February, 2016, as directed by this Court and the Scheme of Amalgamation, along with necessary amendments, came to be unanimously approved by each of the Equity Shareholders as well as the Secured and Unsecured Creditors, present and voting in the respective meetings. The Chairman appointed for the respective meetings filed his Report/Affidavit on 9<sup>th</sup> February, 2016 confirming the result of the meetings.
7. The present substantive Petition was thereafter filed, placing the Scheme of Amalgamation for

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consideration and sanction of this Court.

8. The Petition was admitted by Order of this Court dated 18<sup>th</sup> February, 2016. The public notices for the same were duly advertised in the English daily newspaper "Business Standard" and Gujarati daily newspaper "Financial Express", both Ahmedabad Editions dated 26<sup>th</sup> February, 2016. The publication in the Government Gazette was dispensed with as per the said Order. No one has come forward with any objection to the Petition even after the publication.

9. The notice of the Petition was served upon the Central Government through the Regional Director. An affidavit dated 15<sup>th</sup> July, 2016 came to be filed by one Mr. Shambhu Kumar Agarwal, Regional Director, Ministry of Corporate Affairs, North Western Region. In the said affidavit, the Regional Director has made certain comments and observations with respect to the Scheme.

10. Heard Mr. Tanvish Bhatt, learned advocate on behalf of M/s Wadia Ghandy & Co., learned advocates for the Petitioner Company and Mr. KshitiJ Amin, learned Central Government Counsel on behalf of Mr. Devang Vyas, Learned Assistant Solicitor General, for the Regional Director.

11. The Regional Director in Paragraph 2(c) of his Affidavit has observed that the Petitioner Company is an NBFC registered with the Reserve



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Bank of India and the Company has not placed on record, a copy of the No Objection received from RBI. The Regional Director has, accordingly, sought for a direction to Petitioner Company to ensure compliance of guidelines issued by RBI in this regard.



NATIONAL INFORMATICS CENTRE

12. Mr. Tanvish Bhatt has drawn this Court's attention to Paragraph 3.2 of the Additional Affidavit to point out that vide a letter dated 16<sup>th</sup> October, 2015, RBI has granted 'No Objection' for the Scheme of Amalgamation subject to terms and conditions mentioned therein. The Petitioner Company has also placed a copy of the aforesaid letter dated 16<sup>th</sup> October, 2015 on record, as Annexure 'A' to the Additional Affidavit.

13. A perusal of the said letter reveals that RBI has granted its approval to the Scheme and accordingly no directions are required to be passed by this Court in this regard. However, it is directed that the Petitioner Company shall comply with the terms and conditions of the aforesaid letter dated 16<sup>th</sup> October, 2015 issued by RBI.

14. With respect to the next observation, Regional Director has observed that a total of 6,31,390 Equity Shares of the Petitioner Company are held by Non Resident Indians ("NRIs") and therefore directions may be passed by this Court to ensure

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ORDER



NATIONAL INFORMATICS CENTRE

compliance of FEMA and RBI guidelines in this regard by the Petitioner Company. Mr. Tanvish Bhatt has drawn this Court's attention to Paragraph 3.3 of the Additional Affidavit to point out that the NRIs have paid the share subscription amount on non repatriation basis from their respective Non Resident External ("NRE")/ Non Resident Ordinary ("NRO") bank accounts in accordance with requirements stipulated under Regulation 5 read with Schedule 4 of the FEMA (Transfer of Issue of Security by a Person Resident Outside India), 2000 as amended from time to time and therefore no other compliances/filings were required to be made in connection with such subscription of shares. Mr. Bhatt further submits that the Petitioner Company is in compliance with the relevant FEMA and RBI guidelines in this regard.

15. In light of the aforesaid submission and averments made in the Additional Affidavit, the observations made by the Regional Director in this regard, stand substantially addressed.

16. With respect to the third observation, Regional Director has observed that the Petitioner Company has submitted two valuation reports dated 10<sup>th</sup> November, 2014 and 31<sup>st</sup> October, 2014 prepared by M/s Chitale & Associates, Chartered Accountants, Mumbai and M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai respectively and from the

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ORDER

same it is revealed that the share exchange ratio given in the Scheme is not recommended by either of valuers. The Regional Director has, accordingly, sought for a direction to Petitioner Company to place on record relevant details relating to calculation of share exchange ratio.



NATIONAL INFORMATICS CENTRE

17. Mr. Tanvish Bhatt has drawn this Court's attention to Paragraph 3.8 of the Additional Affidavit to point out that after considering the aforementioned valuation reports, the management of Petitioner Company had decided to take the median value of the valuation reports for arriving at the share price for the Amalgamation and accordingly the same has been incorporated in the Scheme. It has been further pointed out that the said share price has been approved by the shareholders of the Petitioner Company in their meeting held on 2<sup>nd</sup> February, 2016.

18. In light of the aforesaid submission and averments made in the Additional Affidavit, the observations made by the Regional Director in this regard, stand substantially addressed.

19. With reference to the next observation by the Regional Director, no reply is received from the Income Tax Department. Since the statutory period of 15 days as envisaged in the relevant circular of the Ministry of Corporate Affairs is over, it can be presumed that the Income Tax Department



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ORDER

has no objection to the proposed Scheme of Amalgamation. However, it is directed that the Petitioner Company shall comply with the applicable provisions of the Income Tax Act and Rules.



