

IndusInd Bank

November 20, 2018

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

NSE Symbol: INDUSINDBK

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

BSE Scrip Code: 532187

Dear Sirs,

Sub: Notice to Unsecured Creditors of IndusInd Bank Limited ("Bank") as per the directions of the National Company Law Tribunal, Mumbai in connection with the Scheme of Arrangement amongst Bharat Financial Inclusion Limited, the Bank and IndusInd Financial Inclusion Limited under Sections 230-232 of the Companies Act, 2013 ("Scheme")

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is with reference to our letter dated November 1, 2018, wherein it was informed that the National Company Law Tribunal, Mumbai ("NCLT") vide its order dated October 31, 2018 ("Order"), received by the Bank on November 1, 2018, in the Company Scheme Application no. 921 of 2018, had dispensed with the meeting of the unsecured creditors of the Bank. Further, it was informed that and the NCLT had directed the Bank to issue notice to the relevant unsecured creditors, in terms of the Order.


Accordingly, notice to the unsecured creditors of the Bank is attached herewith and is also available on the Bank's website at www.indusind.com

You are requested to take the same on record and acknowledge receipt of the same.

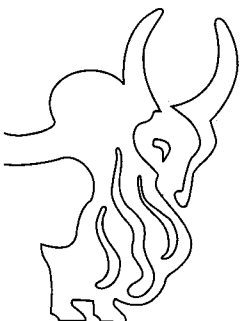
Thanking you,

Yours faithfully,

For IndusInd Bank Limited


**Haresh K. Gajwani
Company Secretary**

Encl. a/a



IndusInd Bank Limited, 701-801 Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E),
Mumbai - 400 093, Maharashtra, India Tel: (022) 66412200 Fax: (022) 66412224

Registered Office: 2401 Gen. Thimmayya Road, Pune 411 001, India
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at www.indusind.com
CIN: L65191PN1994PLC076333

IndusInd Bank Limited

CIN: L65191PN1994PLC076333

Registered Office: 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India.

Tel No: (020) 2623 4000/10

Secretarial and Investor Services: 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri – East, Mumbai – 400093, Maharashtra, India

Tel No: (022) 6641 2487/2359

Email: companysecretary@indusind.com, **Website:** www.indusind.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 921 OF 2018**

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a company incorporated under the Companies Act, 1956, having its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited.

IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a)
company incorporated under the Companies Act, 1956, having its)
Registered Office at 2401, General Thimmayya Road, East Street,)
Pune - 411 001, Maharashtra, India.)
) ...Applicant Company

To,

Notice is hereby given in accordance with Section 230 (3) of the Companies Act, 2013 ("**Act**") that as directed by the Mumbai Bench of National Company Law Tribunal ("**NCLT**") by Order dated October 31, 2018, under sub-section (1) of Section 230 of the Act, the Meeting of the Equity Shareholders of the Applicant Company will be held on Tuesday, December 11, 2018, at 2.00 p.m. at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune – 411007, Maharashtra, India for the purposes of considering and if thought fit, approving with or without modification, the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited ("**Scheme of Arrangement**").

Copy of the Notice of the meeting sent to the Equity Shareholders alongwith its enclosures, which includes a copy of the Explanatory Statement under Sections 230 (3) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Scheme of Arrangement are enclosed, by way of information.

You are hereby informed that your representations, if any, in connection with the proposed Scheme of Arrangement may be made to the Hon'ble NCLT at 6th Floor, Fountain Telecom Building, 1 Mahatma Gandhi Road, Fort, Mumbai – 400 001 within 30 (thirty) days from the date of receipt of this Notice. Copy of the representation may simultaneously be sent to IndusInd Bank Limited, 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India.

In case no representation is received within the stated period of 30 (thirty) days, it shall be presumed that you have no representation to make on the proposed Scheme of Arrangement.

Copy of this Notice is also available on the website of the Bank at www.indusind.com

Yours faithfully,
For IndusInd Bank Limited

Dated : November 13, 2018
Place : Mumbai

Sd/-
Haresh K. Gajwani
Company Secretary

- Encl.: i) Copy of Notice sent to the Equity Shareholders along with its enclosures, which includes a copy of Statement as required under Sections 230(3) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Scheme of Arrangement; and
- ii) Copy of the Order dated October 31, 2018 passed by the Mumbai Bench of the National Company Law Tribunal.

INDUSIND BANK LIMITED

Registered Office	:	2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India.
Tel No.	:	(020) 2623 4000 / 10
CIN	:	L65191PN1994PLC076333
Website	:	www.indusind.com
Email	:	companysecretary@indusind.com

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF INDUSIND BANK LIMITED CONVENED AS PER DIRECTIONS OF THE MUMBAI BENCH OF NATIONAL COMPANY LAW TRIBUNAL

Day	:	Tuesday
Date	:	December 11, 2018
Time	:	2.00 p.m.
Venue	:	Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune – 411007, Maharashtra, India.

POSTAL BALLOT AND E-VOTING

Commencing on	:	Sunday, November 11, 2018 at 9.00 a.m. IST
Ending on	:	Monday, December 10, 2018 at 5.00 p.m. IST

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 921 of 2018**

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a company incorporated under the Companies Act, 1956, having its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited.

IndusInd Bank Limited [CIN: L65191PN1994PLC076333],)
a company incorporated under the Companies Act, 1956,)
having its Registered Office at 2401, General Thimmayya)
Road, East Street, Pune - 411 001, Maharashtra, India.)

...Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF INDUSIND BANK LIMITED

To,

All Equity Shareholders of IndusInd Bank Limited (the "Applicant Company"):

NOTICE is hereby given that by an Order dated October 31, 2018, the Mumbai Bench of the National Company Law Tribunal ("**NCLT**", by such Order, (the "**Order**") in the above-mentioned Company Scheme Application has directed a meeting of Equity Shareholders of the Applicant Company to be held for the purpose of considering, and if thought fit, approving with or without modification, the Composite Scheme of Arrangement proposed to be made among Bharat Financial Inclusion Limited ("**BFIL**") and the Applicant Company and IndusInd Financial Inclusion Limited ("**IFIL**") pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") (the "**Scheme**" or "**Scheme of Arrangement**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of Equity Shareholders of the Applicant Company will be held at the Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune – 411007, Maharashtra, India on Tuesday, December 11, 2018, at 2.00 p.m. ("**Tribunal Convened Meeting**" or "**Meeting**"), at which place, date and time, the Equity Shareholders are requested to attend.

Copies of the said Scheme and of the Explanatory Statement and other Annexures under Sections 230 to 232 read with Section 102 of the Act can be obtained free of charge at the Registered Office, 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India / at the Secretarial & Investor Services Cell, 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E), Mumbai - 400 093, Maharashtra, India, of the Applicant Company. Persons entitled to attend and vote at the Tribunal Convened Meeting may vote in person or by proxy provided that all proxies in the prescribed form are deposited at the Registered Office of the Applicant Company not later than 48 hours before the aforesaid Tribunal Convened Meeting.

Forms of Proxy are available at the Registered Office and also at Secretarial & Investor Services Cell of the Applicant Company and at the offices of its Advocates, Cyril Amarchand Mangaldas, Advocates & Solicitors, 5th Floor, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel - 400 013, Maharashtra, India.

The NCLT has appointed Mr. Sanjay Asher, Practising Advocate and Solicitor, Senior Partner, M/s. Crawford Bayley & Co., and failing him, Mr. Vishal Phal, Practising Advocate, as the Chairperson of the said Tribunal Convened Meeting. The above mentioned Scheme of Arrangement, if approved at the Tribunal Convened Meeting, will be subject to the subsequent approval of the NCLT.

TAKE NOTICE that the following Resolution is proposed under Section 230(3) and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Applicant Company and Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), for the purpose of considering, and if thought fit, to assent / dissent to the following Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017 issued by the Securities and Exchange Board of India read with the Observation Letters issued by National Stock Exchange of India Limited dated June 1, 2018, and by BSE Limited dated June 4, 2018, Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of IndusInd Bank Limited, and subject to the approval of the Mumbai Bench of the National Company Law Tribunal and such other approvals, permissions and sanctions of Regulatory or Governmental and other Authorities or Tribunal as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Mumbai Bench of the National Company Law Tribunal, or by any Regulatory or other Authorities or Tribunal while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of IndusInd Bank Limited (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted / to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed Arrangement embodied in the Composite Scheme of Arrangement between IndusInd Bank Limited, a Public Listed Company, having its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India, Bharat Financial Inclusion Limited, a Public Listed Company having its Registered Office at Unit No. 410, "Madhava", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, IndusInd Financial Inclusion Limited, a Public Limited Company having its Registered Office at One Indiabulls Centre, Tower 1, 8th Floor, 841 Senapati Bapat Marg, Elphinstone, Mumbai – 400 013 and their respective Shareholders and Creditors ("**Scheme**") placed before

this meeting and initialed by the Company Secretary for the purpose of identification, be and is hereby approved with or without modification and for conditions, if any, which may be required and / or imposed and / or permitted by the Mumbai Bench of the National Company Law Tribunal, while sanctioning the Scheme and / or by any Government Authority.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board and the Company Secretary of IndusInd Bank Limited, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary to give effect to the above Resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications / directions as may be required and / or imposed and / or permitted by the Mumbai Bench of the National Company Law Tribunal, while sanctioning the Scheme, or by any Government Authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and / or modifications are suggested / required to be made in the Scheme or any condition suggested, required or imposed, whether by any Shareholder, Creditor, the Reserve Bank of India, the Securities and Exchange Board of India, the Competition Commission of India, the National Company Law Tribunal, and / or any other authority, are in its view not acceptable to IndusInd Bank Limited, and / or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

A copy of the Explanatory Statement under Sections 230(3) and 102 of the Act read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Merger Rules**") along with copy of the Scheme and other Annexures including Proxy Form, Attendance Slip, Postal Ballot Form and Business Reply Envelope are enclosed herewith.

In compliance with the Order and the provisions of Sections 230(4), 108 and 110 of the Act read with Rule 20 and 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 9 of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India ("**SEBI Scheme Circular**"), the Applicant Company has provided the Equity Shareholders with the facility to cast their votes either by way of Postal Ballot or Remote E-voting or voting at the venue of the Meeting by electronic mode / Ballot.

Dated : November 3, 2018

Sd/-

Place : Mumbai

Sanjay Asher
Chairperson appointed for the Meeting

Registered Office:

IndusInd Bank Limited

CIN: L65191PN1994PLC076333

2401, General Thimmayya Road, East Street, Pune - 411 001,
Maharashtra, India.

Notes:

1. **AN EQUITY SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES SO APPOINTED NEED NOT BE AN EQUITY SHAREHOLDER OF THE APPLICANT COMPANY. THE FORM OF PROXY DULY COMPLETED, STAMPED AND SIGNED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Applicant Company carrying voting rights. An Equity Shareholder holding more than ten percent of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. All alterations made in the Form of Proxy should be initialed.
4. A minor cannot be appointed as a proxy.
5. The Form of Proxy can be obtained free of charge at the Registered Office, 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India and also at Secretarial & Investor Services Cell, 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E), Mumbai – 400 093, Maharashtra, India, of the Applicant Company and at the offices of its Advocates, Cyril Amarchand Mangaldas, Advocates & Solicitors, 5th Floor, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India.

IndusInd Bank

6. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an Equity Shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
7. The proxy of a member who is blind or incapable of writing will be accepted if such member has attached his / her signature or mark thereto in presence of a witness who has signed the proxy form and added his / her description and address: provided that all insertions have been made by the witness at the request and in the presence of the member before the witness attached his / her signature or mark.
8. The proxy of a member who does not know English may be accepted if it is executed in the manner prescribed in Note No. 7, and the witness certifies that it was explained to the member in the language known to him / her, and gives the member's name in English below the signature.
9. No instrument shall be valid unless it is signed by the Equity Shareholder by his / her attorney duly authorised in writing or, in the case of joint-holders, it is signed by the Equity Shareholder first named in the Register of Members or his / her attorney duly authorized in writing.
10. The Notice, together with the documents accompanying the same, is being sent by permitted mode to all the Equity Shareholders whose names appear in the Register of Members at the close of business hours on Friday, October 26, 2018, and they shall be eligible to attend and vote at the Meeting or cast vote using E-voting facility or Postal Ballot.
The voting rights of an Equity Shareholder shall be in proportion to their shareholding as on Friday, October 26, 2018.
Voting rights of persons whose shares have been transferred to the Unclaimed Suspense Account / Investor Education and Protection Fund have been frozen.
A person who is not a Member as on cut-off-date should treat the Notice for information purposes only.
11. The Shareholder or his / her Proxy is requested to bring a copy of the Notice of the Meeting along with the Attendance Slip duly completed and signed for admission into the Meeting Hall.
12. In case of joint-holders attending the Meeting, the holder whose name stands first in the Register of Members, and in his / her absence, by the next named holder of the Applicant Company in respect of such joint holding, shall be entitled to vote.
13. In case of a Body Corporate, its Authorized Representative may attend and vote provided a Certified True Copy of the Resolution of the Board of Directors or other Governing Body of the body corporate authorizing such representative to attend and vote at the said meeting is deposited at the Registered Office of the Applicant Company at least 48 (forty eight) hours before the time fixed for the meeting.
Further, the Authorized Representative and any persons voting by proxy are requested to carry a copy of valid proof of identity such as PAN Card, Passport, AADHAAR Card or Driving Licence at the meeting.
14. The quorum of the Meeting shall be 30 (thirty) Equity Shareholders of the Applicant Company, present in person.
15. In compliance with Sections 108 and 110 read with Sections 230 to 232 of the Act, and Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility to the Members to exercise their vote either by way of Postal Ballot or through Remote E-voting facility provided by NSDL (<https://www.evoting.nsdl.com>). The Applicant Company has also provided the facility of voting through electronic voting systems / Ballot at the venue of the Meeting.
16. The voting period for Remote E-voting and Postal Ballot shall commence on and from Sunday, November 11, 2018 at 9.00 a.m. IST and end on Monday, December 10, 2018 at 5.00 p.m. IST. The voting shall not be allowed beyond the said time and date. The Remote E-voting module shall be disabled by NSDL for voting on Monday, December 10, 2018 at 5.00 p.m. IST. Once the vote on the Resolution is cast by a Shareholder, he or she will not be allowed to change it subsequently.
17. The Shareholder can opt for only one mode of voting, i.e., either through Remote E-voting or Postal Ballot or voting at the Meeting. If a Shareholder has opted for Remote E-voting, then he / she should not vote through Postal Ballot. However, in case a Shareholder casts votes both via Postal Ballot and Remote E-voting, voting through Remote E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.
18. Shareholders desiring to exercise their vote by using the Remote E-voting facility are requested to carefully follow the instructions given in Note No. 29.
19. Shareholders desiring to cast vote by Postal Ballot are requested to carefully read the instructions printed in the attached Postal Ballot Form and return the duly completed and signed form in the enclosed pre-paid Business Reply Envelope to the Scrutinizer so as to reach not later than Monday, December 10, 2018 by 5.00 p.m. IST.

Shareholder can download the Form from the website of Applicant Company (www.indusind.com) or seek duplicate Form from the Applicant Company or NSDL.

Any Postal Ballot Form received after the said date and time period shall be treated as if the reply from the Shareholder has not been received.

Incomplete, unsigned, improperly or incorrectly tick-marked Postal Ballot Forms will be rejected.

20. The Postal Ballot Form should be completed and signed by the Shareholder (as per specimen signature registered with the Applicant Company). In case, shares are jointly held, this Form should be completed and signed by the first named member and, in his / her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Shareholder may vote on the Postal Ballot mentioning the Registration Number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a Notary. In case of shares held by companies, societies etc., the duly completed Form should be accompanied by a Certified Copy of the Board Resolution / authorisation giving the requisite authority to the person voting on the Postal Ballot Form. There will be only 1 (One) Postal Ballot Form for every Registered Folio / Client ID irrespective of the number of joint-holders.
21. The vote on Postal Ballot cannot be exercised through a Proxy.
22. The Shareholder attending the Meeting who has not already cast his / her vote by Remote E-voting or Postal Ballot shall be eligible to exercise his / her vote at the Meeting.
23. The Postal Ballot Form should reach the Scrutinizer on or before Monday, December 10, 2018 by 5.00 p.m. Any Postal Ballot Form received after the said date and time shall be treated as if the reply from the member has not been received.
24. The Notice convening the aforesaid Tribunal Convened Meeting will be published through advertisement in Pan-India edition of 'Indian Express' in English language and Marathi translation in 'Loksatta' (Maharashtra edition).
25. All documents referred to in the Notice and Explanatory Statement will be available for inspection at the Applicant Company's Registered Office between 10.00 a.m. to 1.00 p.m. on all working days until the date of the Meeting.
26. The Tribunal has appointed Mr. Bhaskar Soman, Practising Company Secretary [Membership No. FCS 2481 and CP: 3072], and in his absence Ms Malati Kumar, Practising Company Secretary [Membership No. ACS 15508 and CP 10980], as the Scrutinizer for the Meeting to scrutinize votes cast either Electronically or via Postal Ballot and votes cast at the venue of the Meeting, in a fair and transparent manner.

The Scrutinizer will submit his / her Consolidated Report to the Chairperson of the Meeting after scrutinizing the voting made by Members, including Public Shareholders, of the Applicant Company through Remote E-voting facility and / or voting by Postal Ballot and / or voting by Ballot / E-voting at the venue. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly.

27. The Results, together with Scrutinizer's Report, will be announced on or before Thursday, December 13, 2018 and will be placed on the website of the Applicant Company at www.indusind.com and on website of NSDL at <https://www.evoting.nsdl.com> and shall be communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Applicant Company are listed.
28. The Route Map of the venue of the Meeting is provided at the end of the Notice. **The prominent landmark for the venue is 'Raj Bhavan'.**
29. **Instructions for Electronic Voting at the Meeting / Remote E-voting are as under:**

The way to cast votes electronically on NSDL E-voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL E-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your votes electronically on NSDL E-voting system.

Details for Step 1 are given below:

How to Log-in to NSDL E-voting website:

- (i) Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> / either on a Personal Computer or on a mobile.
- (ii) Once the home page of E-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on E-voting and you can proceed to Step 2, i.e., cast your votes electronically.

- (iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8-Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16-Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****101456001***
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank. For example, if Folio Number is 001*** and EVEN is 101456 then User ID is 101456001***

- (v) Your Password details are given below:
- If you are already registered for E-Voting, then you can use your existing Password to log in and cast your votes.
 - If you are using NSDL E-Voting system for the first time, you will need to retrieve the 'Initial Password' which was communicated to you. Once you retrieve your 'Initial Password', you need to enter the 'Initial Password' and the system will force you to change your Password.
 - How to retrieve your 'Initial Password':
 - If your e-mail ID is registered in your Demat account or with the Bank, your 'Initial Password' is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment, i.e., a .pdf file. Open the .pdf file. The Password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial Password'.
 - If your e-mail ID is not registered, your 'Initial Password' is communicated to you on your postal address
- (vi) If you are unable to retrieve or have not received the 'Initial Password' or have forgotten your password:
- Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the Password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat Account number / Folio number, your PAN, your Name and your Registered Address.
- (vii) After entering your Password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (viii) Now, you will have to click on "Login" button.
- (ix) After you click on the "Login" button, the Home Page of E-Voting will open.

Details for Step 2 are given below:

How to cast your Vote electronically on NSDL E-Voting system:

- After successful login at Step 1, you will be able to see the Home Page of E-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After you click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of Bank to cast your votes.
- Now you are ready for E-Voting as the Voting page opens.
- Cast your votes by selecting appropriate options, i.e., Assent or Dissent, Verify / Modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

30. The voting period shall commence at 9.00 a.m. on Sunday, November 11, 2018 and will end at 5.00 p.m. on Monday, December 10, 2018. The E-voting module shall be disabled by NSDL at 5.00 p.m. on Monday, December 10, 2018.

General Guidelines for Shareholders:

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhaskarsoman@gmail.com or iblevoting@indusind.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended that you do not share your password with any other person, and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and the e-voting User Manual for Shareholders available at the download section of www.evoting.nsdl.com / call on Toll-free Number 1800-222-990 / send a request at evoting@nsdl.co.in. Alternatively, you may contact Mrs. Pallavi Mhatre, Assistant Manager on 91 22 2499 4600 or may write to her at TradeWorld, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, Maharashtra, India.

Encl: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 921 of 2018**

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a company incorporated under the Companies Act, 1956, having its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited.

IndusInd Bank Limited [CIN: L65191PN1994PLC076333],)
a company incorporated under the Companies Act, 1956,)
having its Registered Office at 2401, General Thimmayya)
Road, East Street, Pune - 411 001, Maharashtra, India.)

...Applicant Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL-CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF INDUSIND BANK LIMITED

1. Pursuant to an Order dated October 31, 2018 passed by the Mumbai Bench of the National Company Law Tribunal ("**NCLT**") in the Company Scheme Application No. 921 of 2018 ("**Order**"), a meeting of the Equity Shareholders of IndusInd Bank Limited (the "**Applicant Company**" or "**IndusInd**") is being convened at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune – 411007, Maharashtra, India on Tuesday, December 11, 2018 at 2.00 p.m. ("**Tribunal Convened Meeting**" or "**Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited ("**BFIL**") and the Applicant Company and IndusInd Financial Inclusion Limited ("**IFIL**") pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("**Act**"), and any other applicable provisions of the Act or Companies Act, 1956, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "**Scheme**" or "**Scheme of Arrangement**").

A copy of the Scheme, which has been approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on Friday, October 13, 2017 and Saturday, October 14, 2017 is enclosed as **Annexure 1**.

2. The Scheme, *inter alia*, provides for the following: (i) the amalgamation of BFIL by way of merger by absorption with the Applicant Company and dissolution of BFIL without winding up and the consequent issuance of Equity Shares of the Applicant Company to the Shareholders of BFIL in accordance with the Share Exchange Ratio as defined in the Scheme (the "**Amalgamation**"); (ii) the Preferential Allotment of Share Warrants by the Applicant Company to its Promoter Entities (the "**Preferential Allotment**"); (iii) pursuant to the Amalgamation, the transfer of the Undertaking in relation to the Business Correspondent activities of BFIL transferred to the Applicant Company pursuant to the Scheme (the "**Transferred Undertaking**"), as a going concern, on a slump sale basis, from the Applicant Company to IFIL, in exchange for the allotment of Equity Shares of IFIL to the Applicant Company ("**Slump Exchange**"); (iv) the grant of Special Incentive IBL Options (*as defined in the Scheme*) to specified BFIL Employees (*as defined in the Scheme*) transferred to the Applicant Company or IFIL pursuant to the Scheme; and (v) various other matters incidental, consequential or otherwise integrally connected therewith, including reorganization of the Share Capital by the Applicant Company,

pursuant to Sections 230 to 232 and other relevant provisions of the Act, in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961. The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.

3. The proposed Scheme was placed before the Audit Committee of the Applicant Company at its meeting held on Friday, October 13, 2017. On the basis of its evaluation and independent judgment and consideration of the Joint Valuation Report submitted by M/s S. R. Batliboi & Co. LLP, Chartered Accountants and M/s Deloitte Haskins & Sells, Chartered Accountants vide letter dated October 13, 2017 (the "**Valuation Reports**") and the Fairness Opinion dated October 13, 2017 issued by Morgan Stanley India Company Private Limited, SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**"), the Audit Committee approved and recommended the Scheme to the Board of Directors of the Applicant Company.
4. The Board of Directors of the Applicant Company, at their meeting held on Saturday, October 14, 2017, took into account the Valuation Reports, the Fairness Opinion and the independent recommendations of the Audit Committee and on the basis of their independent judgment, approved the Scheme.
5. In terms of the said Order, the quorum for the Tribunal-Convened Meeting shall be 30 (thirty) Members present in person as prescribed under Section 103(1) (a) (iii) of the Act. Further, in terms of the said Order, the NCLT has appointed Mr. Sanjay Asher, Practising Advocate and Solicitor, Senior Partner, M/s Crawford Bayley & Co., and failing him, Mr. Vishal Phal, Practising Advocate, as the Chairperson of the Tribunal Convened Meeting.
6. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme of Arrangement shall be considered approved by the Equity Shareholders only if the Scheme is approved by a majority of persons representing three-fourths in value of the Members or class of Members, as the case may be, of the Applicant Company, voting in person or by proxy or by Remote E-voting or by way of Postal Ballot.

Further, in accordance with the SEBI Scheme Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders of the Applicant Company in favour of the aforesaid Resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly. In terms of SEBI Scheme Circular, the Applicant Company has provided the facility of E-voting to its Public Shareholders.

7. The Applicant Company has filed the Scheme with the Registrar of Companies, in e-form GNL-1.

8. **Details as per Rule 6(3) of the Merger Rules:**

- (i) Details of the Order of the NCLT directing the calling, convening and conducting of the Meeting:

Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Tribunal Convened Meeting.

- (ii) Details of the Applicant Company, BFIL and IFIL:

S. No.	Particulars	Applicant Company	BFIL	IFIL
1.	Corporate Identification Number	L65191PN1994PLC076333	L65999MH2003PLC250504	U65999MH2018PLC312539
2.	Permanent Account Number	AAACI1314G	AAICS2940J	AAECI9566Q
3.	Date of Incorporation	January 31, 1994	September 22, 2003	August 6, 2018
4.	Type of company	Public Limited Company	Public Limited Company	Public Limited Company
5.	Registered Office address	2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India.	Unit No. 410, "Madhava", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India.	Tower 1, Floor 8, One Indiabulls Centre, 841, Senapati Bapat Marg, Elphinstone, Mumbai - 400 013, Maharashtra, India.
	E-mail address	companysecretary@indusind.com	complianceofficer@bfil.co.in	companysecretary@indusind.com

S. No.	Particulars	Applicant Company	BFIL	IFIL
6.	Name of the stock exchange(s) where securities of company(ies) are listed.	Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited. The Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange.	Equity Shares are listed BSE Limited and National Stock Exchange of India Limited.	Equity Shares are not listed on any Stock Exchange.

(iii) Other Particulars of the Applicant Company as per Rule 6(3) of the Merger Rules:

(a) **Summary of the Main Objects as per the Memorandum of Association and main business carried on by the Applicant Company:**

The Applicant Company is a Banking Company registered under the Banking Regulation Act, 1949. The Applicant Company provides a wide range of banking and financial products and services to individual consumers and corporate and commercial entities ranging from small businesses to large companies and government entities.

The activities of the Applicant Company are organized into the following business units: (i) Consumer Banking; (ii) Corporate and Commercial Banking; (iii) Global Markets; and (iv) Transaction Banking.

The Main Objects, *inter alia*, along with serial numbers as stated in the Memorandum of Association, are set out hereunder:

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

1. *To do all kinds of banking business.*
2. *To engage in any one or more of the following forms of business:*
 - a) *the borrowing, raising or taking up of money.*
 - b) *the lending or advancing of money either upon or without security.*
 - c) *the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, Railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not.*
 - d) *the granting and issuing of letters of credit, traveller's cheques and circular notes.*
 - e) *the buying and selling and dealing in bullion and specie.*
 - f) *the buying and selling of foreign exchange including foreign Bank Notes.*
 - g) *the acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds.*
 - h) *the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others.*
 - i) *the negotiating of loans and advances.*
 - j) *the receiving of all kinds of bonds, scrips or valuables for deposit or for safe custody or otherwise.*
 - k) *the providing of safe deposit vaults.*
 - l) *the collecting and transmitting of money and securities.*
3. *Acting as Agents for any Government or Local authority or any other person or persons, carrying on of agency business of any description including clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers, but excluding the business of Managing Agent or Secretary and Treasurer of a company.*
4. *Contracting for public and private loans and negotiating and issuing the same.*
5. *Effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private of State, Municipal or other loans or of shares, stock debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue.*
6. *Carrying on and transacting every kind of guarantee and indemnity business.*
7. *Managing, selling and realising any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims.*
8. *Acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security.*
9. *Undertaking and executing trusts.*

10. Undertaking and administration of estates as executor, trustee or otherwise.
11. Establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons, granting pensions and allowances and making payments towards insurance, subscribing to or guaranteeing moneys for charitable or for any public, general or useful objects.
12. The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company.
13. Selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company.
14. Acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in sub-section (1) of section 6 of the Banking Regulation Act, 1949.
15. Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.
16. To take or concur in taking all such steps calculated to uphold and support the credit of the Company / Bank and to obtain and justify public confidence and to avert or minimise financial disturbance which may affect the Company / Bank.
17. Any other form of business which the Central Government or Reserve Bank of India may specify as a form of business in which it is lawful for the Company to engage.
18. To encourage thrift and to encourage social and economic betterment of the Members of the Company.
- 18A. To open, establish, maintain and operate Currency Chests and Small Coin Depots on such terms and conditions as may be required by Reserve Bank of India, established under the Reserve Bank of India Act, 1934 and enter into all administrative or other arrangements for undertaking such functions with the permission of Reserve Bank of India.
- 18B. To undertake all the activities, functions and obligations of the Depository Participant and such other activities which are incidental or ancillary thereto.
- 18C. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto."

(b) **Details of change of name, registered office and objects of the Applicant Company during the last five years:**

Change of Objects: Pursuant to the Special Resolution passed by the Shareholders through Postal Ballot on February 17, 2014, the Memorandum of Association was amended to permit the Applicant Company to solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.

Except the above-mentioned change of Object, there has been no other change in the Name, Registered Office and Objects of the Applicant Company during last five years.

(c) **Details of the capital structure of the Applicant Company including authorised, issued, subscribed and paid-up share capital:**

The Share Capital structure of the Applicant Company as at September 30, 2018 is as under:

Share Capital	Amount (In ₹)
Authorized Share Capital	
70,00,00,000 Equity Shares of ₹ 10/- each	7,00,00,00,000
TOTAL	7,00,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
60,12,96,202 Equity Shares of ₹ 10/- each Fully Paid-Up*	6,01,29,62,020
TOTAL	6,01,29,62,020

*As at September 30, 2018, the Applicant Company has 1,03,47,439 outstanding Employee Stock Options under its existing Stock Option Scheme, the exercise of which may result in an increase of upto 1,03,47,439 Equity Shares in the Issued, Subscribed and Paid-Up Share Capital of the Applicant Company.

Post-Scheme Capital Structure:

Pursuant to the Scheme, the Applicant Company shall issue shares to the Shareholders of BFIL and Warrants to the Promoter entities of the Applicant Company. Therefore, the Capital Structure set out above shall be subject to changes pursuant to the effectiveness of the Scheme. The Pre-Scheme and Post-Scheme Capital Structure of the Applicant Company is enclosed as **Annexure 14**.

(d) **Details of the Promoters and Directors along with their addresses:**

Names and addresses of the Promoters of the Applicant Company as on September 30, 2018:

S. No.	Name of the Promoter	Address
Promoter		
1.	IndusInd International Holdings Limited	19 Church Street, Port Louis, Mauritius
2.	IndusInd Limited	

Names and addresses of the Directors of the Applicant Company as on September 30, 2018:

S. No.	Name and DIN of the Director	Designation	Address
1.	Mr. Seshasayee Ramaswami [DIN: 00047985]	Non-Executive, Part-time Chairman	Krishna, New No. 20, Old No. 52 / 1 Luz Avenue, Mylapore Chennai-600004, Tamil Nadu, India.
2.	Mrs. Kanchan Uday Chitale [DIN: 00007267]	Non-Executive Independent Director	1204, Navdurga CHS. Ltd., 12 th Floor, Deonar, Chembur, Govandi Station Road, Mumbai-400088, Maharashtra, India.
3.	Mr. Ranbir Singh Butola [DIN: 00145895]	Non-Executive Independent Director	B-2 / 2277 Vasant Kunj, New Delhi-110070, India.
4.	Mr. Shanker Annaswamy [DIN: 00449634]	Non-Executive Independent Director	No. A265, East Drive, Prestige Ozone, Whitefield Main Road, Whitefield, Bengaluru - 560066, Karnataka, India.
5.	Dr. Ram Mohan Tiruvallur Thattai [DIN: 00008651]	Non-Executive Independent Director	504, Indian Institute of Management, Vastrapur, Ahmedabad - 380015, Gujarat, India.
6.	Mr. Yashodhan Madhusudan Kale [DIN: 00013782]	Non-Executive Non Independent Director	2, Sumit, 31 Carmichael Road, Mumbai - 400026, Maharashtra, India.
7.	Mr. Arun Tiwari [DIN: 05345547]	Additional Non-Executive Independent Director	B-14, Ahuja Towers, Rajabhau Anant Desai Marg, Century Bazar, Prabhadevi, Mumbai-400025, Maharashtra, India.
8.	Mrs. Akila Krishnakumar [DIN: 06629992]	Additional Non-Executive Independent Director	S-67, Golden Enclave, Airport Road, Bangalore - 560017, Karnataka, India.
9.	Mr. Romesh Sobti [DIN: 00031034]	Managing Director & CEO	Apartment No. 29 / 30, 33 South, Peddar Road, Opposite Sterling Apartments, Mumbai-400026, Maharashtra, India.

(e) **If the Scheme of Compromise or Arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such Scheme of Compromise or Arrangement, including holding, subsidiary or of associate companies:**

IFIL is a wholly-owned subsidiary of the Applicant Company. Pursuant to the effectiveness of the Scheme, the Transferred Undertaking shall be transferred from the Applicant Company to IFIL, in exchange for the issuance of Equity Shares by IFIL to the Applicant Company.

Mr. Romesh Sobti (Managing Director & CEO of the Applicant Company) is a Director of IFIL. Further, Mr. Suhail Chander, Mr. Sanjeev Anand and Mr. Sanjay Vijay Mallik (Employees of the Applicant Company) are Directors of IFIL.

Mr. Ramchandra Rao Madapati (Managing Director & CEO of BFIL) is a Director of IFIL.

(f) **The date of the Board Meeting of the Applicant Company at which the Scheme was approved by the Board of Directors including the name of the Directors who voted 'in favour' of the Resolution, who voted 'against' the Resolution and who did not vote or participate on such Resolution:**

The Board of Directors of the Applicant Company at its Board Meeting held on Saturday, October 14, 2017 have approved the Scheme, as detailed below:

S. No.	Names and DIN of the Director	Voted in favour/ against/ abstain
1.	Mr. Seshasayee Ramaswami [DIN: 00047985]	In favour
2.	Mrs. Kanchan Uday Chitale [DIN: 00007267]	In favour
3.	Mr. Ranbir Singh Butola [DIN: 00145895]	In favour
4.	Mr. Shanker Annaswamy [DIN: 004449634]	In favour
5.	Dr. Ram Mohan Tiruvallur Thattai [DIN: 00008651]	In favour
6.	Mr. Yashodan Madhusudan Kale [DIN: 00013782]	In favour
7.	Mr. Vijay Vaid [DIN: 00219709]	In favour
8.	Mr. Anantha Narayanan Thiagrajan [DIN: 00007227]	In favour
9.	Mr. Romesh Sobti [DIN: 00031034]	In favour

- (g) As on September 30, 2018, the Applicant Company has (i) 804 unsecured creditors and the aggregate amount owed to such unsecured creditors is ₹ 4,30,02,94,15,361; (ii) 49,80,504 depositors and the aggregate amount owed to such depositors is ₹ 16,82,19,28,21,104.
- (h) None of the Directors, Key Managerial Personnel (KMP) (as defined under the Act and Rules framed thereunder) of the Applicant Company and their respective Relatives (as defined under 'the Act and Rules' formed thereunder) have any interests, financial or otherwise, in the Scheme except to the extent of their respective shareholding in the Applicant Company, BFIL and IFIL, if any.

The effect of the Scheme on the material interests of the Directors, KMP and their respective relatives is not any different from the effect on other Shareholders of the Applicant Company and / or BFIL.

The details of the shareholding of Directors and KMP of the Applicant Company as on September 30, 2018 is as follows:

S. No.	Names and DIN/ PAN of Director and KMP	No. of shares and percentage held in		
		Applicant Company	BFIL	IFIL
1.	Mr. Seshasayee Ramaswami Non-Executive, Part-time Chairman [DIN: 00047985]	Nil	Nil	Nil
2.	Mrs. Kanchan Uday Chitale [DIN: 00007267]	1,000 0.0002%	Nil	Nil
3.	Mr. Ranbir Singh Butola [DIN: 00145895]	Nil	Nil	Nil
4.	Mr. Shanker Annaswamy [DIN: 004449634]	Nil	Nil	Nil
5.	Dr. Ram Mohan Tiruvallur Thattai [DIN: 00008651]	3,800 0.0006%	Nil	Nil
6.	Mr. Yashodan Madhusudan Kale [DIN: 00013782]	Nil	Nil	Nil
7.	Mr. Arun Tiwari [DIN: 05345547]	Nil	Nil	Nil
8.	Mrs. Akila Krishnakumar [DIN: 06629992]	Nil	Nil	Nil
9.	Mr. Romesh Sobti Managing Director & CEO [DIN: 00031034]	6,30,000 0.1048%	Nil	1* 14.2857%

S. No.	Names and DIN/ PAN of Director and KMP	No. of shares and percentage held in		
		Applicant Company	BFIL	IFIL
10.	Mr. Sharadchandra Vithal Zaregaonkar Chief Financial Officer [PAN: AAAPZ3995K]	12,700 0.0021%	Nil	1* 14.2857%
11.	Mr. Haresh Kishinchand Gajwani Company Secretary [PAN: AADPG3456D]	700 0.0001%	Nil	Nil

*held as Nominee of the Applicant Company.