NATIONAL INFORMATICS CENTRE

20. In the light of the aforesaid discussion, all observations made by the Regional Director stand addressed. As is apparent from the Affidavit made by the Regional Director, there are no complaints against the Petitioner Company. It has also been stated that Scheme of Amalgamation proposed between the Petitioner Company and the Transferor Companies is not prejudicial to the interests of the shareholders of the Petitioner Company and the public at large and hence, there does not appear to be any impediment to the grant of sanction to the Scheme of Amalgamation, inasmuch as from the material on record and on a perusal of the Scheme, the Scheme appears to be fair and reasonable and is not violative of any provisions of law, nor is it contrary to public policy. As noticed earlier, none has come forward to oppose the Scheme. All requisite statutory compliances have also been substantially fulfilled.

21. This court is, therefore, satisfied that the Scheme of Arrangement in the nature of Amalgamation amongst the Petitioner Company and the Transferor Companies and their respective

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ORDER

shareholders and creditors deserves to be granted. The Scheme of Amalgamation is hereby sanctioned. The same shall be binding upon all the Equity Shareholders, Secured Creditors, Unsecured Creditors of the Petitioner Company and all other agencies, departments and authorities of the Central, State and any other local authorities.



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22. The Petitioner Company shall pay towards professional charges to learned Assistant Solicitor General Rs.7,500/- in respect of the Petition.

23. The Petitioner Company is further directed to lodge a copy of this order and the Scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of Stamp Duty, if any, as per applicable laws.

24. Since the Transferor Companies have their registered office in the State of Maharashtra, the drawing up and filing of schedule of immovable properties of the Transferor Companies is dispensed with.

25. The Petitioner Company is directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC 28 as per the relevant provisions of the Companies Act.

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ORDER

26. Filing and issuance of drawn up order is hereby dispensed with. All the authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court of Gujarat shall issue the authenticated copy of this order along with the Scheme.

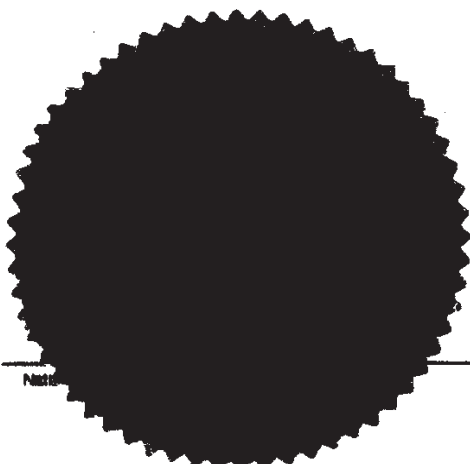


27. The Petition is, accordingly, allowed to the aforesaid extent.

*sn*  
(R.M. CHHAYA, J.)

by

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DEPUTY / ASSISTANT REGISTRAR  
THIS DAY OF

Page 15 of 15

Page 14 of 14

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)

Section Officer's  
Decree Department  
Dt. 15/9/2016

COMPANY PETITION No. 65 of 2016

IN

COMPANY APPLICATION NO. 391 OF 2015

Copy Applied on  
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Notified on  
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Sent by  
Regd. By Post

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: 15-9-16  
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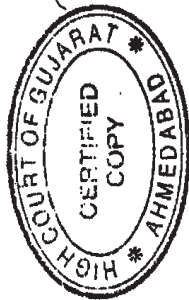
In the matter of Scheme of  
Amalgamation under Section 391  
and 394 of the Companies Act,  
1956 and the companies (Court)  
Rules, 1959 and the companies Act,  
2013;

And

In the matter of HDB Financial  
Services Limited, A company  
incorporated under the Companies  
Act, 1956 and having its registered  
office at 2<sup>nd</sup> Floor, Radhika, Law  
Garden Road, Navrangpura,  
Ahmedabad - 380 009.

And

In the matter of Scheme of  
Amalgamation between HBL Global  
Pvt. Ltd. and Atlas Documentary  
Facilitators Pvt. Ltd. with HDB  
Financial Services Ltd.



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HDB Financial Services Ltd.,  
A Company registered under  
the Companies Act, 1956 and  
having its registered office at  
2<sup>nd</sup> Floor, Radhika, Law  
Garden Road, Navrangpura,  
Ahmedabad - 380 009

Petitioner

\*\* (Transferee Company)



**SCHEME OF AMALGAMATION**

**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

**AMONGST**

**HBL GLOBAL PRIVATE LIMITED ... TRANSFEROR COMPANY NO. 1**

**AND**

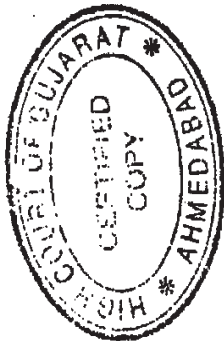
**ATLAS DOCUMENTARY FACILITATORS  
COMPANY PRIVATE LIMITED ... TRANSFEROR COMPANY NO. 2**

**AND**

**HDB FINANCIAL SERVICES LIMITED ... TRANSFEREE COMPANY**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**



**1. PURPOSE OF THE SCHEME OF AMALGAMATION ("SCHEME")**

This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956, as amended and the corresponding provisions of Companies Act, 2013, upon their notification (including any statutory modifications or reenactments thereof) for amalgamation of HBL Global Private Limited ("Transferor Company No. 1" or "HBL") and Atlas Documentary Facilitators Company Private Limited ("Transferor Company No. 2" or "ADFC", collectively "the Transferor Companies") with HDB Financial Services Limited ("the Transferee Company" or "HDB").