(i) **Disclosure about the effect of the Scheme on the following persons:**

S. No	Category of Stakeholder	Effect of the Scheme
A.	Shareholders (including GDR Holders)	<p>(i) Upon the Scheme becoming effective and in consideration of the Amalgamation, the Applicant Company shall allot Equity Shares, credited as Fully Paid-Up, to the Shareholders of BFIL, holding Fully Paid-Up Equity Shares in BFIL and whose names appear in the Register of Members of BFIL on the specific Record Date (<i>as defined in the Scheme</i>) or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner: <i>"639 (Six Hundred and Thirty-Nine) Equity Shares of the Applicant Company of ₹ 10/- each, Fully Paid-Up for every 1,000 (One Thousand) Equity Shares of BFIL of ₹ 10/- each, Fully Paid-Up"</i> ("Share Exchange Ratio").</p> <p>(ii) Pursuant to the Amalgamation, the Applicant Company shall, as an integral part of the Scheme, issue and allot to the Promoters of the Applicant Company, on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty-Seven Lakhs Seventy Thousand Nine Hundred and Eighty-Five) Warrants, each convertible into 1 (One) Equity Share of the Applicant Company such that upon exercise of all the Warrants, and together with the shares already held by them, the Promoters shall hold in the aggregate up to 15% (fifteen percent) of the total expanded Issued, Subscribed and Paid-Up Equity Share Capital of the Applicant Company on a Fully Diluted basis.</p> <p>(iii) Pursuant to the Amalgamation, the Transferred Undertaking shall be transferred from the Applicant Company to IFIL, as a going concern, on a Slump Sale basis, in exchange for 4,37,03,500 Equity Shares of IFIL to the Applicant Company.</p> <p>(iv) The shares allotted to Shareholders of BFIL by the Applicant Company as set out above shall rank <i>pari passu</i> in all respects with the then existing Equity Shares of the Applicant Company and shall be listed on BSE Limited and National Stock Exchange of India Limited.</p> <p>(v) The Authorised Share Capital of the Applicant Company will be increased to ₹ 8,57,00,00,000 (Rupees Eight Hundred and Fifty-Seven Crores) comprising 85,70,00,000 Equity Shares of ₹ 10 (Rupees Ten) each, in accordance with the provisions of the Act, pursuant to the Scheme.</p> <p>(vi) The Amalgamation will result in dilution of holding of the Shareholders (including GDR Holders) of the Applicant Company by approximately 12.92% and in turn an increase in the Public float of the Applicant Company's shares to that extent. This will in turn increase the trading stock of the shares of the Applicant Company.</p>

S. No	Category of Stakeholder	Effect of the Scheme
B.	Promoters	Please refer to Point (A)(ii) above for details regarding 'effect on the Promoters'.
C.	Non-Promoter Shareholders	Please refer to Point (A) above for details regarding 'effect on the shareholders'.
D.	Directors and Key Managerial Personnel ("KMPs")	The Directors and KMPs of the Applicant Company shall continue as the Directors and Key Managerial Personnel of the Applicant Company after effectiveness of the Scheme. Please refer to point (A) above for details regarding the effect of the Scheme on such Directors and KMPs who are also Shareholders of the Applicant Company. Other than the above, the Directors and KMPs are not affected pursuant to the Scheme.
E.	Employees	Pursuant to the Scheme, no rights of the Staff and Employees of the Applicant Company shall be affected.
F.	Creditors	Under the Scheme, no arrangement is sought to be entered into between the Applicant Company and its Creditors. The Scheme is expected to be in the best interest of the Applicant Company's Creditors.
G.	Depositors	Under the Scheme, no arrangement is sought to be entered into between the Applicant Company and its Depositors. Since the Scheme would result in widening the Capital base of the Applicant Company, it is expected to be in the best interest of the Applicant Company's Depositors.
H.	Debenture Holders	The Scheme will not have any effect on the Applicant Company's Debenture Holders.
I.	Debenture Trustee	The Scheme will not have any effect on the Applicant Company's Debenture Trustee.

(j) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMPs) and Debenture Trustee:**

Please refer to Point no. (i) above for the effect of the Scheme on material interests of Directors, Key Managerial Personnel and Debenture Trustee.

(iv) Other Particulars of BFIL as per Rule 6(3) of the Merger Rules:

(a) **Summary of the Main Objects as per the Memorandum of Association and Main Business carried on by BFIL:**

BFIL is engaged primarily in the business of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities, and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a Business Correspondent for the Applicant Company as well as provision of other products and services. The objects, *inter alia*, along with serial numbers as stated in the Memorandum of Association, are set out hereunder:

- III A. "1. *To reduce poverty in India, by carrying on the business of providing microfinance services (mainly non banking financial services as permitted by the Reserve Bank of India) exclusively to large number of poor men and women directly or indirectly, and thus to help them and their families out of poverty and improve their standard of living.*
2. *To carry on the business of financing development activities through long term loans and other means of financing upon such terms and conditions as the company may think fit for the purposes of:*
- (i) *agriculture development (which include, inter alia, land acquisition and development, irrigation, watershed development, crop cultivation, plantation, horticulture, forestry, animal husbandry and allied activities, such as dairy, poultry, fishery, aqua culture and floriculture).*
 - (ii) *industrial development (which term includes, inter alia, agro-processing, mining and quarrying utilities - (including water, power and renewable sources of energy), manufacturing, (including handicrafts, construction, trade and distribution, transport, and services of all kinds).*

- (iii) market linkage development (which term includes, inter alia, provisions of inputs for and marketing of output of agricultural and industrial development activities including facilities for storage, trading and transport for such inputs and outputs).
 - (iv) habitat development (which term includes, inter alia, purchase, construction, upgradation, extension and modification of buildings and infrastructure for residential, agricultural, commercial or industrial purposes), but exclusively targeted to the poor men and women in generation and enhancement of livelihoods in India.
3. To provide collateral free credit to poor men and women, deliver credits, thrift and savings, insurance and other financial services to them in the cities, towns, villages of India with a view to provide them sustainable livelihood and enhancement of their and their family's family living conditions based on their needs, skills and traditional livelihood occupations and to carry on the business of microfinance.
 4. To carry on and undertake the business of insurance, including life and general insurance as intermediary or agent of other insurance companies, subject to the rules and regulations prescribed by the Insurance Regulatory and Development Authority and / or Reserve Bank of India, Non-Banking Finance Companies Rules, as applicable to insurance business.
 5. To carry on and undertake the business of research, consultancy, technical assistance and training in the field of livelihood promotion, development finance and other financial services, as intermediary for other companies or organizations.
 6. To lend loans for purpose against pledge of gold including household and / or used gold jewellery or any other security including housing or commercial property with or without a mortgage on such terms as may seem expedient.
 7. To extend working capital loans to kirana stores, which deal with fast-moving consumer goods and groceries.
 8. To extend loans for purchase of mobile phones on such terms as may seem expedient."

(b) **Details of change of name, registered office and objects of BFIL during the last five years**

Change of Name: BFIL was originally incorporated on September 22, 2003, as a Private Limited Company under the name 'SKS Microfinance Private Limited'. Subsequently, BFIL was converted into a Public Limited Company on May 2, 2009. BFIL's name was further changed to 'Bharat Financial Inclusion Limited' pursuant to the fresh Certificate of Incorporation dated June 13, 2016.

Change of Registered Office: BFIL changed its Registered Office from '3rd Floor, My Home Tycoon, Block A, Kundanbagh, Begumpet, Hyderabad-500 016, Andhra Pradesh, India' to 'Unit No. 410, 'Madhava', Bandra -Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India' on December 10, 2013.

Change of Objects: NIL

(c) **Details of the capital structure of BFIL including authorised, issued, subscribed and paid-up share capital:**

The Share Capital structure of BFIL as on September, 30, 2018 is as under:

Share Capital	Amount (In ₹)
Authorized Share Capital	
15,70,00,000 Equity Shares of ₹ 10 each	1,57,00,00,000
1,30,00,000 Preference Shares of ₹ 10 each	13,00,00,000
TOTAL	1,70,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
14,00,85,010 Equity Shares of ₹ 10 each, Fully Paid-Up*	1,40,08,50,100
TOTAL	1,40,08,50,100

*BFIL has 50,67,413 outstanding Employee Stock Options under its existing Stock Option Schemes, the exercise of which may result in an increase of upto 50,67,413 Equity Shares in the Issued, Subscribed and Paid-Up Share Capital of BFIL.

Post-Scheme Capital Structure

The Scheme shall result in the merger by absorption of BFIL into the Applicant Company and dissolution of BFIL without winding up and the consequent issuance of Equity Shares of the Applicant Company to the shareholders of BFIL. As such, pursuant to the Scheme, BFIL shall cease to exist.

(d) **Details of the Promoters and Directors along with their addresses:**

Name and address of Promoter of BFIL as on September 30, 2018:

S. No	Name of the Promoter	Address
Promoters		
1.	Kismet Microfinance	3 rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Mauritius

Names and addresses of Directors of BFIL as on September 30, 2018:

S. No.	Name and DIN of the Director	Designation	Address
1.	Mr. Puranam Hayagreeva Ravikumar [DIN: 00280010]	Non-Executive Chairman and Independent Director	501, 5 th Floor, Yashowan Towers, Behind Mahim Post Office, T. H. Kataria Marg, Mahim (West), Mumbai - 400016, Maharashtra, India.
2.	Mr. Geoffrey Tanner Wooley [DIN: 00306749]	Non-Executive Independent Director	88, Weona Road, North Attleboro, MA 02760, United States of America.
3.	Mr. Bala Chandran Srinivasan [DIN: 01962996]	Non-Executive Independent Director	Plot No. 198, Flat No. 301, Kunda Residency, Street No. 4, Opp. Indian Overseas Bank, West Maredpally, Nehrunagar, Hyderabad - 500026, Telangana, India.
4.	Mr. Rajender Mohan Malla [DIN: 00136657]	Non-Executive Independent Director	C-4/19, Safdarjang Development Area, Hauz Khas, New Delhi - 110016, India.
5.	Dr. Tarun Khanna [DIN: 01760700]	Non-Executive Independent Director	66, Druid Hill Road, Newton Massachusetts 02461, United States of America.
6.	Dr. Punita Kumar Sinha [DIN: 05229262]	Non-Executive Independent Director	51, Gate House Road, Chestnut Hill, MA 02467, Massachusetts, United States of America.
7.	Mr. Ashish Lakhnupal [DIN: 02410201]	Non-Executive Non-Independent Director	5907 Kirby Road Bethesda MD, 20817, United States of America.
8.	Mr. Sanjay Jain [DIN: 02559601]	Nominee Director - SIDBI	906, SIDBI Officer, Appt. 25, Veera Desai Road, Andheri (W), Mumbai - 400053, Maharashtra, India.
9.	Mr. Ramachandra Rao Madapati [DIN: 03276291]	Managing Director & CEO	Plot No. 23, Ashwini Layout, Near Andhra Jyoti Office, Jubilee Hills, Hyderabad - 500033, Telangana, India.

- (e) ***If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies:***

IFIL is a wholly-owned subsidiary of the Applicant Company. Pursuant to the effectiveness of the Scheme, the Transferred Undertaking shall be transferred from the Applicant Company to IFIL, in exchange for the issuance of Equity Shares by IFIL to the Applicant Company.

Mr. Romesh Sobti (Managing Director & CEO of the Applicant Company) is a Director of IFIL. Further, Mr. Suhail Chander, Mr. Sanjeev Anand and Mr. Sanjay Vijay Mallik (Employees of the Applicant Company) are Directors of IFIL.

Mr. Ramchandra Rao Madapati (Managing Director & CEO of BFIL) is a Director of IFIL.

- (f) ***The date of the Board Meeting of BFIL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted 'in favour' of the Resolution, who voted 'against' the Resolution and who did not vote or participate on such Resolution:***

The Board of Directors of BFIL at its Meeting held on Saturday, October 14, 2017 have approved the Scheme, as detailed below:

S. No.	Name and DIN of the Director	Voted in favor/ against/ abstain
1.	Mr. Puranam Hayagreeva Ravikumar [DIN: 00280010]	In favour
2.	Mr. Geoffrey Tanner Wooley [DIN: 00306749]	In favour

S. No.	Name and DIN of the Director	Voted in favor/ against/ abstain
3.	Mr. Bala Chandran Srinivasan [DIN: 01962996]	In favour
4.	Mr. Rajender Mohan Malla [DIN: 00136657]	In favour
5.	Dr. Tarun Khanna [DIN: 01760700]	In favour
6.	Dr. Punita Kumar Sinha [DIN: 05229262]	In favour
7.	Mr. Ashish Lakharpal [DIN: 02410201]	In favour
8.	Mr. K. G. Alai - Nominee Director - SIDBI (Director till July 26, 2018) [DIN: 01757205]	In favour
9.	Mr. Ramachandra Rao Madapati [DIN: 03276291]	In favour

- (g) As on date, BFIL does not have any unsecured creditors.
- (h) The Directors, the Key Managerial Personnel (KMP) (as defined under the Act and Rules framed thereunder) of BFIL and their respective Relatives (as defined under the Act and Rules framed thereunder) do not have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in BFIL, the Applicant Company and IFIL, if any, and as provided in (i) below.

The details of the shareholding of Directors and KMP of BFIL as on September 30, 2018 is as follows:

S. No	Names and DIN / PAN of Director and KMP	No. of shares and percentage held in		
		Applicant Company	BFIL	IFIL
1.	Mr. Puranam Hayagreeva Ravikumar [DIN: 00280010]	Nil	16,000 0.0114%	Nil
2.	Mr. Geoffery Tanner Wolley [DIN: 00306749]	Nil	64,986 0.0464%	Nil
3.	Mr. Balachandran Srinivasan [DIN: 01962996]	Nil	Nil	Nil
4.	Mr. Rajender Mohan Malla [DIN: 00136657]	Nil	Nil	Nil
5.	Dr. Tarun Khanna [DIN: 01760700]	Nil	Nil	Nil
6.	Dr. Punita Kumar Sinha [DIN: 05229262]	Nil	Nil	Nil
7.	Mr. Ashish Lakharpal [DIN: 02410201]	Nil	Nil	Nil
8.	Mr. Sanjay Jain [DIN: 02559601]	Nil	Nil	Nil
9.	Mr. Ramchandra Rao Madapati Managing Director & CEO [DIN: 03276291]	Nil	2,96,666 0.2118%	Nil
10.	Mr. Ashish Damani Chief Financial Officer [PAN: AGVPD4379C]	Nil	79,900 0.0570%	Nil
11.	Mr. Rajendra Lahu Patil Company Secretary [PAN: AHPPP2832H]	Nil	22,580 0.0161%	Nil

(i) **Disclosure about the effect of the Scheme on the following persons:**

S. No	Category of Stakeholder	Effect of the Scheme on Stakeholders
A.	Shareholders	<p>The Scheme provides for the amalgamation of BFIL with the Applicant Company by way of merger by absorption and dissolution of BFIL without winding up and consequent issuance of the Equity Shares of the Applicant Company to BFIL Shareholders as per the Share Exchange Ratio:</p> <p><i>"639 (Six Hundred and Thirty Nine) of the Applicant Company, credited as Fully Paid-Up, for every 1,000 (One Thousand) equity shares of the face value of ₹ 10/ (Rupees Ten Only) each Fully Paid-Up held by such member in the Company".</i></p> <p>The shares allotted to shareholders of BFIL by the Applicant Company as set out above shall rank <i>pari passu</i> in all respects with the then existing Equity Shares of the Applicant Company and shall be listed on BSE Limited and National Stock Exchange of India Limited.</p>
B.	Promoters	<p>Like all the Shareholders of BFIL, the Promoters of BFIL shall be allotted shares of the Applicant Company in accordance with the Share Exchange Ratio set out in the Scheme. Post the effectiveness of the Scheme, the Promoter of BFIL shall become a Public Shareholder of the Applicant Company.</p> <p>Please refer to Point (A) above for details regarding 'effect on the Shareholders'.</p>
C.	Non-Promoter Shareholders	Please refer to Point (A) above for details regarding 'effect on the Shareholders'.
D.	Directors and Key Managerial Personnel ("KMPs")	<p>There is no effect of the Scheme on the KMPs. The KMPs holding shares in BFIL do not have any other interest in the Scheme otherwise than as Shareholders in general.</p> <p>Save as aforesaid, none of the KMPs have any material interest in the Scheme, except the appointment of Mr. Ramchandra Rao Madapati, the Managing Director & CEO of BFIL, as the Managing Director & CEO of IFIL.</p>
E.	Employees	<p>(i) On the Scheme becoming effective, the Employees of BFIL on the Effective Date shall become the employees of the Applicant Company, without any break in their service and on the basis of continuity of service, on terms and conditions of employment which shall be no less favorable than those applicable to them with reference to their employment in BFIL.</p> <p>(ii) Further, pursuant to the Slump Exchange, the BFIL Employees shall become the Employees of IFIL, without any break in their service and on the basis of continuity of service, on terms and conditions of employment which shall be no less favorable than those on which they were engaged prior to such transfer.</p>
F.	Creditors	BFIL has secured creditors and the rights of the secured creditors of BFIL are impacted solely on account of the regulatory regime applicable to the Amalgamated Company and separate approvals, as required under the contractual documentation with each such secured creditor, are being sought by BFIL.
G.	Depositors	Not Applicable as BFIL does not have any Depositors.
H.	Debenture Holders	Not applicable as BFIL does not have Debenture Holder.
I.	Deposit Trustee and Debenture Trustee	Not Applicable as BFIL neither has Deposit Trustee nor Debenture Trustee.

(j) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMPs) and Debenture Trustee:**

Please refer to point no. (i) above for the effect of the Scheme on material interests of Directors, Key Managerial Personnel and Debenture Trustee.

(v) Other Particulars of IFIL as per Rule 6(3) of the Merger Rules:

(a) **Summary of the Main Objects as per the Memorandum of Association and main business carried on by IFIL:**

IFIL has been incorporated with the object of, *inter alia*, undertaking the business providing Business Correspondent services exclusively to the Applicant Company. The Main Objects, *inter alia*, along with serial numbers as stated in the Memorandum of Association, are set out hereunder:

- III.A "1. To establish and carry on directly or indirectly, the business of sourcing, marketing, promoting, publicizing, selling and distributing financial products, insurance products, mutual fund products, pension products and other third-party products either as business correspondent or business facilitator or authorized agent/sub-agent to customers, for various clients from time to time including banks, financial institutions, insurance companies, firms, companies, public sector undertakings, mutual funds, venture funds, trusts, societies, corporations, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services including but not limited to services such as identification of customers, collection, preliminary processing and submission of product applications forms/documents including verification of primary information/data and other customer information; create awareness about savings and other financial products and education and advice on managing money, budgets and debt counselling; understanding financial concepts; process and submit of applications to the clients; promote, nurture and monitor self-help groups, joint liability groups or credit groups or micro and small enterprises; conduct post sanction monitoring; handholding of clients including underserved and economically weaker sections of society; follow-up for recovery; disburse small value credit; undertake recovery of principal/collection of interest and collection of small value deposits; sale and distribution of micro insurance/mutual fund products/pension products/other third party products; receive and deliver small value remittances and other payment instruments in accordance with the regulations prescribed by Reserve Bank of India and other appropriate authorities and for this purpose:
- a) to enter into strategic alliances, joint ventures, partnerships, arrangement or other forms of association with, or make financial or other investments in, any other person, firm, company, bank, financial institution and other bodies corporate; and
 - b) to promote, own, establish, operate or maintain branches and other outlets or media, data, call or contact centres or other remote facilities for trading, marketing, distribution or conducting transactions including (without limitation) electronic data interchange, transaction initiation, processing, clearing or settlement services by means of electronic, computer or automated machines network or by any other modes of communication in loyalty, database, financial and other products or services, in compliance with the applicable laws.
2. To arrange for the provision of microfinance services in India through enabling commercial banks, financial institutions or other financing institutions and/or agencies, to directly or indirectly extend credits, savings and other financial services to the public in the cities, towns, villages of India with a view to provide sustainable livelihood and enhancement of their and their family's family living conditions based on their needs, skills and traditional livelihood occupations.
 3. To undertake, promote, sponsor, carry out financial inclusion activities, rural and urban development including any programme for promoting the social and economic welfare of or the uplift of the public in such areas and to incur expenditure on any such programme and to assist execution and promotion thereof and to carry on and undertake the business of research, consultancy, technical assistance and training in the field of livelihood promotion, development finance, micro finance and other financial services, either directly or as intermediary for other companies or organizations or any other manner as may be decided by the Directors.
 4. To carry on the business and profession of advisors, consultants, trainers and researchers and render services in the field of agricultural development, industrial development, market development, habitat and environmental development and financial services, to individuals, firms, companies, associations, societies, trusts, unregistered groups, Government Departments, public or local authorities or any other enterprises which are engaged in business, commerce, research, public welfare, public administration or military services, in the matters pertaining to administration, management, organization, manufacture, production, storage process, systems, finance and accounts, recruitment and training of personnel, purchasing, marketing, engineering, etc."

(b) **Details of Change of name, registered office and objects of IFIL during the last five years:**

IFIL was incorporated on August 6, 2018. There is no change in Name, Registered Office and Objects since then.

(c) **Details of the Capital Structure of IFIL including authorised, issued, subscribed and paid-up share capital:**

The Share Capital structure of IFIL as on September 30, 2018 is as under:

Share Capital	Amount (In ₹)
Authorized Share Capital	
5,00,00,000 Equity Shares of ₹ 10/- each	50,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
7 Equity Shares of ₹ 10/- each	70
TOTAL	70

Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, 4,37,03,500 Equity Shares of Face Value ₹ 10/- each will be issued by IFIL to the Applicant Company. Further, the Authorized Share Capital of IFIL shall stand increased to ₹ 60,00,00,000 divided into 6,00,00,000 Equity Shares of ₹ 10/- each. The Capital Structure of IFIL pursuant to the effectiveness of the Scheme shall be as under:

Share Capital	Amount (In ₹)
Authorized Share Capital	
6,00,00,000 Equity Shares of ₹ 10/- each	60,00,00,000
TOTAL	60,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
4,37,03,507 Equity Shares of ₹ 10/- each Fully Paid - Up	43,70,35,070
TOTAL	43,70,35,070

(d) **Details of the Promoters and Directors along with their addresses**

The entire Share Capital of IFIL as on September 30, 2018 is held by the Applicant Company and its Nominee Shareholders.

Names and addresses of Directors of IFIL as on September 30, 2018:

S. No.	Name and DIN of Director	Designation	Address
1.	Mr. Romesh Sobti [DIN: 00031034] (Chairman)	Director	Apartment No. 29 / 30, 33 South, Peddar Road, Opposite Sterling Apartments, Mumbai 400026, Maharashtra, India.
2.	Mr. Ramachandra Rao Madapati [DIN: 03276291]	Director	Plot No. 23, Ashwini Layout, Near Andhra Jyoti Office, Jubilee Hills, Hyderabad - 500033, Telangana, India.
3.	Mr. Suhail Chander [DIN: 06941577]	Director	1045, Hubert Road, 94610-2520, Oakland CA, United States of America.
4.	Mr. Sanjeev Anand [DIN: 07074653]	Director	92 SFS DDA Flats, Hauz Khas, Delhi - 110016, India.
5.	Mr. Sanjay Vijay Mallik [DIN: 08194530]	Director	Flat 2A, Sunshine Apartments, Ground Floor 78-B Dr. Annie Besant Road, Worli, Mumbai - 400018, India.

(e) **If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies:**

IFIL is a wholly-owned subsidiary of the Applicant Company. Pursuant to the effectiveness of the Scheme, the Transferred Undertaking shall be transferred from the Applicant Company to IFIL, in exchange for the issuance of Equity Shares by IFIL to the Applicant Company.

Mr. Romesh Sobti (Managing Director & CEO of the Applicant Company) is a Director of IFIL. Further, Mr. Suhail Chander, Mr. Sanjeev Anand and Mr. Sanjay Vijay Mallik (Employees of the Applicant Company) are Directors of IFIL.

Mr. Ramachandra Rao Madapati (Managing Director & CEO of BFIL) is a Director of IFIL.

- (f) **The date of the Board meeting of IFIL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the Resolution, who voted against the Resolution and who did not vote or participate on such Resolution:**

The Board of Directors of IFIL at its Board Meeting held on Tuesday, August 14, 2018 have approved the Scheme, as detailed below:

S. No.	Name and DIN of Directors	Voted in favour / against / abstain
1	Mr. Romesh Sobti [DIN: 00031034]*	-
2	Mr. Ramachandra Rao Madapati [DIN: 03276291]	In favour
3	Mr. Suhail Chander [DIN: 06941577]	In favour
4	Mr. Sanjeev Anand [DIN: 07074653]	In favour
5	Mr. Sanjay Vijay Mallik [DIN: 08194530]	In favour

*Leave of absence was granted to Mr. Romesh Sobti as he was unable to attend the said meeting.

- (g) As on the date of this Notice, IFIL has one unsecured creditor – the Applicant Company and the amount owed by IFIL to the Applicant Company is ₹ 48,84,566.
- (h) None of the Directors, the Key Managerial Personnel (KMP) (as defined under the Act and Rules framed thereunder) of IFIL and their respective Relatives (as defined under the Act and Rules framed thereunder) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Applicant Company, BFIL and IFIL, if any. IFIL does not have any Debenture holders or Debenture Trustees.

The effect of the Scheme on the material interests of the Directors and KMP and their respective relatives, is not any different from the effect on other shareholders of IFIL and / or BFIL.

The details of the shareholding of Directors and KMP of the IFIL as on September 30, 2018 is as follows:

S. No.	Names and DIN / PAN of Director and KMP	No. of shares and percentage held in		
		Applicant Company	BFIL	IFIL
1.	Mr. Romesh Sobti [DIN: 00031034]	6,30,000 0.1048%	Nil	1* 14.2857%
2.	Mr. Ramachandra Rao Madapati [DIN: 03276291]	Nil	2,96,666 0.2118%	Nil
3.	Mr. Suhail Chander [DIN: 06941577]	1,25,000 0.0208%	Nil	Nil
4.	Mr. Sanjeev Anand [DIN: 07074653]	35,140 0.0058%	Nil	1* 14.2857%
5.	Mr. Sanjay Vijay Mallik [DIN: 08194530]	16,500 0.0027%	Nil	Nil
6.	Mr. Alok Suryakant Desai, [PAN: AIUPD9066H] Company Secretary	Nil	Nil	Nil

* held as Nominee of the Applicant Company.

(i) **Disclosure about the effect of the Scheme on the following persons:**

S. No	Category of Stakeholder	Effect of the Scheme on Stakeholders
A.	Shareholders	IFIL is a wholly-owned subsidiary of the Applicant Company and only has Equity Shareholders and does not have any Preference Shareholders. Upon the Scheme becoming effective and in consideration of transfer and vesting of the Transferred Undertaking from the Applicant Company to IFIL in terms of the Scheme, IFIL shall allot 4,37,03,500 Equity Shares of Face Value ₹ 10/- each, credited as Fully Paid-Up, to the Applicant Company. IFIL shall remain a wholly-owned subsidiary of the Applicant Company pursuant to the effectiveness of the Scheme.
B.	Promoters	IFIL is a wholly-owned subsidiary of the Applicant Company. Pursuant to the Scheme, fresh Equity Shares shall be issued by IFIL to the Applicant Company.
C.	Non-Promoter Shareholders	Not Applicable.
D.	Directors and Key Managerial Personnel ("KMPs")	The Directors and KMPs of IFIL will not be affected by the Scheme.
E.	Employees	Under the Scheme, no rights of the Staff and Employees of IFIL are being affected.
F.	Creditors	As of the date of this Notice, IFIL has no secured creditors. The Applicant Company is the only unsecured creditor of IFIL in relation to pre-incorporation expenses of IFIL of ₹ 48,84,566. The Scheme will not have any adverse impact on the Applicant Company in its capacity as unsecured creditor of IFIL.
G.	Depositors	Not Applicable as IFIL does not have Depositors.
H.	Debenture Holders	Not Applicable as IFIL does not have Debenture Holders.
I.	Deposit Trustee and Debenture Trustee	Not Applicable as IFIL neither has Deposit Trustee nor Debenture Trustee.

(j) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel and Debenture Trustee**

Please refer to point no. (i) above for the effect of the Scheme on material interests of Directors, Key Managerial Personnel and Debenture Trustee.

(vi) Other details regarding the Scheme required as per Rule 6(3) of the Merger Rules:

(a) **Relationship between the Applicant Company, BFIL and IFIL:**

There is no common Director between the Applicant Company and BFIL.

IFIL is a wholly-owned subsidiary of the Applicant Company. Mr. Romesh Sobti (Managing Director & CEO of the Applicant Company) and Mr. Ramachandra Rao Madapati, (Managing Director & CEO of BFIL) are also Directors of IFIL. Mr. Suhail Chander, Mr. Sanjeev Anand and Mr. Sanjay Vijay Mallik (Employees of the Applicant Company) are Directors of IFIL.

(b) **Appointed Date, Effective Date, Record Date and Share Exchange Ratio:**

• **Appointed Date:** The Appointed Date for the Scheme is the opening of business on January 1, 2018.

• **Effective Date:** The Effective Date means the last of the dates on which all the conditions and matters referred to in Clause 72 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme.

• **Record Date:** The Record Date means a mutually agreed date to be fixed by the Board of the Applicant Company and BFIL for the purposes of determining the Shareholders of BFIL to whom Equity Shares would be issued and allotted by the Applicant Company in accordance with Clause 27 of the Scheme.

• **Share Exchange Ratio:** Pursuant to the Amalgamation, the Applicant Company shall allot Equity Shares, credited as Fully Paid-Up, to the Shareholders of BFIL, holding Fully Paid-Up Equity Shares in BFIL and whose names appear in the Register of Members of BFIL on the record date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the record date in

the following manner: "639 (Six Hundred and Thirty Nine) Equity Shares of the Applicant Company of ₹ 10/- each Fully Paid-Up for every 1,000 (One Thousand) Equity Shares of BFIL of ₹ 10/- each Fully Paid-Up".

• **Consideration for the Slump Exchange:** Upon the Scheme becoming effective and in consideration of transfer and vesting of the Transferred Undertaking (transferred to the Applicant Company pursuant to the Amalgamation) from the Applicant Company in IFIL in terms of the Scheme, IFIL shall allot 4,37,03,500 (Four Crore Thirty Seven Lakhs Three Thousand Five Hundred) Equity Shares of Face Value ₹ 10/- each, credited as Fully Paid-Up, to the Applicant Company.

(c) **Summary of the Valuation Report:**

Joint Valuation Report dated October 13, 2017 was issued by M/s S. R. Batliboi & Co. LLP, Chartered Accountants (appointed by BFIL) and M/s Deloitte Haskins and Sells, Chartered Accountants (appointed by the Applicant Company), supplemented by the letter dated October 13, 2017 issued by M/s Deloitte Haskins and Sells, describing *inter alia* the computation of and the methodology adopted by them in arriving at the Share Exchange Ratio for the Amalgamation.

For the purpose of arriving at the Share Exchange Ratio, the Valuation Report was obtained in terms of the SEBI Scheme Circular, Circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by BSE Limited and Circular No. NSE/CML/2017/12 dated June 1, 2017 issued by the National Stock Exchange of India Limited.

The Valuers have considered the Earnings Capitalization Value Method ("ECV"), the Comparable Companies Quoted Multiples Method ("CCM"), Discounted Cash Flows Method ("DCF"), Net Asset Value Method ("NAV") and the Market Price Method ("MPM") for determining the relative value of the shares of the Applicant Company and BFIL in order to arrive at the Share Exchange Ratio for the Scheme.

However, considering the nature of the transactions contemplated in the Scheme, the Valuers are of the opinion that CCM and NAV Method are of limited relevance and have based their valuation on ECV, MPM and DCF methods, by assigning appropriate weightages.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the businesses based on the methodologies explained in the Valuation Report and various qualitative factors relevant to each business.

The recommendation of the Share Exchange Ratio has been approved by the Audit Committee and Board of Directors of the Applicant Company and Audit Committee and Board of Directors of BFIL.

Fairness Opinion dated October 13, 2017 was issued by Morgan Stanley India Company Private Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the Share Exchange Ratio from a financial point of view.

The Equity Shares to be issued by IFIL to the Applicant Company shall be equivalent in value of the Book Value of the Transferred Undertaking as on the Appointed Date.

The computation of the value of the Transferred Undertaking is set out in the letter dated August 13, 2018 issued by MSKA & Associates, Chartered Accountants, which has been taken on record by the Board of Directors of IFIL at their meeting held on Tuesday, August 14, 2018 and was also mentioned in the Board Report approved on September 26, 2018.

The Valuation Report issued by MSKA & Associates is enclosed as **Annexure 19**.

(d) **Detail of Capital Restructuring:**

Please refer the following Clauses from the Scheme:

- Clauses 37 and 38 of Section 5 under Part II 'Amalgamation of the Amalgamating Company in to the Amalgamated Company'; and
- Clause 62 of Section 4 under Part IV 'Slump Exchange of the Transferred Undertaking'.

(e) **Detail of Debt Restructuring:**

There shall be no Debt Restructuring of the Applicant Company, BFIL or IFIL pursuant to the Scheme.

(f) **Rationale of the Scheme of Arrangement, and the benefit of the Scheme of Arrangement as perceived by the Board of Directors of the Applicant Company:**

- A. The Amalgamation would create meaningful value to various stakeholders including respective Shareholders, Customers, Employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.
- B. The Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception.

- C. BFIL has a commercially established model in the microfinance segment. The Amalgamation shall provide the Applicant Company access to BFIL's growing customer base and outlets which would help in building a strong liability book, in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India.
 - D. The Amalgamation would offer the Applicant Company a deeper reach in the low income segment, and also increase the access of BFIL's customer base to the Applicant Company's wide array of products and services.
 - E. The Applicant Company can, pursuant to the Amalgamation, leverage BFIL's loan book in furtherance of its focus on Financial Inclusion and Priority Sector Lending and for alignment of the mission objectives of both BFIL and the Applicant Company.
 - F. The Preferential Allotment shall result in bolstering the capital base and balance sheet of the Applicant Company and shall provide growth capital for the future growth of the Applicant Company.
 - G. The Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Applicant Company with access to dedicated business correspondent services through IFIL which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Applicant Company in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Applicant Company, after the Amalgamation, to comply with the RBI's Circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, inter alia, prohibits a banking company from carrying on the Business Correspondent business directly.
- (g) The financial position of the Applicant Company will not be adversely affected by the Scheme. The Applicant Company will be able to meet and pay its debts as and when they arise and become due in the ordinary course of business. The rights and interests of the Members and the Creditors of the Applicant Company will not be prejudiced by the Scheme.
- (h) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company, BFIL and IFIL under the Act.
- (i) The Pre-Scheme and Post-Scheme Shareholding Patterns of the Applicant Company (on a fully diluted basis) as at September 30, 2018 are attached at **Annexure 14**.
- (j) ***Details of availability of the following documents for obtaining extracts from or making or obtaining copies:***

The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the Members and Creditors of the Applicant Company at its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001, Maharashtra, India between 10.00 a.m. to 1.00 p.m. on any working day up to the date of the Meeting:

- A. Order of National Company Law Tribunal, Mumbai Bench dated October 31, 2018 passed in Company Scheme Application No. 921 of 2018 directing to Applicant Company, inter alia, to convene the Meeting of Equity Shareholders;
- B. Copy of the Scheme;
- C. Copies of the Memorandum of Association and Articles of Association of the Applicant Company, BFIL and IFIL;
- D. Copies of the latest Audited Financial Statements of the Applicant Company and BFIL, including Consolidated Financial Statements;
- E. Register of Directors' Shareholding of the Applicant Company, BFIL and IFIL;
- F. Copy of the Fairness Opinion dated October 13, 2017 issued by Morgan Stanley India Company Private Limited to the Applicant Company;
- G. Copy of the Fairness Opinion dated October 13, 2017 issued to BFIL by Credit Suisse Securities (India) Private Limited;
- H. Joint Valuation Report along with Supplementary Letter dated October 13, 2017 issued by M/s Deloitte Haskins and Sells to the Applicant Company;
- I. Complaint Reports submitted by the Applicant Company and BFIL to the Stock Exchanges;
- J. Copy of the respective Audit Committee Reports dated October 13, 2017 of the Applicant Company and BFIL;
- K. Copy of the respective Board Resolutions of the Applicant Company, BFIL and IFIL approving the Scheme;

- L. Observation Letters issued by Stock Exchanges to the Applicant Company and BFIL;
- M. Certificates issued by Auditors of the Applicant Company, BFIL and IFIL to the effect that the accounting treatment, if any, proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- N. Copies of the Reports adopted by the Board of the Applicant Company, BFIL and IFIL pursuant to Section 232(2)(c) of the Act;
- O. Applicable information in relation to IFIL in the format specified for abridged prospectus in the SEBI ICDR Regulations along with the certificate issued by Morgan Stanley India Company Private Limited, SEBI Registered Merchant Bankers, certifying the adequacy and accuracy of such information;
- P. Implementation Agreement dated October 14, 2017 entered into between the Applicant Company and BFIL;
- Q. Certified True Copy of the detailed Order of the Competition Commission of India, dated December 19, 2017;
- R. Copy of the Approval / No-Objection Letters of the RBI dated March 13, 2018 and June 8, 2018 conveying RBI's No-Objection to the Amalgamation and approving incorporation of wholly-owned subsidiary (IndusInd Financial Inclusion Limited), respectively;
- S. Valuation report dated August 13, 2018 issued by MSKA & Associates, in relation to the Transferred Undertaking.
- T. Copy of e-form GNL-1 filed by the respective companies with the Registrar of Companies along with Challans, evidencing filing of the Scheme.

(k) **Details of Approvals, Sanctions or No-Objection(s) from Regulatory or any other Governmental Authorities in relation to the Scheme:**

- A. In terms of the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016, the voluntary amalgamation of BFIL with the Applicant Company was approved by the RBI by way of its letter dated March 13, 2018. Subsequently, on June 8, 2018, in terms of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, the RBI approved the incorporation by the Applicant Company of a wholly-owned subsidiary for the purposes of undertaking Business Correspondent activity as part of the Scheme.
- B. The Competition Commission of India vide its letter dated December 19, 2017 informed the Applicant Company and BFIL of its approval to the Scheme.
- C. The Equity Shares of the Applicant Company are listed on BSE Limited and National Stock Exchange of India Limited. The National Stock Exchange of India Limited was appointed as the designated Stock Exchange by the Applicant Company for the purpose of coordinating with the SEBI, pursuant to the SEBI Scheme Circular.

The Applicant Company has received Observation Letters regarding the Scheme from the National Stock Exchange of India Limited on June 1, 2018 and from BSE Limited on June 4, 2018 which are enclosed as **Annexure 5 and Annexure 6** respectively.

In terms of the Observation Letters, BSE Limited and National Stock Exchange of India Limited conveyed their no adverse observations / no objection to the Scheme.
- D. The equity shares of BFIL are listed on BSE Limited and National Stock Exchange of India Limited. National Stock Exchange of India Limited was appointed as the designated Stock Exchange by BFIL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular.

BFIL has received Observation Letter regarding the Scheme from National Stock Exchange of India Limited on June 1, 2018 and from BSE Limited on June 4, 2018, which are enclosed as **Annexure 7 and Annexure 8** respectively.
- E. As required by the SEBI Circular, the Applicant Company and BFIL had filed their Complaints Report with BSE Limited and the National Stock Exchange of India Limited on May 8, 2018, which are enclosed as **Annexure 9 and Annexure 10** respectively. Separate Reports filed by the Applicant Company and BFIL indicate that the Applicant Company and BFIL have NIL outstanding complaints.
- F. The Scheme was filed by the Applicant Company, BFIL and IFIL with the Mumbai Bench of the NCLT on August 24, 2018, and the Mumbai Bench of NCLT has given directions to convene Meeting vide an Order dated October 31, 2018.
- G. The Scheme is subject to approval by majority of persons representing three-fourth in value of the equity shareholders of the Applicant Company, voting in person or by Proxy or by Postal Ballot or Remote E-Voting, in terms of Sections 230 to 232 of the Act.

- H. Further, the Scheme is subject to approval by the requisite majority of the Public Shareholders (as defined herein below) of the Applicant Company as set out under SEBI Scheme Circular.

For this purpose the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly. The SEBI Scheme Circular provides that "the Scheme of Arrangement shall be acted upon only if the votes cast by the Public Shareholders in Favour of the proposal are more than the number of votes cast by the Public Shareholders Against it."