**2. RATIONALE OF THE SCHEME**

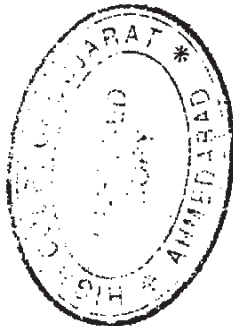
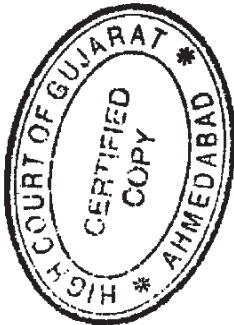
- a. Transferor Company No. 1 is a subsidiary of Transferor Company No. 2 and provides specialized services relating to marketing and promotion of the various financial products of HDFC Bank Ltd., which includes credit cards, vehicle loans, personal loans, merchant establishments, loan against shares, home loans and various retail asset products of HDFC Bank Ltd.
- b. Transferor Company No. 2 primarily provides processing support to HDFC Bank Ltd. and few other customers in the areas of retail liabilities, retail assets, credit cards processing, cheque clearing, cash management services and depository services.
- c. The Transferee Company is a subsidiary of HDFC Bank Ltd. and a non-deposit taking Non-Banking Finance Company (NBFC) engaged in the business of financing the requirements of mainly individual borrowers and medium, small and micro business enterprises. The Transferee Company also carries on a BPO business and provides services to HDFC Bank Ltd., to run collections call centers and collects overdue from borrowers. The Transferee Company has set up such call centers across the country, which provide collection services for the entire gamut of retail lending products of HDFC Bank Ltd. The Transferee Company offers end to end collection services in over 400 locations through its BPO business.
- d. The proposed Scheme will result in the following synergies:

- i. Related Diversification: Acquiring the business of the Transferor Companies would be a related diversification for the Transferee Company, in the financial services arena. The Transferee Company's BPO business and the Transferor

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**Advocate**

Companies cater to primarily the same customer, i.e. HDFC Bank Ltd. on different service fronts. The proposed Scheme would simplify and consolidate the various services offered by the Transferor Companies and the Transferee Company into a single entity and enable the merged entity to offer a comprehensive bouquet of services, including BPO services, to its customers. The amalgamation will also help the Transferee Company provide end-to-end services in the financial services arena covering *inter alia* sales, document processing, back-office support services and collections to banks, finance companies and financial institutions.



ii. **Balanced Revenue mix:** The amalgamation will result in a diversified and balanced revenue mix through an increased share of fee based income from the services business along with interest income from lending business.

iii. **Synergy in Operations:** The Transferor Companies and the Transferee Company primarily cater to the same customer i.e. HDFC Bank Ltd. on different service fronts. The proposed amalgamation would simplify and consolidate the various services offered by the Transferee Company and the Transferor Companies into a single entity and will enable the Transferee Company to offer a comprehensive bouquet of services to its customer(s). Set out hereinbelow are some of the other synergies and benefits that would be achieved upon implementation of the proposed Scheme:

- The Transferee Company has developed a platform for delivering collections BPO services. The same will be extended to the operations of the Transferor Companies being transferred under the Scheme which is expected to result in higher operating margins for the merged entity. Further the merged entity will have expertise in offering full scale service offerings to its clients.
- Consolidation of the Transferor Companies' services business with the Transferee Company's BPO Business would lead to synergy in operations and improve the position of the merged entity by offering unified yet comprehensive bouquet of BPO and financial services to its customer(s).
- Achieve greater integration, flexibility and greater financial strength by simplifying and consolidating the various services offered by the Transferee Company and the Transferor Companies.
- Opportunities to achieve improved operational, management and financial efficiency
- Achieve diversified and balanced revenue mix through increased share of fee based income from services business along with interest income from the lending business.

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e. It is proposed that pursuant to Sections 391 to 394 and other relevant provisions of the Act, the Transferor Companies be amalgamated with the Transferee Company, upon which the Transferor Companies will stand dissolved without winding up. As a consequence of the amalgamation, the share capital of the Transferee Company shall increase in accordance with the provisions of paragraph 7.1 to 7.3 of this Scheme.

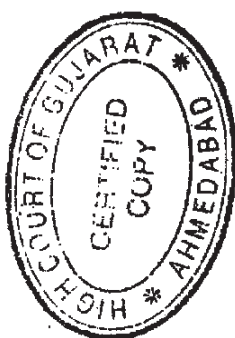
f. The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (as defined hereinbelow).

g. The amalgamation of the Transferor Companies with the Transferee Company in accordance with the terms of the present Scheme shall be in compliance with the applicable provisions of the Income Tax Act, 1961, including Section 2(18), as a

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Advocate



result whereby, by virtue of the amalgamation all the assets, properties and liabilities of the Transferor Companies existing immediately before the amalgamation (save and except shares of the Transferor Company No. 1 held by Transferor Company No. 2, which will stand extinguished), shall become the assets, properties and liabilities of the Transferee Company. Further, the amalgamation is expected to lead to creation of a stronger and larger entity which would be to the benefit of the shareholders of the Transferor Companies and the Transferee Company. Moreover, under the Scheme the shareholders of the Transferor Companies are to be allotted shares of the Transferee Company in accordance with the swap ratio as set out at paragraph 7.5 of the Scheme, which is based on a fair and independent valuation ("Valuation"). Hence, the Scheme will not prejudicially affect the interests of any shareholder of either of the Transferee Company or the Transferor Companies. Moreover, as the Transferee Company is adopting all liabilities of the Transferor Companies and has sufficient assets to discharge these liabilities, the Scheme will not prejudicially affect the interests of the creditors of either the Transferor Companies or the Transferee Company.



h. The amalgamation is not a result of any acquisition of property of the Transferor Companies by the Transferee Company through purchase or a result of the distribution of such property to the Transferee Company pursuant to the winding up of the Transferor Companies.

i. This Scheme has been drawn up to comply with applicable provisions of law, including the provisions of Section 2(18) of the Income Tax Act, 1961. In the event any term of this Scheme is found or interpreted for any reason to be inconsistent with the provisions of the law at a subsequent date, including as a result of an amendment of the law, the Scheme shall stand modified to the extent necessary to comply with such amendments. The modification will however not affect other parts of the Scheme.