9. The relevant clauses of the Scheme are as under:

- (H) "Appointed Date" shall mean the opening of business on January 1, 2018;
- (J) "BC Business" means the non-financial, non-lending activities carried on by BFIL which comprise origination, servicing and collection of loans as a Business Correspondent for IBL as well as provision of certain other products and services;
- (Q) "Effective Date" means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived;
- (LLL) "Transferred Undertaking" shall mean the undertaking of the Amalgamated Company in relation to the BC Business pursuant to the Amalgamation and includes (without limitation), inter alia:
- (i) all assets and properties, whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situated of the BC Business, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables, security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass-through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches and centers), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the BC Business;
 - (ii) all permits, registrations, rights, entitlements, licences, claims, permissions, approvals, authorities, consents, deposits, privileges, exemptions including tax exemptions, any tax deducted in respect of any income received, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the BC Business;
 - (iii) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized by BFIL;
 - (iv) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamated Company or powers or authorities granted by or to it) of whatsoever nature along with the contractual rights and obligations exclusively relating to the BC Business, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
 - (v) all records, files, papers, computer programs, software licences, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the BC Business;
 - (vi) all present, contingent and future liabilities appertaining or relating to the BC Business including all debts, loans (whether denominated in rupees or in foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrues and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees or other instruments which may give rise to a contingent liability in whatever form) relating to the BC Business; and
 - (vii) the BFIL Employees and the Employee Benefit Funds in relation thereto;

27. Upon the Effective Date and in consideration of the transfer and vesting of the Amalgamating Undertaking in the Amalgamated Company pursuant to Part II of this Scheme, the Amalgamated Company shall, without any further act or deed, issue and allot to the shareholders of the Amalgamating Company whose names are recorded in the Register of Members as a Member of the Amalgamating Company on the Record Date or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, 639 (Six Hundred and Thirty Nine) IBL Shares, credited as fully paid-up, for every 1,000 (One Thousand) equity shares of the face value of INR 10/- (Rupees Ten Only) each fully paid-up held by such Member in the Amalgamating Company (the "Share Exchange Ratio").
42. Subject to the effectiveness of the Scheme and upon the allotment of the IBL Shares pursuant to the Amalgamation in accordance with Clause 27 of this Scheme, the Amalgamated Company shall, pursuant to this Scheme and as an integral part hereof, issue and allot to the IBL Promoters on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) Share Warrants ("Warrants"), each convertible into 1 (one) IBL Share, such that upon exercise of all the Warrants, and together with the IBL Shares already held by them, the IBL Promoters shall hold in the aggregate up to 15 % (fifteen percent.) of the total expanded issued and paid up equity share capital of the Amalgamated Company on a fully diluted basis (such allotment, the "Preferential Allotment"). The "Relevant Date" for the Preferential Allotment is October 14, 2017, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular ("Warrant Price"), and is ₹ 1,709 (Rupees One Thousand Seven Hundred and Nine) per Warrant.

Section 7 – Change of Name of the Transferee Company

65. Subject to Applicable Law, as a part of the Scheme and upon its effectiveness, the name of the Transferee Company shall be changed to "Bharat Financial Inclusion Limited", being the name of the Amalgamating Company. The Transferee Company shall take all necessary steps to give effect to such change of name.
66. From the Effective Date till the time necessary formalities relating to the change of name is completed, the Transferee Company shall be eligible to use its present name 'IndusInd Financial Inclusion Limited' to ensure continuity of its operations.
67. The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.
72. The coming into effect of this Scheme is conditional upon and subject to:
 - (i) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot / e-voting, as applicable) and creditors (where applicable) of the Amalgamating Company, IBL and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT.
 - (ii) this Scheme having been approved by a majority of the public shareholders of IBL (passed through Postal Ballot / E-voting, as applicable) in accordance with the requirements set out in the SEBI Scheme Circular;
 - (iii) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;
 - (iv) certified copies of the Order of the NCLT approving this Scheme being filed with the Registrar of Companies, Maharashtra;
 - (v) receipt of the approvals of the RBI for the Amalgamation and the issuance of the IBL Shares to the shareholders of BFIL, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking, in terms of this Scheme;
 - (vi) the Stock Exchanges issuing their observation / no-objection letters and SEBI issuing its comments on the Scheme, to the Amalgamated Company and the Amalgamating Company including comments / approval after sanction of the Scheme by NCLT, as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;
 - (vii) receipt of the approval from the CCI under the Competition Act, 2002 for the Amalgamation and the Slump Exchange (if necessary);
 - (viii) any other approval as may be required for the Amalgamation and the issuance of the IBL Shares to the shareholders of Amalgamating Company, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Regulatory Authority on or after the Implementation Agreement Execution Date or interpretation of any existing law, rule or regulation on or after the relevant date; and
 - (ix) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (ii) to (vii) are satisfied."

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the Equity Shareholders are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

10. **In order to give effect to the Scheme, the Applicant Company and BFIL have entered into an Implementation Agreement dated October 14, 2017, the salient features of which are as under:**

- (i) The Implementation Agreement contains various conditions precedent to the consummation of the transactions contemplated in the Scheme which include obtaining of relevant regulatory approvals, consents from lenders,

absence of any material adverse change with respect to the Applicant Company or BFIL, the representations and warranties in relation to the parties being true and correct, etc.;

- (ii) In terms of the Implementation Agreement, each of the Applicant Company and BFIL has undertaken to conduct its business, in the ordinary course pending completion of the transactions contemplated in the Scheme and has agreed to certain standstill provisions which are customary in transactions of such nature; and
- (iii) The parties to the Implementation Agreement have agreed to certain procedural aspects in relation to filing of regulatory approvals required for the Scheme and for the completion of the transactions contemplated therein.

11. Details of the Preferential Allotment in terms of the SEBI ICDR Regulations:

(a) **The Objects of the Preferential Allotment:**

Please refer to Paragraph 8 (vi) (f) of this Explanatory Statement for the Rationale of the Scheme, including the Preferential Allotment.

(b) **The proposal of the Promoters, Directors and Key Managerial Personnel of the Applicant Company to subscribe to the offer:**

Please refer to Paragraph 8(iii)(i) of this Explanatory Statement for details in relation to the Preferential Allotment.

The price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Circular dated March 23, 2017, bearing reference number CFD/DIL3/CIR/2017/26, and is ₹ 1,709/- (Rupees One Thousand Seven Hundred and Nine) per Warrant ("**Warrant Price**").

The Certificate issued by the Practicing Company Secretary in relation to the Warrant Price being in compliance with the SEBI ICDR Regulations is enclosed as **Annexure 18**.

In accordance with the provisions of the SEBI ICDR Regulations, the Promoters shall pay 25% of the Warrant Price for subscription to the Warrants upfront on the Scheme becoming effective, with the balance 75% to be paid upon exercise of the option against the Warrants.

The shares allotted pursuant to the exercise of the option against the Warrants shall be subject to a lock-in of 3 (three) years from the date of trading approval for such Equity Shares, in accordance with the SEBI ICDR Regulations.

(c) **The Shareholding Pattern of the Applicant Company before and after the Preferential Allotment:**

The Shareholding Pattern of the Applicant Company before and after the Preferential Allotment, is enclosed as **Annexure 14**.

(d) **The time within which the Preferential Allotment shall be completed:**

The Preferential Allotment shall be completed immediately following the issuance and allotment of the shares of the Applicant Company to the shareholders of BFIL pursuant to the Amalgamation, and in any event within 60 (sixty) days from the effectiveness of the Scheme.

The Option against the Warrants shall be exercised by the Promoters within 18 (eighteen) months from the date of their allotment, at the option of the IBL Promoters.

(e) **The identity of the natural persons who are the Ultimate Beneficial Owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Issuer consequent to the preferential issue:**

Name of the proposed allottee	Category	Ultimate Beneficial Owners who control the proposed allottees	Percentage post-preferential capital to be held	Change in control
IndusInd International Holdings Limited (" IIHL ")	Promoter	IIHL is a Company incorporated in Mauritius. As on September 30, 2018, IIHL has 617 shareholders. No one shareholder is in control of IIHL. Top 3 shareholders of IIHL (who in aggregate hold 29.99 % of the paid-up share capital of IIHL as on September 30, 2018) are (i) Banque Cantonale De Geneve. (ii) Liliun Shipping & Trading Ltd. (iii) Hinduja Bank (Switzerland) Ltd. No other shareholder of IIHL holds more than 10% of paid up share capital of IIHL.	10.99%	The proposed preferential allotment would not result in change of control of IBL.

Name of the proposed allottee	Category	Ultimate Beneficial Owners who control the proposed allottees	Percentage post-preferential capital to be held	Change in control
IndusInd Limited ("IL")	Promoter	IHL is the holding company of IL, holding 94.36% of the paid up share capital of IL. The balance 5.64% of the paid up share capital of IL is held by CIM Banque S.A. ("Bank"). The Bank is governed by the banking regulator in Switzerland. For ultimate beneficial owners of IHL, please refer above.	3.96%	

(f) Neither the Applicant Company nor any of its Directors or Promoters are willful defaulters.

12. Abridged Prospectus for IFIL in the format specified in the SEBI ICDR Regulations:

Information about IFIL in the format specified for an abridged prospectus in the SEBI ICDR Regulations and the Certificate of Morgan Stanley India Company Private Limited, a SEBI registered Merchant Banker, certifying the accuracy and adequacy of such information, enclosed as **Annexure 17**.

13. Additional Details with respect to grant of IBL ESOPs to the employees of BFIL:

(a) Brief description of the ESOS Scheme:

Pursuant to the terms of the Scheme and the Implementation Agreement, the Applicant Company proposes to issue certain Stock Options of the Applicant Company to the employees of BFIL who will become the employees of the Applicant Company or IFIL on the Effective Date of the Scheme ("**BFIL Employees**"). For this purpose, the Applicant Company has formulated 'IBL Special Incentive ESOS for BFIL Merger 2018' ("**ESOS Scheme**") which sets out the manner in which the Stock Options of the Applicant Company shall be issued to the BFIL Employees ("**ESOS Scheme**"). The ESOS Scheme shall be effective from the Effective Date of the Scheme, and shall be implemented as an integral part thereof. In the event of a conflict or where the ESOS Scheme is silent on any term or condition in relation to the Stock Options, then to the extent that such terms and conditions are contained in Scheme and/or the Implementation Agreement, such provisions shall apply.

The ESOS Scheme is proposed to be adopted to ensure that BFIL Employees who hold Stock Options of BFIL under the SKS Microfinance Employee Stock Option Plan 2008, SKS Microfinance Employee Stock Option Plan 2009, SKS Microfinance Employee Stock Option Plan 2010 and BFIL Employee Stock Option Plan 2011 ("**BFIL ESOP Plans**") are adequately incentivized and parity is maintained in relation to the said Stock Options held by such BFIL Employees and to provide additional incentives to the BFIL Employees. BFIL Employees who hold Stock Options under the BFIL ESOP Plans will be granted options on the basis of the Share Exchange Ratio [639 (Six Hundred and Thirty Nine) Stock Options of the Applicant Company in lieu of every 1,000 (One Thousand) options held by the BFIL Employees under the BFIL ESOP Plans] in accordance with the terms of the ESOS Scheme ("**Amalgamated Options**"). In case of fractional allocation, due to Share Exchange Ratio, it shall be rounded off to the nearest higher integer.

Further, the Applicant Company is also proposing to grant "Special Incentive IBL Options" constituting (a) such number of options of Applicant Company which are equivalent in value to the unallocated BFIL Options (being options of BFIL under the BFIL ESOP Plans that have not been granted to the BFIL Employees on the Effective Date of the Scheme), as determined in accordance with the Share Exchange Ratio; and (b) such number of options of Applicant Company which are equivalent in value to 35,00,000 (Thirty Five Lakh) options of BFIL, as determined in accordance with the Share Exchange Ratio. The Special Incentive IBL Options shall be granted within 30 (thirty) days of the 'Effective Date' of the amalgamation of BFIL with Applicant Company.

(b) The total number of options to be granted:

57,50,000 options of the Applicant Company

(c) Identification of classes of employees entitled to participate:

In relation to the Amalgamated Options, only BFIL Employees who hold options (vested or unvested) under the relevant BFIL ESOP Plans will be eligible to participate for such Amalgamated Options.

In relation to the Special Incentive IBL Options certain specified BFIL Employees to be identified based on the recommendation of the management of BFIL, will be eligible to participate for such Special Incentive IBL Options.

(d) Requirements of vesting and period of vesting:

The options granted to BFIL Employees may vest at one time or at various points of time as determined by the Compensation Committee and stipulated in the award confirmation letter issued to the Employees (to be issued by the authorized personnel of Applicant Company). However, in relation to:

- (i) the Amalgamated Options, the award confirmation (to be issued by the authorized personnel of Applicant Company) will specify the vesting period and the period during which the corresponding options under the BFIL ESOP Plans were held by the BFIL Employees shall be adjusted against the vesting period for the Amalgamated Options. The Amalgamated Options are not to be treated as a fresh grant and the period during which the options granted by BFIL under any BFIL ESOP Plan were held by the BFIL Employees shall be adjusted against the vesting period of the Options. For the Amalgamated Options granted to BFIL Employees holding Stock Options under any BFIL ESOP Plans which are to vest within a period of 12 (twelve) months from the Effective Date, shall subject to the completion of the minimum statutory vesting period shall vest immediately, on the Effective Date (as per the Scheme), and the exercise period for such Amalgamated Options will continue to be as per the Exercise Period determined with reference to the vesting date of the corresponding options granted under the BFIL ESOP Plans as originally stipulated under the relevant BFIL ESOP Plan.
- (ii) the Special Incentive IBL Options:
- 50 % of the Special Incentive IBL Options ("**Special Incentive IBL Options – Tranche 1**") shall have a staggered vesting period of 3 years such that 1/3 of the Special Incentive IBL Options – Tranche 1 shall vest on each of the first anniversary, the second anniversary and the third anniversary of the Special Incentive IBL Option Grant Date (i.e. 33% on the first anniversary, 33% on the second anniversary and 34% on the third anniversary); and
 - 50 % of the Special Incentive IBL Options ("**Special Incentive IBL Options – Tranche 2**") shall have a staggered vesting period of 4 years such that 1/3 of the Special Incentive IBL Options – Tranche 2 shall vest on each of the second anniversary, the third anniversary and the fourth anniversary of the Special Incentive IBL Options Grant Date (i.e. 33% on the second anniversary, 33% on the third anniversary and 34% on the fourth anniversary).
- (e) **Maximum period (subject to Regulation 18(1) and 24(1) of the SEBI SBEB Regulations, as the case may be) within which the options shall be vested:**
- In relation to the Amalgamated Options, as these options are granted in lieu of the options held under the BFIL ESOP Plans, the vesting period shall continue as per the original grant. However, for the Amalgamated Options granted to BFIL Employees holding Stock Options under any BFIL ESOP Plans which are to vest within a period of 12 (twelve) months from the Effective Date, shall subject to the completion of the minimum statutory vesting period shall vest immediately, on the Effective Date (as per the Scheme).
- In relation to the Special Incentive IBL Options, 50% of these options have a staggered vesting period of 3 years and the remaining 50% of these options have a staggered vesting period of 4 years as enumerated above.
- (f) **Exercise Price:**
- The Exercise Price payable for the Amalgamated Options, shall be equal to the quotient of the exercise price payable for each share of BFIL under the respective BFIL stock option scheme divided by the Share Exchange Ratio (639 Shares of Applicant Company, credited as fully paid up, for every 1,000 equity shares of the face value of ₹ 10 of BFIL) rounded up to the nearest integer.
- The Exercise Price payable for Special Incentive IBL Options shall be as per the determination of the Compensation Committee subject to the terms of the Scheme and the Implementation Agreement.
- (g) **Exercise period and process of exercise:**
- In relation to the Amalgamated Options, the exercise period will correspond with relevant BFIL ESOP Plan. In relation to the Special Incentive IBL Options, the exercise period would be the period commencing from the date of vesting of the options and ending on the fifth anniversary of the date of vesting of such option.
- The BFIL Employees will be required to issue a notice (in the prescribed form) for exercise of the options and pay the exercise price (in cash, cheque or through a cash-less exercise programme (if any), and Applicant Company shall allot shares to the BFIL Employees.
- (h) **The appraisal process for determining the eligibility of employees for the Employee Stock Option Scheme(s):**
- In relation to the Amalgamated Options, only BFIL Employees who hold Options under the relevant BFIL ESOP Plans will be eligible to participate for such Amalgamated Options.
- In relation to the Special Incentive IBL Options certain specified BFIL Employees to be identified based on the recommendation of the management of BFIL, will be eligible to participate for such Special Incentive IBL Options.
- (i) **Maximum number of options to be issued per employee and in aggregate:**
- The maximum number of options granted to an employee in a financial year shall not, except with the approval of the Board of Directors of Applicant Company, exceed 0.2% of the paid up equity shares of Applicant Company at the time of grant of options and the aggregate of all such options shall not exceed the number mentioned in paragraph (b) above.

- (j) **Maximum quantum of benefits to be provided per employee under an employee stock option scheme(s):**
The maximum number of options granted to an employee in a financial year shall not, except with the approval of the Board of Directors of Applicant Company, exceed 0.2% of the paid up equity shares of Applicant Company at the time of grant of options.
- (k) **Whether the employee stock option scheme(s) is to be implemented and administered directly by the company or through a trust:**
The ESOS Scheme is to be implemented and administered directly by the Applicant Company.
- (l) **Whether the employee stock option scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both:**
The ESOS Scheme involves new issue of shares, pursuant to the Scheme and the Implementation Agreement.
- (m) **The amount of loan to be provided for implementation of the employee stock option scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.:**
Not applicable as Applicant Company is implementing the ESOS Scheme directly.
- (n) **Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the employee stock option scheme(s):**
Not applicable as Applicant Company is issuing new shares.
- (o) **Applicant Company shall conform to the Accounting Policies specified in Regulation 15 of the SEBI (SBEB) Regulations:**
In accordance with Regulation 15 of the SEBI (SBEB) Regulations, the Applicant Company shall, adopt such accounting policies and comply with disclosure requirements, covered by the Guidance Note on Accounting for employee shared based payments issued by the Institute of Chartered Accountants of India or any other Accounting Standards or Indian Accounting Standards that may be applicable from time to time.
- (p) **The method which Applicant Company shall use to value the Options:**
The Applicant Company shall use 'Intrinsic Value' method to value its options and to calculate employee compensation cost, unless applicable laws requires Applicant Company to adopt any other method of valuation.
- (q) **The Applicant Company shall opt for expensing of Share Based Employee Benefits using the intrinsic value (unless applicable laws requires the Applicant Company to adopt other methods of valuation.), the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Applicant Company shall also be disclosed in the Directors' Report:**
It is clarified that as set out in the Scheme, the consent to the Scheme by the Shareholders of the Applicant Company shall be deemed to be consent, as an integral part of the Scheme, to the creation of the ESOS Scheme pursuant to the Scheme as per the requirements of the Act, SEBI SBEB Regulations or any other applicable law.
No further approval of the Shareholders of the Applicant Company would be required in this connection under any applicable law.
- 14. Documents required to be circulated for the Tribunal Convened Meeting under Section 232(2) of the Act and SEBI Scheme Circular:**
As required under Section 232(2) of the Act and Paragraph 8 of the SEBI Scheme Circular, the following documents are being circulated with this Notice and the Explanatory Statement:
1. Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited under Sections 230 to 232 of the Companies Act, 2013, enclosed as **Annexure 1.**
 2. Joint Valuation Report issued by S. R. Batliboi & Co. LLP, Chartered Accountants (appointed by Bharat Financial Inclusion Limited) and Deloitte Haskins and Sells, Chartered Accountants (appointed by IndusInd Bank Limited) dated October 13, 2017, supplemented by the letter dated October 13, 2017 issued by Deloitte Haskins and Sells enclosed as **Annexure 2.**
 3. Fairness Opinion issued to IndusInd Bank Limited by Morgan Stanley India Company Private Limited dated October 13, 2017 as **Annexure 3.**
 4. Fairness Opinion issued to Bharat Financial Inclusion Limited by Credit Suisse Securities (India) Private Limited dated October 13, 2017 as **Annexure 4.**
 5. Observation Letter dated June 1, 2018 issued by National Stock Exchange of India Limited to IndusInd Bank Limited, enclosed as **Annexure 5.**
 6. Observation Letter dated June 4, 2018 issued by BSE Limited to IndusInd Bank Limited, enclosed as **Annexure 6.**

7. Observation Letter dated June 1, 2018 issued by National Stock Exchange of India Limited to Bharat Financial Inclusion Limited, enclosed as **Annexure 7**.
8. Observation Letter dated June 4, 2018 issued by BSE Limited to Bharat Financial Inclusion Limited, enclosed as **Annexure 8**.
9. Complaints Report dated May 8, 2018 submitted to BSE Limited and National Stock Exchange of India Limited by IndusInd Bank Limited, enclosed as **Annexure 9**.
10. Complaints Report dated May 8, 2018 submitted to BSE Limited and National Stock Exchange of India Limited by Bharat Financial Inclusion Limited, enclosed as **Annexure 10**.
11. Report adopted by the Board of Directors of IndusInd Bank Limited in accordance with Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure 11**.
12. Report adopted by the Board of Directors of Bharat Financial Inclusion Limited in accordance with of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure 12**.
13. Report adopted by the Board of Directors of IndusInd Financial Inclusion Limited in accordance with Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure 13**.
14. Pre-Scheme and Post-Scheme Shareholding Pattern of IndusInd Bank Limited, Bharat Financial Inclusion Limited and IndusInd Financial Inclusion Limited, enclosed as **Annexure 14**.
15. Supplementary Un-Audited Accounting Statement of IndusInd Bank Limited for the period ended September 30, 2018, enclosed as **Annexure 15**.
16. Supplementary Audited Accounting Statement of Bharat Financial Inclusion Limited for the period ended September 30, 2018, enclosed as **Annexure 16**.
17. Applicable information in relation to IndusInd Financial Inclusion Limited in the format specified for Abridged Prospectus in the SEBI ICDR Regulations and Certificate of Morgan Stanley India Company Private Limited, a SEBI registered Merchant Banker, certifying the accuracy and adequacy of such information, enclosed as **Annexure 17**.
18. Pricing Certificate dated March 21, 2018 issued by Mr. S. N. Bhandari, M/s Bhandari & Associates, Company Secretaries in relation to pricing for the Preferential Allotment being in compliance the SEBI (ICDR) Regulations, enclosed as **Annexure 18**.
19. Letter dated August 13, 2018, issued by M/s MSKA & Associates, Chartered Accountants in relation to the value of the Transferred Undertaking enclosed as **Annexure 19**.

This Statement may be treated as an Explanatory Statement under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016.

Date : November 3, 2018

Place : Mumbai

Sd/-

Sanjay Asher
Chairperson appointed for the Meeting

Registered Office:

IndusInd Bank Limited

CIN : L65191PN1994PLC076333

2401, General Thimmayya Road,

East Street, Pune - 411 001, Maharashtra, India.

COMPOSITE SCHEME OF ARRANGEMENT

Under Sections 230 to 232 of the Companies Act, 2013

AMONG

BHARAT FINANCIAL INCLUSION LIMITED ... AMALGAMATING
COMPANY

INDUSIND BANK LIMITED ... AMALGAMATED COMPANY

INDUSIND FINANCIAL INCLUSION ... TRANSFEREE COMPANY
LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

A. *Description of Parties*

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

as a business correspondent for IBL (as defined hereunder) as well as provision of other products and services;

2. IndusInd Bank Limited is a public company, limited by shares, incorporated under the 1956 Act, under corporate identification number L65191PN1994PLC076333 and having its registered office at 2401, General Thimmayya Road, East Street, Pune – 411 001 (hereinafter referred to as “IBL” or the “**Amalgamated Company**”) and is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. The equity shares of the Amalgamated Company are listed on the Stock Exchanges and its global depository receipts are listed on the Luxembourg Stock Exchange. IBL is primarily engaged in the business of providing banking services in India. IBL is engaged in the business of, *inter alia*, banking and financial services including retail, commercial, corporate and investment banking and wealth management services catering to both consumer and corporate customers.
3. IndusInd Financial Inclusion Limited is a company incorporated under the Act (as defined hereunder) under the Act (as defined hereunder), under corporate identification number U65999MH2018PLC312539 and having its registered office at One Indiabulls Centre, Tower 1, 8th Floor, 841 Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra – 400013 (the “**Transferee Company**”). The Transferee Company is a wholly owned subsidiary of IBL. The main objects of the Transferee Company include, *inter alia*, to carry on the business of business correspondent/ business facilitator or authorized agent/sub-agent to customers, for various clients from time to time including banks, financial institutions, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services in connection with the same.

B. Description of the Scheme

4. BFIL and IBL have entered into an Implementation Agreement dated October 14, 2017, (the “**Implementation Agreement**”), pursuant to which the parties thereto have agreed, *inter alia*, to the amalgamation of BFIL into IBL in accordance with the RBI Amalgamation Directions (defined hereunder) and the Act, the issuance and allotment of the Warrants (as defined hereunder) to the IBL Promoters (as defined hereunder), and the subsequent transfer of the Transferred Undertaking (as defined hereunder) from the Amalgamated Company to, and vesting thereof in the Transferee Company, as a ‘going concern’ on a slump sale basis, by way of a composite scheme of arrangement under Sections 230 to 232 of the Act.
5. In furtherance of the Implementation Agreement and the understanding between the parties thereto, this Scheme (as defined hereunder) provides, *inter alia*, for:
 - (i) the amalgamation of the Amalgamating Company with the Amalgamated Company, by way of merger by absorption and dissolution of the Amalgamating Company without winding up and the consequent issuance of IBL Shares (as defined hereunder) by the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio (as defined hereunder) (“**Amalgamation**”);

- (ii) the Preferential Allotment (as defined hereunder) by the Amalgamated Company of the Warrants to the IBL Promoters;
- (iii) pursuant to the Amalgamation, the transfer of the Transferred Undertaking, as a going concern, on a slump sale basis, from the Amalgamated Company to the Transferee Company in exchange for the Slump Exchange Shares (as defined hereunder) to be issued by the Transferee Company to the Amalgamated Company ("**Slump Exchange**");
- (iv) the grant of Special Incentive IBL Options (as defined hereunder) to specified BFIL Employees (as defined hereunder) transferred to the Amalgamated Company or the Transferee Company pursuant to the Scheme; and
- (v) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Amalgamated Company,

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

6. The Amalgamation of the Amalgamating Company into the Amalgamated Company shall be in full compliance with the provisions of Section 2(1B) of the IT Act such that:
- (i) all the properties of the Amalgamating Company, immediately before the Amalgamation, shall become the properties of the Amalgamated Company, by virtue of the Amalgamation;
 - (ii) all the liabilities of the Amalgamating Company, immediately before the Amalgamation, shall become the liabilities of the Amalgamated Company, by virtue of the Amalgamation; and
 - (iii) all shareholders holding shares in the Amalgamating Company, will become shareholders of the Amalgamated Company by virtue of the Amalgamation.
7. The Transferred Undertaking constitutes an 'undertaking' as defined under Section 2(19AA) of the IT Act.

C. Rationale for the Scheme

8. The Amalgamation and the Slump Exchange pursuant to this Scheme would, *inter alia*, have the following benefits:
- (i) the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability

to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

- (ii) the Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception in relation to the Amalgamation;
- (iii) the Amalgamating Company has a commercially established model in the microfinance segment. The Amalgamation pursuant to the Scheme shall provide the Amalgamated Company access to the Amalgamating Company's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India;
- (iv) the Amalgamation would offer the Amalgamated Company a deeper reach in the low income segment, and also increase the access of the Amalgamating Company's customer base to the Amalgamated Company's wide array of products and services;
- (v) the Amalgamated Company can, pursuant to the Amalgamation, leverage the Amalgamating Company's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both the Amalgamating Company and the Amalgamated Company;
- (vi) the Preferential Allotment shall result in bolstering the capital base and balance sheet of the Amalgamated Company and shall provide growth capital for the future growth of the Amalgamated Company; and
- (vii) the Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Amalgamated Company with access to dedicated business correspondent services through the Transferee Company which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Amalgamated Company in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Amalgamated Company, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, inter alia, prohibit a banking company from carrying on the business correspondent business directly.

9. This Scheme is divided into the following parts:

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

- (ii) Part II, which deals with the Amalgamation;
- (iii) Part III, which deals with the Preferential Allotment;
- (iv) Part IV, which deals with the Slump Exchange;
- (v) Part V, which deals with the grant of the Special Incentive IBL Options; and
- (vi) Part VI, which deals with the general terms and conditions applicable to the Scheme.

10. Definitions

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

- (A) "1956 Act" means the Companies Act, 1956, as amended from time to time;
- (B) "Act" means the Companies Act, 2013 and the rules framed there under, to the extent notified, or any modifications or re-enactments or amendments thereof from time to time;
- (C) "Amalgamated Company" means have the meaning ascribed to it in Clause 2 of this Scheme;
- (D) "Amalgamated Company Options" shall have the meaning ascribed to it in Clause 18(iii) below;
- (E) "Amalgamating Company" shall have the meaning ascribed to it in Clause 1 above;
- (F) "Amalgamating Undertaking" means all the undertakings and entire business of the Amalgamating Company (including the BC Business), as a going concern, and shall include (without limitation):
 - (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Amalgamating Company, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches), work-in-progress, current assets (including sundry

debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;

- (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, authorities, consents, deposits, privileges, exemptions including tax exemptions available to the Amalgamating Company, including payments of direct tax or indirect tax, advance tax paid by or any tax deducted in respect of any income received, any tax advances, any MAT credit entitlement, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
- (iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamating Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
- (iv) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Amalgamating Company;
- (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Amalgamating Company;
- (vi) all present, and contingent future liabilities of the Amalgamating Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any

postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and

- (vii) the BFIL Employees and the Employee Benefit Funds of the Amalgamating Company.
- (G) **"Amalgamation"** shall have the meaning ascribed to it in Clause 5(i) above;
- (H) **"Appointed Date"** shall mean the opening of business on January 01, 2018;
- (I) **"Approved BFIL ESOP Pool"** shall mean a pool of stock options of BFIL, that BFIL is entitled to grant under and in accordance with the BFIL ESOP Plans and the SEBI SBEB Regulations at any time during the period from the Exclusivity Agreement Date upto the Effective Date, which shall comprise of:
 - (i) 35, 14, 276 (thirty five lakhs fourteen thousand two hundred and seventy six) stock options; and
 - (ii) Such further number of stock options, which become available for grant, pursuant to the termination, forfeiture or lapse of the stock options previously granted, in accordance with the applicable BFIL ESOP Plans and the SEBI SBEB Regulations.
- (J) **"BC Business"** means the non-financial, non-lending activities carried on by BFIL which comprise origination, servicing and collection of loans as a business correspondent for IBL as well as provision of certain other products and services;
- (K) **"BC Business Employees"** shall mean all BFIL Employees;
- (L) **"BFIL Employees"** shall mean all the employees of BFIL as on the Effective Date;
- (M) **"BFIL ESOP Plans"** shall mean, collectively, ESOP 1, ESOP 2, ESOP 3, and ESOP 4;
- (N) **"BFIL Options"** shall mean the stock options held by BFIL Employees under the BFIL ESOP Plans;
- (O) **"Board"** in relation to any company, means the board of directors of such company and shall include a duly authorised committee of the Board;
- (P) **"CCI"** means the Competition Commission of India, as established under the Competition Act, 2002;
- (Q) **"Effective Date"** means the last of the dates on which the conditions and matters referred to in Clause 72 hereof occur or have been fulfilled or waived;

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

- (R) “Eligible Employees” shall mean the BFIL Employees holding any BFIL Options on the Effective Date;
- (S) “Employee Benefit Funds” shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;
- (T) “Encumbrance” or “Encumber” means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use;
- (U) ESOP 1” shall mean the BFIL Employee Stock Option Plan 2008, as approved by the Board and shareholders of the Amalgamating Company;
- (V) ESOP 2” shall mean the BFIL Employees Stock Option Plan 2009, as approved by the Board and shareholders of the Amalgamating Company;
- (W) ESOP 3” shall mean the BFIL Employee Stock Option Plan 2010, as approved by the Board and shareholders of the Amalgamating Company;
- (X) ESOP 4” shall mean the BFIL Employee Stock Option Plan 2011, as approved by Board and shareholders of the Amalgamating Company;
- (Y) “Exclusivity Agreement Date” shall mean September 11, 2017 i.e. the date of execution of the confidentiality, exclusivity and standstill agreement between IBL and BFIL.
- (Z) “Existing IBL ESOP Scheme” shall mean the IBL Employees Stock Option Scheme 2007, as approved by the Board and shareholders of the IBL;
- (AA) “Implementation Agreement” shall have the meaning ascribed to it in Clause 4 above;
- (BB) “Implementation Agreement Execution Date” shall mean October 14, 2017;
- (CC) “IBL” shall have the meaning ascribed to it in Clause 2 above;

- (DD) “**IBL Promoters**” shall mean IHL and IL;
- (EE) “**IBL Shares**” means fully paid up equity shares of IBL, each having a face value of INR 10 (Rupees Ten only) and one vote per equity share;
- (FF) “**IHL**” means IndusInd International Holdings Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;
- (GG) “**IL**” means IndusInd Limited, a company incorporated under the laws of Mauritius and having its registered office at 19 Church Street, Port Louis, Mauritius;
- (HH) “**IT Act**” shall mean the Income Tax Act, 1961 or any modifications or re-enactments or amendments thereof from time to time;
- (II) “**NCLT**” shall mean the bench of the National Company Law Tribunal at Mumbai, Maharashtra and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act;
- (JJ) “**New IBL ESOP Scheme**” shall have the meaning ascribed to it in Clause 18(iii) below;
- (KK) “**Preferential Allotment**” shall have the meaning ascribed to it in Clause 42 hereof;
- (LL) “**RBI**” means the Reserve Bank of India;
- (MM) “**RBI Amalgamation Directions**” means the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated April 21, 2016 or any modifications or re-enactments or amendments thereof from time to time;
- (NN) “**Record Date**” shall mean the date fixed by the respective Board of the Amalgamating Company and Amalgamated Company for the purpose of determining the shareholders of the Amalgamating Company to whom equity shares of the Amalgamated Company shall be allotted pursuant to the Amalgamation under this Scheme;
- (OO) “**Regulatory Authority**” means any applicable regulatory, competition or supervisory body or, banking authority, quasi-regulatory agency or body, tax authorities or tribunal, including but not limited to the CCI, the RBI, the Stock Exchanges and the SEBI along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;
- (PP) “**Remaining Business**” means all the undertakings, businesses, activities, operations, assets and liabilities (including investments in listed and unlisted shares and securities and identified assets and bank balances) of the Amalgamated Company, other than the Transferred Undertaking.

- (QQ) “Schedules” shall mean schedules to this Scheme;
- (RR) “Scheme” means this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;
- (SS) “SEBI” means the Securities and Exchange Board of India;
- (TT) “SEBI ICDR Regulations” means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- (UU) “SEBI Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- (VV) “SEBI Preferential Allotment Circular” means the SEBI Circular dated March 23, 2017, bearing reference number CFD/DIL3/CIR/2017/26, as amended or replaced from time to time;
- (WW) “SEBI SBEB Regulations” shall mean the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular dated June 16, 2015 bearing reference number CIR/CFD/POLICY CELL/2/2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations/circular;
- (XX) “SEBI Scheme Circular” means the SEBI Circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, as amended or replaced from time to time;
- (YY) “Share Exchange Ratio” shall have the meaning ascribed to it in Clause 27 hereof;
- (ZZ) “Slump Exchange” shall have the meaning ascribed to it in Clause 5(iii) above;
- (AAA) “Slump Exchange Shares” shall have the mean ascribed to it in Clause 56 of this Scheme, and the term “Slump Exchange Share” shall be construed accordingly;
- (BBB) “Special Incentive Eligible Employees” shall have the meaning ascribed to it in Clause 68(i) hereof;
- (CCC) “Special Incentive IBL Option Grant Date” shall have the meaning ascribed to it in Clause 68(iii) hereof;

- (DDD) "Special Incentive IBL Options" shall have the meaning ascribed to it in Clause 68(i) hereof;
- (EEE) "Special Incentive IBL Options – Tranche 1" shall have the meaning ascribed to it in Clause 68(iv) hereof;
- (FFF) "Special Incentive IBL Options – Tranche 2" shall have the meaning ascribed to it in Clause 68(iv) hereof;
- (GGG) "Statutory Vesting Period" shall, in relation to the stock options granted by any listed company, mean a period of 1 (one) year from the date of grant of such stock options;
- (HHH) "Stock Exchanges" shall have the meaning ascribed to it in Clause 1 above;
- (III) "TCS" shall have the meaning ascribed to it in Clause 61 below;
- (JJJ) "TDS" shall have the meaning ascribed to it in Clause 61 below;
- (KKK) "Transferee Company" shall have the meaning ascribed to it in Clause 3 above;
- (LLL) "Transferred Undertaking" shall mean the undertaking of the Amalgamated Company in relation to the BC Business pursuant to the Amalgamation and includes (without limitation), *inter alia*:
- (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the BC Business, including investments of all kinds including but not limited to securities (marketable or not), securitised assets, receivables, security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, marketing offices, liaison offices, branches and centers), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the BC Business;
 - (ii) all permits, registrations, rights, entitlements, licenses, claims, permissions, approvals, authorities, consents, deposits, privileges, exemptions including tax exemptions, any tax deducted in respect of any income received, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities,

email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits in connection with or relating to the BC Business;

- (iii) all intellectual property rights including patents, copyrights, trade and service names and service marks, trademarks and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized by BFIL;
 - (iv) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Amalgamated Company or powers or authorities granted by or to it) of whatsoever nature along with the contractual rights and obligations exclusively relating to the BC Business, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
 - (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the BC Business;
 - (vi) all present, contingent and future liabilities appertaining or relatable to the BC Business including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrues and all other duties, liabilities, undertakings and obligations (including any post-dated cheques or guarantees or other instruments which may give rise to a contingent liability in whatever form) relatable to the BC Business; and
 - (vii) the BFIL Employees and the Employee Benefit Funds in relation thereto;
- (MMM) "Transferred Undertaking Value" shall have the meaning ascribed to it in Clause 56 hereof;
- (NNN) "Trustee" shall have the meaning ascribed to it in Clause 28 hereof;

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

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

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

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

11. Share Capital

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

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

	(Rupees One Hundred Thirty Eight Crore Forty Nine Lakhs Nineteen Thousand Seven Hundred Ninety Only)
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The equity shares of the Amalgamating Company are listed on Stock Exchanges.

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

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

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

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

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

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

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

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

PART II

AMALGAMATION OF THE AMALGAMATING COMPANY INTO THE AMALGAMATED COMPANY

SECTION 1 - TRANSFER AND VESTING OF THE AMALGAMATING UNDERTAKING

12. Transfer

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

13. *Transfer of Assets*

- (i) Without prejudice to the generality of Clause 12 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamating Undertaking, of whatsoever nature and wherever situate, whether or not included in the books of the Amalgamating Company shall, subject to the provisions of this Clause 13 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Amalgamated Company, subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.
- (ii) In respect of such of the assets of the Amalgamating Company as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Amalgamating Company, and shall become the property of the Amalgamated Company with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.
- (iii) In respect of such of the assets belonging to the Amalgamating Company other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- (iv) All assets, rights, titles or interests acquired by the Amalgamating Company after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

14. *Contracts, Deeds, Licenses etc.*

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or for the obligations of which the Amalgamating Company may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamating Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to applicable law, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to the Amalgamated Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications to any Regulatory Authority as may be necessary in this behalf.
- (iv) Without prejudice to the provisions of Clauses 13 to 16, upon effectiveness of the Scheme and with effect from the Appointed Date, all transactions between the Amalgamating Company and the Amalgamated Company, that have not been completed, shall stand cancelled.