### 3. PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- a. **PART I**, which is a general section is further divided into two parts, providing (A) definitions applicable to this Scheme; (B) details of the share capital and shareholding structure of the Transferor Companies and the Transferee Company;
- b. **PART II**, which deals with the provisions and terms based on which the amalgamation of the Transferor Companies with the Transferee Company shall take place; and
- c. **PART III**, which deals with the dissolution without winding up of the Transferor Companies and the general terms and conditions applicable to the Scheme of Amalgamation.

#### **PART I**

### 4. DEFINITIONS

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

"Act" means the Companies Act, 1956, as amended and the corresponding provisions of the Companies Act, 2013, upon their notification (including any statutory modifications or re-enactments thereof), for the time being in force;

"Appointed Date" means the opening of business on April 1, 2014, or such other date as may be determined by the Board of Directors of the Transferor Companies and the Transferee Company or such other date as may be decided by the High Court;

"Board of Directors" or "Board" shall mean in relation to each of the Transferor Companies and the Transferee Company, as applicable, the board of directors of such

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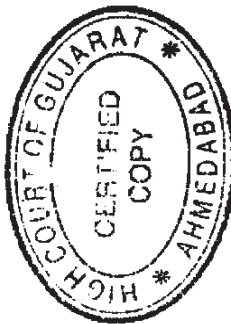
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company and shall include any committee which has been duly authorised and constituted for the purposes of the Scheme and the amalgamation and/or any matters pertaining to the same;

"Effective Date" means the date or the last of the dates on which the certified copies of the orders passed by the High Court of Judicature at Bombay and the High Court of Judicature at Gujarat, sanctioning the Scheme, are filed by each of the Transferor Companies and the Transferee Company with the respective Registrar of Companies. References herein to 'coming into effect of the Scheme' and 'effectiveness of the scheme' shall be construed as reference to the Effective Date;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body;

"High Court" shall mean in relation to the Transferee Company, the High Court of Judicature at Gujarat having jurisdiction in relation to the Transferee Company and in relation to the Transferor Company No. 1 and Transferor Company No. 2, the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Company No. 1 and Transferor Company No. 2, (references to High Court shall be construed accordingly); and shall include the National Company Law Tribunal, as applicable, or such other forum or authority as may be vested with any of the powers of a High Court under the Act;



"Liabilities" shall include all secured and unsecured debts (in either Indian or foreign currency), liabilities, duties, obligations, undertakings of any kind or description whatsoever and raised or incurred for the business activities along with any change, lien, encumbrance or security thereon;

"New Equity Shares" shall have the meaning ascribed to the expression in paragraph 7.5 (c) of Part II of the Scheme;

"Record Date" shall mean such date after the Effective Date, to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Companies in terms of this Scheme;

"Registrar of Companies" shall mean in relation to the Transferee Company and the Transferor Companies, the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the Registrar of Companies, Maharashtra, Mumbai, respectively;

"Scheme" means this scheme of amalgamation, as amended or modified in accordance with the provision for the same herein;

"Transferee Company" means HDB Financial Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380 009;

"Transferor Company No. 1" means HBL Global Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra;

"Transferor Company No. 2" means Atlas Documentary Facilitators Company Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 26A, Narayan Properties Chandivali Farm Road, Off Saki Vihar Road, Chandivali, Andheri (East), Mumbai 400 072, Maharashtra;

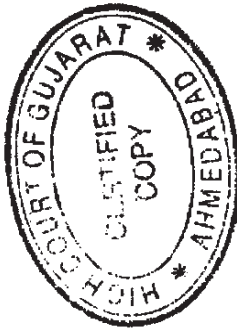
"Undertaking" means and includes the following:

- (a) All assets of the Transferor Companies as on the Appointed Date;

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Advocate

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- (b) All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
- (c) Without prejudice to the generality of sub-clauses (a) and (b) hereinabove, Undertaking shall mean and include the whole of the undertaking of the Transferor Companies, as a going concern, including its business, all secured and unsecured debts, liabilities, duties, obligations, all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, current assets, present or contingent assets including stock, shares, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, arrangements, engagements, rights, titles, interests, benefits, advantages, sundry debtors, bills of exchange, loans and advances, leasehold rights, tenancy rights, permits, authorisations, quota rights, including reserves, funds, provisions, equipments and installations and utilities, electricity water and other service connections, records, files, employees and benefits of agreements, contracts and arrangements, balances with all regulatory authorities, liberties, advantages, easements and all rights titles, interest goodwill benefits and advantages, deposits, reserves, benefits, advantages, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of Income Tax, Minimum Alternate Tax, VAT, Sales Tax, Service Tax etc.) and all other rights, 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 Companies, as on the Appointed Date, and all the earnest money and/or deposits including security deposits paid by the Transferor Companies as on the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes, including Direct and Indirect Tax laws, derived by the Transferor Companies and all necessary records, files, papers, computer programs, websites, domain names and other records whether in physical or electronic form in connection with or relating to the Transferor Companies.