15. *Transfer of Liabilities*

- (i) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, duties and obligations of the Amalgamating Company, whether or not recorded in its books

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

- (ii) Where any of the loans raised and used, debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date deemed to be transferred to the Amalgamated Company have been discharged by the Amalgamating Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.
- (iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created by the Amalgamating Company from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Amalgamated Company and shall become the loans, debts, liabilities, duties and obligations of the Amalgamated Company.
- (iv) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating Company and the Amalgamated Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on either the Amalgamating Company and the Amalgamated Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Company.
- (v) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of the Amalgamating Company which are being transferred to the Amalgamated Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval

which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (vi) The existing Encumbrances over the other assets and properties of the Amalgamated Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating Company transferred to and vested in the Amalgamated Company by virtue of the Scheme.
- (vii) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- (viii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Amalgamated Company as part of the Scheme is modified by virtue of this Scheme.
- (ix) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

16. *Legal, taxation and other proceedings*

- (i) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Amalgamating Company, under any statute, pending on the Effective Date, shall be continued and enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Amalgamated Company.
- (ii) The Amalgamated Company shall have all legal, taxation or other proceedings initiated by or against the Amalgamating Company referred to in Clause 16(i) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

17. *Employees*

- (i) Upon the coming into effect of this Scheme, all BFIL Employees shall become the employees of the Amalgamated Company, subject to the provisions hereof without any

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

- (ii) In so far as the Employee Benefit Funds created by the Amalgamating Company or in respect of which the Amalgamating Company makes contributions, for the BFIL Employees, all amounts standing to the credit of the BFIL Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Amalgamated Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Amalgamated Company, or to the government provident fund in case of BFIL Employees who are not eligible to become members of the provident fund maintained by the Amalgamated Company.
- (iii) In relation to those BFIL Employees who are not covered under the provident fund trust of the Amalgamating Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamating Company is making contributions to the government provident fund, the Amalgamated Company shall stand substituted for the Amalgamating Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, by laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such provident fund trust shall become those of the Amalgamated Company.
- (iv) Pending the transfer as aforesaid, the Employee Benefit Fund dues of the BFIL Employees would be continued to be deposited in the existing Employee Benefit Funds of the Amalgamating Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Amalgamated Company, the existing trusts created for such funds by the Amalgamating Company shall stand dissolved.

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

- (a) retain separate trusts or funds within the Amalgamated Company for the erstwhile fund(s) of the Amalgamating Company; or
- (b) merge the pre-existing funds of the Amalgamating Company with other similar funds of the Amalgamated Company.

18. Treatment of existing BFIL Options

- (i) The Eligible Employees holding BFIL Options which have vested as of the Implementation Agreement Execution Date shall be entitled to exercise such BFIL Options as per the terms of grant under the BFIL ESOP Plans until the Effective Date. To the extent such Eligible Employees have not exercised their vested BFIL Options until the Effective Date, the Amalgamated Company shall issue equivalent stock options to such Eligible Employees on the Effective Date on the basis of the Share Exchange Ratio.
- (ii) Upon the effectiveness of the Scheme, the Amalgamated Company shall grant to the Eligible Employees, on the basis of the Share Exchange Ratio, 639 (Six Hundred and Thirty Nine) stock options of the Amalgamated Company in lieu of every 1,000 (One Thousand) BFIL Options held by them, which shall vest as follows:

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

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

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

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

- (iii) The stock options issued by the Amalgamated Company to the Eligible Employees in terms of sub-clause (i) above are hereinafter referred to as the "**Amalgamated Company Options**" and shall be granted by the Amalgamated Company either under (a) the Existing IBL ESOP Scheme; or (b) a new employee stock option scheme to be created by it for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme ("**New**

IBL ESOP Scheme"). The terms and conditions applicable to the Amalgamated Company Options shall be no less favourable than those provided under the BFIL ESOP Plans.

- (iv) For the purposes of the grant of the Amalgamated Company Options, fractional entitlements, if any, arising pursuant to the application of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.
- (v) The exercise price payable for each IBL Share issued pursuant to the exercise of the Amalgamated Company Options by the Eligible Employees shall be equal to the quotient of the exercise price payable for each Amalgamating Company share under the respective BFIL ESOP Plans divided by the Share Exchange Ratio (rounded up to the nearest integer).
- (vi) The grant of the Amalgamated Company Options to the Eligible Employees pursuant to the provisions this Clause 18, shall be effected as an integral part of the Scheme and consent of the shareholders of the Amalgamating Company and the Amalgamated Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the BFIL ESOP Schemes and the grant of the Amalgamated Company Options, including without limitation, for the purposes of creating the New IBL ESOP Scheme, modifying the Existing IBL ESOP Scheme, modifying the exercise price and vesting period of the BFIL Options and all related matters. No further approval of the shareholders of the Amalgamated Company would be required under Section 62 of the Act or the Companies (Share Capital and Debentures) Rules, 2014 and/or any other applicable law.
- (vii) Subject to applicable law, the entitlement of the Eligible Employees to the Amalgamated Company Options and the adjustments to be made in the exercise price of the Amalgamated Company Options shall be appropriately reflected in the accounts of the Amalgamated Company.
- (viii) The Board and the relevant committees of the Board of the Amalgamating Company and/or the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 18, in view of this Scheme and in accordance with the provisions of applicable laws including SEBI SBEB Regulations.

Section 2 – Taxation Matters

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

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

Section 3 - Conduct of Business until the Effective Date

21. With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Amalgamating Company shall and shall be deemed to have been carrying on all business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Amalgamated Company;
 - (ii) all profits and income accruing to the Amalgamating Company, and losses and expenditure or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of the Amalgamating Company shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company; and
 - (iii) any of the rights, powers, authorities, privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company; and
 - (iv) all assets acquired and all liabilities incurred by the Amalgamating Company after the Appointed Date but prior to the Effective Date shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Amalgamated Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture holders.
22. During the period between the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and the Effective Date, the business of the Amalgamating Company and the Amalgamated Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with applicable law.
23. The Amalgamating Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the

Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamated Company:

- (i) sell, transfer, alienate, charge, mortgage, or Encumber the Amalgamating Undertaking or any part thereof;
 - (ii) either incorporate a subsidiary or acquire an interest in an entity so as to constitute such entity as a subsidiary of the Amalgamating Company;
 - (iii) make any alteration to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, other than as may be required by law;
 - (iv) declare any dividend, announce any buy back of securities or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and/or convertible shares/debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner, other than:
 - (a) except as may be expressly required or permitted under this Scheme; or
 - (b) the granting of stock options from the Approved BFIL ESOP Pool; or
 - (c) the issuance of equity shares of BFIL pursuant to the exercise of any BFIL Options already granted under the BFIL ESOP Plans.
 - (v) make any material change to major internal policies, including material change in its financial, accounting and/ or tax policies, except to the extent required by any change in applicable law or accounting standards;
 - (vi) initiate any steps to liquidate, wind up or dissolve itself.
24. The Amalgamated Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period after the date of approval of the Scheme by the Board of the Amalgamated Company and the Board of the Amalgamating Company and prior to the Effective Date subject to applicable law and the Act and in accordance with the Amalgamated Company's existing dividend policy as on the date of the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company.
25. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member the Amalgamated Company to demand or to claim any dividends, which subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Amalgamated Company.

26. The Amalgamated Company shall not, from the approval of the Scheme by the Board of the Amalgamating Company and the Board of the Amalgamated Company and upto and including the Effective Date, except in the ordinary course of business as carried on by it consistent with past practice or without the prior written consent of the Board of the Amalgamating Company:
- (i) sell, transfer, alienate, charge, mortgage, or Encumber its assets (in whole or in part) or any part thereof exceeding 25 % (twenty five per. cent.) of its total assets;
 - (ii) announce any buy-back or make any changes to its capital structure in any manner, determined on a fully diluted basis, whether by any increase (including by way of issue of equity and/or preference shares, bonus shares and /or convertible shares / debentures or otherwise), decrease, reduction, re-classification, sub-division, consolidation, re-organization, or in any other manner, other than:
 - (a) raising capital or issuing securities to any person (s) aggregating to up to 10 % (ten per. cent.) of the paid up share capital of as on the Exclusivity Agreement Date;
 - (b) grant of stock options to its employees under the Existing IBL ESOP Plan; and
 - (c) issuance of IBL Shares pursuant to the exercise of the stock options that have been granted under the Existing IBL ESOP Plan.
 - (iii) enter into or undertaken any amalgamation, merger, re-organization, or other similar or related action where IBL is not the surviving entity;
 - (iv) initiate any steps to liquidate, wind-up or dissolve itself; and
 - (v) make any alterations to its articles of association or any other document or agreement establishing, evidencing or relating to its constitution or operation, which results in a Material Adverse Effect (as defined under the Implementation Agreement).

Section 4 - Issue of Shares for Amalgamation

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

28. If any member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Amalgamated Company in accordance with Clause 27 of this Scheme, the Board of the Amalgamated Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Amalgamated Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company in proportion to their respective fractional entitlements.
29. Unless otherwise notified in writing on or before such date as may be determined by the Board of the Amalgamated Company or a committee thereof, the IBL Shares issued to the members of the Amalgamating Company by the Amalgamated Company shall be issued in dematerialized form by the Amalgamated Company provided that the details of the depository accounts of the members of the Amalgamating Company are made available to the Amalgamated Company by the Amalgamating Company at least 10 (Ten) working days prior to the Effective Date. In the event that such details are not available with the Amalgamated Company, it shall issue the IBL Shares to the members of the Amalgamating Company in physical form.
30. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Amalgamating Company, the Board of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company, after the effectiveness of the Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of difficulties faced in the transaction period.
31. Where IBL Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Amalgamating Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the Amalgamated Company.
32. The IBL Shares issued in terms of this Scheme shall, in compliance with applicable regulations, be listed and/or admitted to trading on the Stock Exchanges where the shares of the Amalgamated Company are listed and/ or admitted to trading. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant stock exchanges.

33. The IBL shares to be issued and allotted by the Amalgamated Company in terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Amalgamated Company and shall rank *pari passu* in all respects and shall have the same rights attached to them as the then existing equity shares of the Amalgamated Company.
34. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company as are subject to lock-in pursuant to applicable law, shall remain locked-in as required under applicable law.
35. IBL Shares to be issued by the Amalgamated Company pursuant to Clause 27 above in respect of such equity shares of the Amalgamating Company, the allotment or transfer of which is held in abeyance under applicable law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Amalgamated Company.
36. The IBL Shares issued pursuant to this Scheme have not been, and will not be registered under the United States Securities Act of 1933 in reliance upon the exemption from the registration requirements under the Securities Act provided by Section 3(a)(10) of the Securities Act (the "Section 3(a)(10) Exemption"). The sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the IBL Shares issued pursuant to this Scheme for the Section 3(a)(10) Exemption. Further, for purposes of ensuring that the Scheme complies with the requirements of Section 3(a)(10) of the Securities Act, each of the Amalgamating Company and the Amalgamated Company undertake that:
 - (i) shareholders of each of the Amalgamating Company, as against their equity shares in the Amalgamating Company, shall receive the equity shares of the Amalgamated Company and shall not receive cash or other consideration; and
 - (ii) the Scheme shall become effective only after it has been approved by the NCLT following the hearings by the NCLT

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

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

Scheme and without any further act, deed, instrument, resolution or writing be altered and modified as follows:

MEMORANDUM OF ASSOCIATION

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

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

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

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

Section 6 – Accounting Treatment

39. Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under section 133 of the Act, as applicable.
40. The goodwill or any other intangible assets if any, acquired on the Appointed Date, shall be set-off against the securities premium arising out of the business combination on the Appointed Date.

1. SECTION 7 – DISSOLUTION

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

PART III – PREFERENTIAL ALLOTMENT

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

42. Subject to the effectiveness of the Scheme and upon the allotment of the IBL Shares pursuant to the Amalgamation in accordance with Clause 27 of this Scheme, the Amalgamated Company shall, pursuant to this Scheme and as an integral part hereof, issue and allot to the IBL Promoters on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) share warrants (“Warrants”), each convertible into 1 (one) IBL Share, such that upon exercise of all the Warrants, and together with the IBL Shares already held by them, the IBL Promoters shall hold in the aggregate up to 15 % (fifteen per. cent.) of the total expanded issued and paid up equity share capital of the Amalgamated Company on a fully diluted basis (such allotment, the “**Preferential Allotment**”). The “relevant date” for the Preferential Allotment is October 14, 2017, which is in accordance with the SEBI Preferential Allotment Circular and the price at which the Warrants shall be issued has been determined in accordance with the SEBI ICDR Regulations and the SEBI Preferential Allotment Circular (“**Warrant Price**”), and is Rs. 1,709 (Rupees One Thousand Seven Hundred and Nine) per Warrant.
43. In accordance with the provisions of the SEBI ICDR Regulations:
- (i) the IBL Promoters shall pay an amount equivalent to 25% (twenty five per. cent.) of the Warrant Price (the “**Warrant Subscription Price**”) for subscription to the Warrants on the Effective Date;
 - (ii) the option against the Warrants shall be exercised by the IBL Promoters within 18 (eighteen) months from the date of their allotment (“**Warrant Exercise Period**”), at the option of the IBL Promoters;
 - (iii) The balance 75% (seventy five per. cent.) of the Warrant Price shall be paid by the IBL Promoters upon exercise of the option against the Warrants;
 - (iv) In the event any IBL Promoter does not exercise its option against the Warrants within the Warrant Exercise Period, the total Warrant Subscription Price paid by such IBL Promoter shall be forfeited by the Amalgamated Company and the Warrants shall lapse, to the extent that the option attached to such Warrants has not been exercised; and
 - (v) The IBL Shares allotted pursuant to the exercise of the option against the Warrants shall be subject to a lock-in for such period as specified under SEBI ICDR Regulations.
44. It is hereby clarified that for the purposes of Clause 42, the consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be sufficient for the issuance and

allotment of the Warrants of the Amalgamated Company to the IBL Promoters and no further resolutions, approvals or authorization of the shareholders of the Amalgamated Company under Sections 42 and 62(1)(c) of the Act and/or any other applicable law would be separately required subject to the provisions of the SEBI Scheme Circular.

PART IV – SLUMP EXCHANGE OF THE TRANSFERRED UNDERTAKING

Section I - Transfer and Vesting of the Transferred Undertaking

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

46. *Transfer of Assets*

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferred Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause 46 in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Transferee Company subject to the provisions of this Scheme in relation to Encumbrances thereon in favour of banks and/or financial institutions.
- (ii) In respect of such of the assets of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, payment or by endorsement and delivery, the same may be so transferred, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same.
- (iii) In respect of such of the assets belonging to the Transferred Undertaking other than those referred to in sub-clause (ii) above, the same shall, as more particularly provided in sub-clause (i) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon the

coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

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

47. *Contracts, Deeds, Licenses etc.*

- (i) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Amalgamated Company is a party or to the benefit of which the Amalgamated Company may be eligible or for the obligations of which the Amalgamated Company may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if the Transferee Company had been a party or beneficiary or obligee thereto.
- (ii) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferred Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Amalgamated Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part IV of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamated Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamated Company to be carried out or performed.
- (iii) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Regulatory Authority as may be necessary in this behalf.

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

49. *Transfer of Liabilities*

- (i) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, duties and obligations relating to the Transferred Undertaking as on the Appointed Date including (i) all liabilities which arose out of the activities or operations of the Transferred Undertaking; and (ii) any specific loans or borrowings (including debentures) raised, incurred and utilized solely for the activities or operations of the Transferred Undertaking, shall without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Transferee Company:
- (ii) Where any of the loans raised and used, debts, liabilities, duties and obligations as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Amalgamated Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred or created for the operations of the Transferred Undertaking from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and shall, to the extent they are outstanding on the Effective Date, without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company.
- (iv) In so far as the existing Encumbrances in respect of the liabilities pertaining to the Transferred Undertaking are concerned, or those, if any, created after the Appointed Date in accordance with this Scheme over the assets comprised in the Transferred Undertaking transferred to the Transferee Company by virtue of this Scheme, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over such assets comprised in the Transferred Undertaking which have been Encumbered in relation to the aforesaid liabilities. Provided that if any of the assets comprised in the Transferred Undertaking which are being transferred to the Transferee

Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (v) For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrances over such assets in relation to the liabilities of the Transferred Undertaking transferred to the Transferee Company in accordance with this Scheme shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities or liabilities pertaining to the Remaining Business, shall without any further act or deed be released and discharged from such Encumbrances and shall no longer be available as security in relation to such liabilities.
- (vi) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Amalgamated Company and the Transferee Company shall execute any instrument/s and/or document/s with such other party, as may be required, and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- (vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

50. *Legal, taxation and other proceedings*

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

shall be continued and enforced by or against the Transferee Company after the Effective Date.

- (ii) The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Amalgamated Company referred to in sub-clause (i) above transferred to its name on and after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company as the case may be, to the exclusion of the Amalgamated Company.
- (iii) Notwithstanding the above, in case the proceedings referred to in sub-clause (i) above cannot be transferred for any reason, or the transfer takes time, till such transfer the Amalgamated Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Amalgamated Company against all liabilities and obligations incurred by the Amalgamated Company in respect thereof.

51. *Employees*

- (i) Pursuant to completion of Part IV of this Scheme, all BC Business Employees shall become the employees of the Transferee Company, subject to the provisions hereof, without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged prior to the date of transfer and without any interruption of service as a result of the transfer of the Transferred Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past services of such BC Business Employees with the Amalgamated Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (ii) All amounts standing to the credit of the BC Business Employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds which stand to the credit of the BC Business Employees shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/ or such new Employee Benefit Funds to be established and caused to be recognized by appropriate governmental authorities, by the Transferee Company, or to the government provident fund in case of BC Business Employees who are not eligible to become members of the provident fund maintained by the Transferee Company. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, the Transferee Company shall make the necessary contributions for such BC Business Employees in relation to the Employee Benefit Funds.
- (iii) In relation to those BC Business Employees who are not covered under the provident fund trust of the Amalgamated Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Amalgamated Company is making contributions to the

government provident fund, the Transferee Company shall stand substituted for the Amalgamated Company, for all purposes whatsoever, including relating to, the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees, such that all the rights, duties, powers and obligations of the Amalgamated Company in relation to such provident fund trust shall become those of the Transferee Company.

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

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

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

Section 2 – Remaining Business

- 53. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Amalgamated Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for debenture-holders.
- 54. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamated Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Amalgamated Company in respect of the Remaining Business) shall be continued and enforced by or against the Amalgamated Company after the Effective Date, which shall keep the Transferee Company fully indemnified in that behalf.
- 55. With effect from the Appointed Date and up to and including the Effective Date:
 - (i) the Amalgamated Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (ii) all profits accruing to the Amalgamated Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Amalgamated Company; and

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

Section 3 - Slump Exchange

- 56. The Transferred Undertaking shall be transferred from the Amalgamated Company to the Transferee Company at its value appearing in the books as on the Appointed Date, i.e. Rs. 43,70,35,000 (Rupees Forty Three Crore Seventy Lakhs and Thirty Five Thousand) ("**Transferred Undertaking Value**"). Accordingly, upon this Part IV becoming effective, in consideration of the transfer and vesting of the Transferred Undertaking to the Transferee Company on the Effective Date, or on such later date as the Amalgamated Company may consent to in writing, the Amalgamated Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Amalgamated Company 4,37,03,500 (Four Crore Thirty Seven Lakhs Three Thousand and Five Hundred) equity shares at their face value, credited as fully paid up, which shall be equivalent in value to the Transferred Undertaking Value ("**Slump Exchange Shares**").
- 57. The Slump Exchange Shares shall rank *pari passu* in all respects, with the existing equity shares in the Transferee Company. The shares issued to the Amalgamated Company by the Transferee Company pursuant to Clause 56 above, shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the Amalgamated Company to the Transferee Company. The approval and consent to this Scheme by the shareholders of the Transferee Company pursuant to Sections 230 to 232 of the Act, shall be deemed to mean that such shareholders have also accorded their consent for the issuance of shares by the Transferee Company to the Amalgamated Company pursuant to this Scheme, and other provisions of the Act, as may be applicable.