- 4.2. Headings shall not affect the interpretation or construction of this Scheme;
- 4.3. Words using the singular terms shall also include the plural terms and vice versa;
- 4.4. Reference to the word "include" and "including" shall be construed without limitation;
- 4.5. References to a person includes any individual, firm, body corporate, Governmental Authority, joint venture, association or partnership.

##### 5. SHARE CAPITAL AND SHAREHOLDING PATTERN

###### 5.1. Transferor Company No. 1

The share capital and shareholding pattern of the Transferor Company No. 1 as on March 31, 2014 is as under:

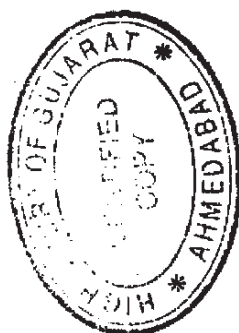
PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
10,00,000 Equity Shares of Rs.10 each	1,00,00,000
<b>TOTAL</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
10,200 Equity Shares of Rs.10 each/-	1,02,000/-
<b>TOTAL</b>	<b>1,02,000/-</b>

###### 5.2. Transferor Company No. 2

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Advocate

The share capital and shareholding pattern of the Transferor Company No. 2 as on March 31, 2014 is as under:

PARTICULARS	AMOUNT [RS.]
<b>Authorised Share Capital:</b>	
5,50,000 Equity Shares of Rs.10 each	55,00,000
<b>TOTAL</b>	<b>55,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
4,50,180 Equity Shares of Rs.10 each/-	45,01,800/-
<b>TOTAL</b>	<b>45,01,800/-</b>



### 5.3. Transferee Company

The authorised, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2014 is as follows:-

PARTICULARS	AMOUNT (IN RS.)
<b>Authorised Share Capital:</b>	
100,00,00,000 Equity Shares of Rs.10/- each	1000,00,00,000/-
<b>TOTAL</b>	<b>1000,00,00,000/-</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital:</b>	
51,37,50,219 Equity Shares of Rs. 10/- each	513,75,02,190/-
<b>TOTAL</b>	<b>513,75,02,190/-</b>

## PART II

### AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEE COMPANY

#### 6. TRANSFER

With effect from the Appointed Date and pursuant to the sanction of the Scheme by the relevant High Court and in accordance with the provisions of Section 391 to 394 and/or any other applicable provisions of the Act or any other law for the time being in force, the entire Undertaking of the Transferor Companies shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern without any further act, deed, instrument, matter or thing, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interest of the Transferee Company, by virtue of and in accordance with the provisions of this Scheme.

#### 6.1. Transfer of Assets

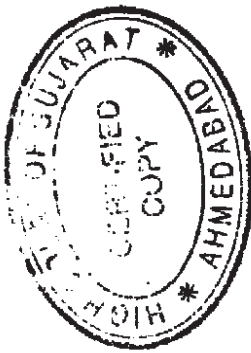
- (a) On and from the Appointed Date, all estate, assets, properties, rights, claims, titles, interest and authorities, including accretions and appurtenances comprised in the Transferor Companies of whatsoever nature and wherever situate shall, without any further act, deed or instrument, be and stand transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

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- (b) On and from the Appointed Date, the movable properties and assets of the Transferor Companies (excluding the shares of Transferor Company No. 1 held by Transferor Company No. 2 which are being extinguished under the Scheme since Transferor Company No. 1 and Transferor Company No. 2 are both being merged into the Transferee Company), the same shall be and stand transferred by the Transferor Companies to the Transferee Company and shall become the assets and property of the Transferee Company with effect from the Appointed Date, without requiring any further deed, conveyance or instrument of transfer.
- (c) In addition to what is stated at paragraph 6.1 (b) above, the assets and properties of the Transferor Companies, in particular receivables, bills, loans and advances recoverable in cash or kind, bank balances, investments, deposits of any nature, shall stand transferred to and vested in the Transferee Company on and from the Appointed Date without any further act, instrument or deed, cost or charge and without any need to notify or intimate any third party.
- (d) All assets, rights, interests, properties, whether immovable or movable, acquired by the Transferor Companies on or after the Appointed Date but before the Effective Date, shall be deemed to be and shall become the assets, rights, interests, properties of the Transferee Company and shall stand transferred to and vested in the Transferee Company on and from the Appointed Date, without any further act, instrument or deed.
- (e) All the licenses, permits, entitlements, approvals, permissions, registration, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on or before or after the Appointed Date, including benefits and exemptions of taxation that have or may accrue to the Transferor Companies on, before or after the Appointed Date, tax holidays, subsidies, special incentives, special status and other privileges and benefits granted by any Government Authority or any person, shall stand transferred to and vested in the Transferee Company and shall be enforceable by the Transferee Company on the same terms and conditions.



#### 6.2. Transfer of Contracts

- (a) Subject to the provisions of this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature to which the Transferor Companies are party to, or under which the Transferor Companies are to obtain a benefit, and which are subsisting/effective immediately prior to the Effective Date, shall continue to operate against or in favour of the Transferee Company and be enforced against or by the Transferee Company as if the Transferee Company is a party to the same.
- (b) The Transferee Company shall on and from the Effective Date be authorized to act on behalf of the Transferor Companies for the purposes of compliance by the Transferor Companies of its various obligations under all contracts, deeds, agreements and other instruments to which it is a party and/or under which it is deriving a benefit.

#### 6.3. Transfer of Liabilities

- (a) On and from the Appointed Date, all Liabilities of the Transferor Companies shall without any further act, instrument, deed, be transferred to and vested in the Transferee Company to the extent that they are outstanding and shall become the Liabilities of the Transferee Company on the same terms and conditions. The Transferee Company shall meet and discharge the said Liabilities without any need to notify or intimate any third party.



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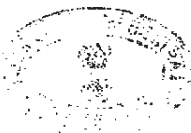
- (b) All Liabilities of the Transferor Companies that have arisen or accrued on or after the Appointed Date but before the Effective Date, shall become the Liabilities of the Transferee Company pursuant to this Scheme and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any discharge by the Transferor Companies of its Liabilities on or after the Appointed Date shall be deemed to be for and on behalf of the Transferee Company.
- (d) All existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.
- (e) Any Liabilities due and/or outstanding or which may become due/ outstanding between the Transferor Companies and the Transferee Company shall stand discharged and no liability/obligation will be imposed on any party with respect to the same.

#### 6.4. Staff, Workmen and Employees

- (a) On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service as on the Effective Date, shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service. On the basis of continuity of employment there shall be no substantial change in the terms of employment of the employees of the Transferor Companies, to their prejudice, at the time of such transfer of employment.
- (b) On the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

#### 6.5. Legal, Taxation and other Proceedings

- (a) On and from the Effective Date, all suits, actions and other proceedings, including legal, taxation and proceedings before any quasi-judicial or administrative body, by or against the Transferor Companies, whether pending and/or arising on or before the Effective Date shall be continued by the Transferee Company.
- (b) On and from the Effective Date, the Directors of the Transferor Companies will cease to be Directors of each respective Transferor Company and shall not be entitled merely by virtue thereof to any directorship in the Transferee Company pursuant to the provisions of the Scheme. It is clarified that this Scheme will not affect or cause any change in the directorship of the Transferee Company.



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7. **REORGANISATION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY**

7.1. Consequent to and as part of the amalgamation of the Transferor Companies with the Transferee Company, the Authorised Share Capital of the Transferor Companies shall stand merged into and combined with the Authorised Share Capital of the Transferee Company, without any further act, deed including without payment of any stamp duty, registration or filing fee on such combined Authorised Share Capital under Section 403 of the Companies Act, 2013.

7.2. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall automatically stand enhanced by the aggregate share capital of the Transferor Companies of Rs.1,55,00,000/- (Rupees One Crore and Fifty Five Lac only). The Authorised Share Capital of the Transferee Company shall therefore stand enhanced to Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each. Clause V of the Memorandum of Association of the Transferee Company and Article 4 of the Articles of Association of the Transferee Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 394 of the Companies Act, 1956 or Sections 13, 14, 61 of the Companies Act, 2013 (corresponding to Sections 16, 31 and 94 of the Companies Act, 1956) or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

7.3. Upon the Scheme becoming effective, the issued, subscribed and paid up Share Capital of the Transferee Company shall be as mentioned in paragraph 7.11 hereunder.

7.4. Accordingly, upon the Scheme becoming effective, the Capital Clause of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each."*

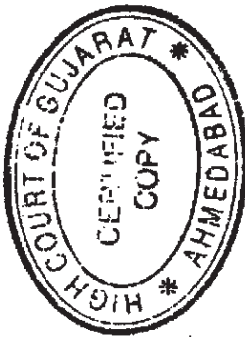
Clause 4 of the Articles of Association of the Transferee Company shall stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs.1001,55,00,000/- (Rupees One Thousand and One Crore and Fifty Five Lac only) divided into 100,15,50,000 (One Hundred Crore Fifteen Lac Fifty Thousand) equity shares of Rs.10/- each to be increased or reduced in accordance with the relevant provisions of the Companies Act, 2013. The minimum paid up share capital of the Company will be Rs.5,00,000/- (Five Lacs only) divided into 50,000 equity shares of Rs.10/-."*

The Transferee Company shall file the requisite forms with the relevant Registrar of Companies, or any other applicable authority for such increase of the authorized share capital.

7.5. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall:

- (a) in consideration of the amalgamation of the Transferor Company No. 1 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 1 holding fully paid up equity shares in Transferor Company No. 1, and whose names appear in the Register of Members of the Transferor



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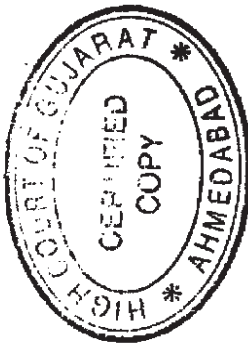


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**Advocate**

Company No. 1 as on the Record Date, 102.35 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 1.

- (b) in consideration of the amalgamation of the Transferor Company No. 2 with the Transferee Company, issue and allot to every equity shareholder of Transferor Company No. 2 holding fully paid up equity shares in Transferor Company No. 2, and whose names appear in the Register of Members of the Transferor Company No. 2 as on the Record Date, 16.75 equity shares of Rs.10/- in the Transferee Company credited as fully paid up with rights attached thereto for every 1 (one) equity share of Rs.10/- each fully paid up, held by such member in the capital of Transferor Company No. 2.
- (c) The equity shares of the Transferee Company issued to the shareholders of the Transferor Companies are hereinafter collectively referred to as "New Equity Shares". For the avoidance of doubt, it is clarified that even though Transferor Company No. 2 is a shareholder of Transferor Company No. 1, since both Transferor Company No. 1 and Transferor Company No. 2 are merging into the Transferee Company, no shares of Transferee Company are to be allotted to Transferor Company No. 2 under this Scheme and the same has been taken into account in the share swap ratio for equity shareholders of the Transferor Company No. 2 as mentioned in paragraph 7.6(b) above.



- 7.6. Pursuant to the Scheme, the shares of the Transferor Companies held by their respective equity shareholders, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and extinguished in full, without any requirement to surrender the share certificates, if any. The Transferee Company shall take such actions in relation to the Equity Shares of the Transferor Companies, as may be necessary.

- 7.7. No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Companies may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot New Equity Shares in lieu thereof to any director of the Transferee Company appointed for the purpose who shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such director shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said director shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlement. The director shall be appointed by the Board of Directors of the Transferee Company.

- 7.8. The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Companies shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari passu* in all respects with the existing equity shares in the Transferee Company.

- 7.9. The New Equity Shares in the Transferee Company will be issued to the members of the Transferor Companies in dematerialized form, with such New Equity Shares being credited to the existing depository accounts of the members of the Transferor Companies entitled thereto. Members of the Transferor Companies holding physical share certificates will be entitled to receive such New Equity Shares in the physical form, if they choose to receive such New Equity Shares in physical form.



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7.10. The issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Transferor Companies as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 and any other applicable provisions of the Companies Act, 2013 and/or the Companies Act, 1956, and Rules made thereunder and all other relevant regulations and laws for the time being in force were duly complied with.

7.11. The equity shareholding pattern of the Transferee Company upon the Scheme coming into effect and upon the issuance and allotment of New Equity Shares of the Transferee Company as mentioned in paragraph 7.5 hereinabove, will subject to what is stated herein below, be as hereunder:

Sr. No.	Shareholder	Total Shareholding	
		No. of Equity Shares	% of Shares
1.	HDFC Bank Limited	68,21,85,875	98.39
2.	Others	2,55,47,536	3.61
Total		70,77,33,411	100

The above equity shareholding pattern is based on the assumption that: (a) the equity shares to be offered to the members of the Transferee Company by way of the proposed rights issue are fully subscribed to before the Effective Date; and (b) all Employee Stock Options granted by the Transferee Company are fully exercised before the Effective Date.

In the event the rights issue proposed by the Transferee Company is not fully subscribed to and/or the Employee Stock Options are not fully exercised, the total number of issued equity shares of the Transferee Company upon the Scheme coming into effect may be different from what is indicated above. This, however, will not affect the number of New Equity Shares of the Transferee Company that are to be issued and allotted to the equity shareholders of the Transferor Companies under paragraph 7.5 above.

#### 8. DECLARATION OF DIVIDEND AND ISSUANCE OF RIGHTS / BONUS SHARES

8.1. On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not declare or pay dividends, whether interim or final, or issue any debentures (non-convertible or partly or fully convertible) or shares by way of bonus, rights or otherwise, to their respective shareholders, except with the prior written consent of the Board of Directors of the Transferee Company.

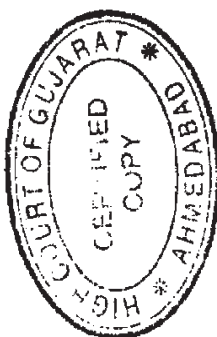
8.2. The Board of the Transferee Company has already approved issuance of further shares by way of rights that may take place after the Appointed Date but before the Effective Date up to 18,53,00,000 (Eighteen Crore Fifty Three Lac) equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company. This rights issue can be proceeded with and completed by the Transferee Company pending sanction/ approval of the Scheme by the High Court.

#### 9. CONDUCT OF BUSINESS

9.1. With effect from the Appointed Date and upto and including the Effective Date:

(a) The Transferor Companies shall carry on and be deemed to have carried on all its business and activities for and on behalf of and in trust for the Transferee Company.

(b) All profits, losses, income and expenditure arising or incurred by the Transferor Companies (including taxes) for the period commencing from the Appointed Date shall be treated to be the profits, losses, income and expenditure as applicable, of the Transferee Company.



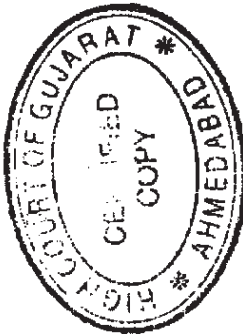
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- (c) The Transferor Companies shall be deemed to have exercised all rights, powers, authorities and undertaken and/or discharged any obligations, duties or liabilities for and on behalf of, and as an agent of the Transferee Company.
- (d) The coming into effect of this Scheme shall not affect any prior transactions or proceedings already concluded by the Transferor Companies on, before or after the Appointed Date and until the Effective Date, in as much as the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as if the same are done and executed by the Transferee Company.
- (e) Pending the sanction of the Scheme, the Transferee Company may apply as required to any authority, including any Governmental Authority, for such consents, permissions, approvals which may be necessary to carry on the business of the Transferor Companies.

### PART III

#### DISSOLUTION OF THE TRANSFEROR COMPANIES AND OTHER TERMS AND CONDITIONS



##### 10. ACCOUNTING

10.1. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:

- (a) As per Accounting Standard 14 issued by Council of the Institute of Chartered Accountants of India, the amalgamation is in the nature of merger & pooling of interest method of accounting will be followed.
- (b) The Transferee Company shall record the assets and liabilities of the Transferor Companies pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Companies.
- (c) All the reserves of the Transferor Companies shall be recorded in the books of the Transferee Company in the same form in which they appear in the books of the Transferor Companies.

10.2. Upon the coming into effect of this Scheme, inter-company transactions, including loans and advances, debts, deposits, balances, or other obligations between the Transferor Companies and Transferee Company shall end and corresponding effect shall be given in the books of accounts and records of the Transferee Company. Moreover, there will be no accrual of interests or any other charges in respect of inter-company loans, deposits, debts, balances, on and from the Effective Date.

##### 11. CONDITIONS PRECEDENT

11.1. The Scheme is conditional upon the following:

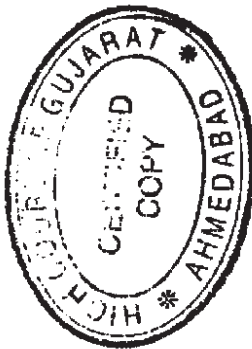
- (a) The Scheme being agreed to by the requisite number of shareholders and/or creditors and/or classes of shareholders and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and in accordance with the orders of the High Court;
- (b) The certified copies of the High Court's orders sanctioning this Scheme being filed with the relevant Registrar of Companies;
- (c) Such other approvals and sanctions in respect of the Scheme, as may be required by law being obtained.



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- 11.2. On approval of the Scheme by the shareholders and creditors of the Transferor Companies and the Transferee Company, if required, in accordance with Section 391(1) of the Act, the shareholders and/or creditors of these Companies shall be deemed to have also resolved and given all relevant consents under the other provisions of the Act and Rules to the extent applicable and necessary to give effect to this Scheme.
- 11.3. In the event of this Scheme failing to take effect by September 30, 2018, or such other date as may be mutually decided by the Board of Directors of the Transferor Companies and Transferee Company, this Scheme shall stand revoked, cancelled and be null and void and of no effect whatsoever. In such a case, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or any other person. In such a case, parties shall bear their own costs and expenses.
- 11.4. Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up, without any further act or deed. The Transferor Companies shall be removed from the register of the Registrar of Companies on the effectiveness of this Scheme.
- 11.5. The Transferor Companies and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme pursuant to Sections 391 to 394 of the Act.
- 11.6. Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies which are valid and operating as of the Effective Date shall be considered as the resolutions passed by the Transferee Company.
- 11.7. Subject to applicable law and the orders of the High Court, the Transferor Companies through their Boards and the Transferee Company through its Board may at any time, in their absolute discretion, and jointly and mutually in writing, modify, vary, alter, interpret, clarify, give such directions as may be necessary to settle any question or difficulty in relation to this Scheme. This would include any alteration or modification in the Scheme pursuant to any directions issued by the High Court and/or any other Governmental Authority.
- 11.8. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts of this Scheme.
- 11.9. All costs charges and expenses payable by both the Transferor Companies and the Transferee Company in connection with this Scheme and for the completion of the amalgamation shall be borne equally by the Transferor Companies and the Transferee Company.



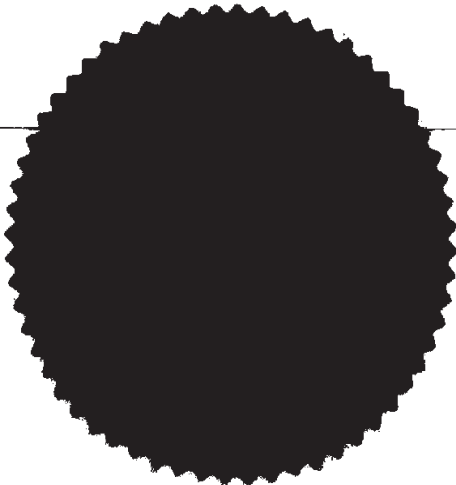
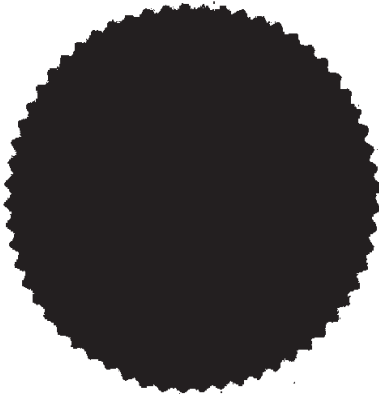
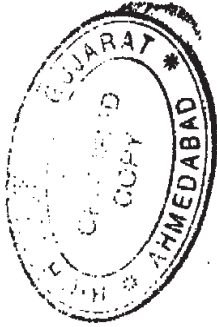
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In view of Paragraph 26 of the Order dated 26<sup>th</sup> August, 2016 and 7<sup>th</sup> September, 2016 Order below the note for Speaking to Minutes passed by the Hon'ble Court (Coram: Hon'ble Mr.Justice R.M.Chhaya) in Company Petition No. 65 of 2016 in Company Application No. 391 of 2015 the Scheme is hereby authenticated.



*[Signature]*  
12/09/2016  
Registrar (Judicial)

*[Signature]*  
12/09/2016  
This ~~12<sup>th</sup>~~ 12<sup>th</sup> of September, 2016  
*[Signature]*  
12/09/2016  
C. P. V. P. P.

*[Signature]*  
12/09/2016  
Sealer and Deputy Registrar  
This 12<sup>th</sup> of September, 2016

TRUE COPY  
*[Signature]* 12/09/16  
ASSISTANT REGISTRAR  
THIS DAY OF