Section 4 – Taxation Matters

- 58. Liabilities, if any, on account of income-tax in relation to the transfer of the Transferred Undertaking shall be on account of the Amalgamated Company.
- 59. Any liabilities on account of income-tax in relation to the Amalgamated Company in relation to the Transferred Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability/ refunds/ credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Amalgamated Company.
- 60. Any tax deduction made by the Amalgamated Company from amounts paid to the Transferred Undertaking of Amalgamating Company between the Appointed Date and the Effective Date shall be deemed to have been made by the Amalgamated Company towards income of Transferee Company. All indirect tax refund, rebate, credit, payment, setoff or deductions shall be deemed to have been on account of or paid by the Transferee Company.

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

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

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

- (i) Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company shall stand increased from INR 50,00,00,000 (Rupees Fifty Crore) to INR 60,00,00,000 (Rupees Sixty Crore).
- (ii) The capital clause of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the coming into effect of the Scheme and without any further act, deed, instrument, resolution or writing, be replaced by the following clause:

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

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

Section 6 – Accounting Treatment

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

63. *In the books of the Amalgamated Company*

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

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

64. *In the books of the Transferee Company*

- (i) The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities of the Amalgamated Company pertaining to the Transferred Undertaking vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Amalgamated Company.
- (ii) The Transferee Company shall credit to its equity share capital account the aggregate face value of the Slump Exchange Shares, issued and allotted by it to the Amalgamated Company pursuant to Clause 56 of this Scheme.
- (iii) The difference arising pursuant to the Scheme shall be transferred to goodwill/ capital reserve/ other equity.

Section 7 – Change of Name of the Transferee Company

- 65. Subject to Applicable Law, as a part of the Scheme and upon its effectiveness, the name of the Transferee Company shall be changed to “Bharat Financial Inclusion Limited”, being the name of the Amalgamating Company. The Transferee Company shall take all necessary steps to give effect to such change of name.
- 66. From the Effective Date till the time necessary formalities relating to the change of name is completed, the Transferee Company shall be eligible to use its present name ‘IndusInd Financial Inclusion Limited’ to ensure continuity of its operations.
- 67. The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.

PART V – GRANT OF SPECIAL INCENTIVE OPTIONS

68. *Grant of Special Incentive IBL Options*

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

- (ii) The total number of Special Incentive IBL Options shall be such that, upon conversion, the holders thereof would be entitled to such number of IBL shares as are equivalent in value to BFIL shares that would have been held by them upon grant and conversion of an aggregate of: (a) the Unallocated BFIL Options; and (b) an additional 35,00,000 (thirty five lakh) BFIL Options on terms that are no less favourable than those of the Unallocated BFIL Options, as determined in accordance with the Share Exchange Ratio. The Special Incentive IBL Options shall vest in the manner set out in sub-clause (iv) below.
- (iii) All the Special Incentive IBL Options shall be granted on a date within 30 (thirty) days of the Effective Date ("**Special Incentive IBL Option Grant Date**"). The BFIL Employees who shall constitute the Special Incentive Eligible Employees, the quantum of the Special Incentive IBL Options to be granted to each Special Incentive Eligible Employee, and other terms and conditions in relation to the Special Incentive IBL Options shall be determined by the nomination and remuneration committee of the Board of IBL, on the basis of recommendations received from the BFIL senior management (as defined in the Implementation Agreement).
- (iv) The Special Incentive IBL Options shall vest in the following manner:
 - (a) 50 % (fifty per. cent.) of the Special Incentive IBL Options ("**Special Incentive IBL Options – Tranche 1**") shall have a staggered vesting period of 3 (three) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 1 shall vest on each of the first anniversary, the second anniversary and the third anniversary of the Special Incentive IBL Options Grant Date;
 - (b) 50 % (fifty per. cent.) of the Special Incentive IBL Options ("**Special Incentive IBL Options – Tranche 2**") shall have a staggered vesting period of 4 (four) years such that 1/3 (one third) of the Special Incentive IBL Options – Tranche 2 shall vest on each of the second anniversary, the third anniversary and the fourth anniversary of the Special Incentive IBL Options Grant Date.
- (v) For the purposes of the grant of the Special Incentive IBL Options, fractional entitlements, if any, arising pursuant to the application of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.
- (vi) The grant of the Special Incentive IBL Options to the Special Incentive Eligible Employees pursuant to the provisions this Clause 68, shall be effected as an integral part of the Scheme and consent of the shareholders of the Amalgamated Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the grant of the Special Incentive IBL Options, including without limitation, for the purposes of creating the New IBL ESOP Scheme and all related matters. No further approval of the shareholders of the Amalgamated Company would be required under Section 62 of the Act or the Companies (Share Capital and Debentures) Rules, 2014 and/or any other applicable law.

- (vii) Subject to applicable law, the entitlement of the Special Incentive Eligible Employees to the Special Incentive IBL Options shall be appropriately reflected in the accounts of the Amalgamated Company.
- (viii) The Board and the relevant committees of the Board of the Amalgamated Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 68, in view of this Scheme and in accordance with the provisions of applicable laws including the SEBI SBEB Regulations.

PART VI – GENERAL TERMS AND CONDITIONS

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

- 69. The Amalgamating Company, IBL and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 and 232 of the Act.
- 70. The Amalgamating Company (by its Board), IBL (by its Board) and the Transferee Company (by its Board), either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing:
 - (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment which the Boards of the Amalgamating Company, IBL and the Transferee Company may jointly and mutually agree in writing, consider necessary or desirable and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.
 - (ii) any modification to this Scheme by the NCLT shall not be binding on the Amalgamating Company, IBL or the Transferee Company except where its prior consent has been obtained.
 - (iii) give such directions (acting jointly) as may be mutually agreed in writing by the Amalgamating Company, IBL and the Transferee Company as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law).

- (iv) in their full and absolute discretion and by mutual agreement in writing by the Amalgamating Company, IBL and the Transferee Company modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.
- (v) determine jointly by mutual agreement in writing by the Amalgamating Company, IBL and the Transferee Company any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Transferred Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

71. Severability

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

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

- (i) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot/ e-voting, as applicable) and creditors (where applicable) of the Amalgamating Company, IBL and the Transferee Company, as required under the Act, subject to any dispensation that may be granted by the NCLT.
- (ii) this Scheme having been approved by a majority of the public shareholders of IBL (passed through postal ballot/ e-voting, as applicable) in accordance with the requirements set out in the SEBI Scheme Circular;
- (iii) sanctions and orders under the provisions of Sections 230 to 232 of the Act being obtained from the NCLT;
- (iv) the certified copies of the order of the NCLT approving this Scheme being filed with the Registrar of Companies, Maharashtra;
- (v) receipt of the approvals of the RBI for the Amalgamation and the issuance of the IBL Shares to the shareholders of BFIL, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking, in terms of this Scheme;
- (vi) the Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, to the Amalgamated Company and the Amalgamating Company including comments/ approval after sanction of the Scheme by NCLT, as required under the SEBI Listing Regulations read with the SEBI Scheme Circular;
- (vii) receipt of the approval from the CCI under the Competition Act, 2002 for the Amalgamation and the Slump Exchange (if necessary);

- (viii) any other approval as may be required for the Amalgamation and the issuance of the IBL Shares to the shareholders of Amalgamating Company, the Preferential Allotment, and the Slump Exchange of the Transferred Undertaking in terms of this Scheme as a result of a change in law, rule or regulation or written requirement of a Regulatory Authority on or after the Implementation Agreement Execution Date or interpretation of any existing law, rule or regulation on or after the relevant date; and
 - (ix) the Implementation Agreement not having been terminated in accordance with the terms thereof prior to the later of the dates on which conditions (ii) to (vii) are satisfied.
73. Each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the NCLT. Provided that, all costs and expenses in relation to registration, stamping, regulatory approvals and all other costs in respect of this Scheme shall be borne in the manner agreed in the Implementation Agreement.

S.R. Batliboi & Co. LLP Chartered Accountants The Ruby, 14 th floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, India.	Deloitte Haskins & Sells Chartered Accountants 19 th Floor, Shapath-V, S.G. Highway, Ahmedabad - 380015, Gujarat.
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Dated: 13 October 2017

To

The Board of Directors, Bharat Financial Inclusion Limited My Home Tycoon, 3rd Floor Block A, 6-3-1192, Kundanbagh, Begumpet, Hyderabad - 500016 Telangana, India.	The Board of Directors, IndusInd Bank Limited 2401 Gen. Thimmayya Road (Cantonment), Pune - 411 001, India.
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Sub: Recommendation of Fair Equity Share Exchange ratio for the purpose of the proposed merger of Bharat Financial Inclusion Limited into IndusInd Bank Limited

Dear Madam/Sir,

We refer to the engagement/appointment letters whereby,

- Bharat Financial Inclusion Limited (hereinafter referred to as "BFIL") has requested S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC"); and
- IndusInd Bank Limited (hereinafter referred to as "IBL") has requested Deloitte Haskins & Sells (hereinafter referred to as "DHS")

for recommendation of the Fair Equity Share Exchange ratio (hereinafter referred to as ("Fair Equity Share Exchange ratio) for the proposed merger of BFIL into IBL (hereinafter referred to as "Proposed Merger").

IBL and BFIL are hereinafter jointly referred to as "Companies". The Fair Equity Share Exchange ratio for this report refers to number of equity shares of face value of INR 10/- each of IBL, which would be issued to equity shareholders of BFIL in lieu of their equity shareholding in BFIL pursuant to the Proposed Merger.



SRBC and DHS are hereinafter jointly referred to as "Valuers" or "we" or "us" and individually referred to as "Valuer" in this Joint Fair Equity Share Exchange Ratio Report ("Share Exchange Ratio Report" or "Report").

SCOPE AND PURPOSE OF THIS REPORT

IBL offers commercial, transactional and electronic banking products and services. The equity shares of IBL are listed on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE"). IBL was founded in 1994. IBL had reported consolidated total revenue and profit after tax of INR 185,771.6 million and INR 28,678.9 million respectively, for the year ended 31 March 2017.

BFIL is a Non-Banking Financial Company ("NBFC") which provides micro finance services in India. BFIL was formerly known as SKS Microfinance Limited. The equity shares of BFIL are listed on NSE and BSE. BFIL was founded in 2003. BFIL had reported consolidated total revenue and profit after tax of INR 17,279 million and INR 2,896.9 million respectively, for the year ended 31 March 2017.

We understand that the managements of IBL and BFIL ("Management/s") are contemplating the merger of BFIL into IBL ("Proposed Merger") under a composite scheme of Arrangement and Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and, the Companies Rules 2016, relevant regulations and directions of RBI, and other applicable securities and capital market laws and rules issued thereunder to the extent applicable. As a consideration for this Proposed Merger, equity shareholders of BFIL would be issued equity shares of IBL,

We understand that the appointed date for the Proposed Merger is 01 January 2018 or such other date as approved by the Courts/ regulatory authorities.

For the aforesaid purpose, the Board of Directors of BFIL and IBL have appointed SRBC and DHS, respectively, to submit a Joint Share Exchange Ratio Report for recommending the Fair Equity Share Exchange ratio, for the issue of IBL's equity shares to the equity shareholders of BFIL. This report will be placed before the Audit Committee and Board of Directors of IBL and BFIL as per the relevant SEBI circulars, and to the extent mandatorily required under applicable laws of India, this report maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Merger.



The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of IBL and BFIL and report on the Fair Equity Share Exchange Ratio for the Proposed Merger in accordance with generally accepted professional standards.

The Valuers have been appointed severally and not jointly and have worked independently in their analysis. Both the Valuers have received information and clarifications from their respective clients. The Valuers have independently arrived at different values per share of IBL and BFIL. However, to arrive at the consensus on the Fair Equity Share Exchange Ratio for the proposed merger, appropriate minor adjustments / rounding off has been done in the values arrived at by the Valuers.

We have been provided with audited financial statements and other financial information of IBL and BFIL for the year ended 31 March 2017 and latest available quarterly results of respective companies. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. The current valuation does not factor impact of any event which is unusual or not in normal course of business. Further, the Management has informed us that all material information impacting the Companies have been disclosed to us.

The Management has informed us that:

- (a) There would not be any capital variation in the Companies till the Proposed Merger becomes effective without approval of the shareholders other than on account of existing ESOP Scheme which would not be material;
- (b) Neither Companies would declare any dividend which are materially different than those declared in the past few years.
- (c) There are no unusual/abnormal events in both the Companies since the last quarterly results were declared till the Report Date materially impacting their operating / financial performance.

We have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Merger.

This Report is our deliverable for the above engagement.

This report and the information contained herein is absolutely confidential. It is intended only for the sole use and information of the Companies and only in connection with the Proposed Merger including for the purpose of obtaining regulatory approvals, as required



under applicable laws of India, for the Proposed Merger. We understand that the Companies may be required to submit this report to judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Merger under applicable laws. We hereby consent to such disclosure of this report, on the basis that we owe responsibility to only the Boards of Directors of the Companies that have respectively engaged us, under the terms of our engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to the shareholders of the Companies or any other party, in connection with this report. The results of our computation and our report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / businesses of the Companies or their holding company / subsidiaries / joint ventures / associates / investee companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information:

- Annual reports for the year ended 31 March 2017 and earlier periods for IBL and BFIL;
- Unaudited results for the quarter ended 30 June 2017 for IBL and BFIL; and
- Other relevant information

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary and relevant for our exercise.

Both IBL and BFIL have been provided with the opportunity to review the draft Report (excluding the recommended Fair Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Report.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) are based on the audited financial statements of IBL and BFIL as at 31 March 2017 and unaudited financial results for the quarter ended 30 June 2017. The Management has represented that the business activities of IBL and BFIL have been or would be carried out in the normal and ordinary course between 31 March 2017 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 31 March 2017 and the Report date. While the unaudited quarterly results of IBL for the quarter ended 30 September 2017 have been declared, the quarterly results for the said quarter in the case of BFIL have not been declared. We have looked at the September quarterly results for IBL and have also been informed that there are no material unusual/abnormal events. Considering this and given that we are carrying out a relative valuation we have considered it appropriate not to use the quarterly results of IBL for the quarter ended 30 September 2017 for our calculations.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.



The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by IBL and BFIL (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Fair Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Equity Share Exchange Ratio of the equity shares of IBL and BFIL. The final responsibility for the determination of the Fair Equity Share Exchange Ratio at which the Proposed Merger shall take place will be with the Board of Directors of IBL and BFIL, who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available, sourced from subscribed databases, including analyst reports, and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by IBL and BFIL. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, carried out a due diligence or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by IBL and BFIL. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from IBL and BFIL, we have been given to understand by the Management that they have not omitted any relevant and material factors about IBL and BFIL and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt.



Our conclusions are based on the assumptions and information given by / on behalf of IBL and BFIL. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that IBL and BFIL comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that IBL and BFIL will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheet of IBL and BFIL. Our conclusion of value assumes that the assets and liabilities of IBL and BFIL reflected in their respective latest balance sheets remain intact as of the Report date. No investigation of IBL and BFIL's claim to title of assets has been made for the purpose of this Report and IBL and BFIL's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not nor should it be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law / standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Merger.

This Report does not look into the business / commercial reasons behind the Proposed Merger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Merger as compared with any other alternative business proposed merger, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the conclusion of this Report.

SRBC owes responsibility to only the Boards of Directors of BFIL and DHS owes responsibility to only the Board of Directors of IBL that have respectively appointed us



under the terms of our respective engagement / appointment letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to IBL and BFIL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of IBL and BFIL, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Merger, without our prior written consent. In addition, this Report does not in any manner address the prices at which equity shares of IBL and BFIL will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of IBL and BFIL should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger. Our report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions.

SHARE CAPITAL DETAILS OF THE COMPANIES

Bharat Financial Inclusion Limited

Based on the share capital of BFIL as at 30 June 2017 and the outstanding options as at that date, we have considered the diluted equity share capital of BFIL of 142,049,474 equity shares of INR 10 each, for the purpose of the present valuation analysis.



IndusInd Bank Limited

Based on the share capital of IBL as at 30 June 2017 and the outstanding options as at that date, we have considered the diluted equity share capital of IBL of 609,920,541 equity shares of INR 10 each, for the purpose of the present valuation analysis.

APPROACH – BASIS OF MERGER

The Proposed Merger contemplates the merger of BFIL into IBL. Arriving at the Fair Equity Share Exchange Ratio for the proposed merger of BFIL into IBL would require determining the relative value of the equity shares of BFIL and the equity shares of IBL. These values are to be determined independently, but on a relative basis, without considering the effect of the Proposed Merger.

There are several commonly used and accepted methods, under the market, income and asset approaches, for determining the Fair Equity Share Exchange Ratio for the proposed merger of BFIL into IBL, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Asset Approach - Net Asset Value method
2. Income Approach –
 - a. Discounted Cash Flows method
 - b. Earnings Capitalization Value method
3. Market Approach –
 - a. Market Price method
 - b. Comparable Companies Multiples method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies.



The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for proposed mergers of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Net Asset Value ("NAV") Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies / banks amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Discounted Cash Flows ("DCF") Method

In the case of banks / NBFCs, under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm for equity shareholders.

Such DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.



Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

Earnings Capitalization Value Method

Earnings Capitalization Value Method involves determination of the maintainable earnings level of the company from its operations, based on past and / or projected working results. These earnings are then capitalized at a rate, which in the opinion of the valuer's combines an adequate expectation of reward from the enterprise risk, to arrive at the value of the company.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Comparable Companies' Multiples ("CCM") Method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



Out of the above methods, the Valuers have used methods as considered appropriate by them respectively.

Basis of Fair Equity Share Exchange Ratio

The basis of the Proposed Merger of BFIL into IBL would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the respective Valuer. Though different values have been arrived at under each of the above approaches / methods, for the purposes of recommending the Fair Equity Share Exchange Ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of IBL and BFIL but at their relative values to facilitate the determination of the Fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of IBL and BFIL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of IBL and BFIL, having regard to information base, key underlying assumptions and limitations.

Valuers, have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of IBL and BFIL. To arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Merger, suitable minor adjustments / rounding off have been done in the values arrived at by the Valuers.

The Computation of Fair Equity Share Exchange Ratio as derived by SRBC, is given below:

Valuation Approach	BFIL		IBL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	187.3	0%	365.0	0%
Income Approach - Discounted Free Cash Flow Method	1,269.5	50%	1,900.1	50%
Market Approach - Market Price method	956.3	50%	1,584.5	50%
Relative Value per Share	1,112.9		1,742.3	
Exchange Ratio (rounded off)			0.639	



IndusInd Bank




The Computation of Fair Equity Share Exchange Ratio as derived by DHS, is given below:

Valuation Approach	BFIL		IBLs	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method	187.3	0%	365.0	0%
Income Approach - Earnings Capitalization Value method	1,541.7	50%	2,156.4	50%
Market Approach - Market Price method	906.2	50%	1,675.2	50%
Relative Value per Share	1,223.9		1,915.8	
Exchange Ratio (rounded off)			0.639	

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Merger of BFIL into IBL:

639 (Six Hundred and Thirty Nine) equity shares of IBL of INR 10/- each fully paid up for every 1,000 (One Thousand) equity shares of BFIL of INR 10/- each fully paid up.

Respectfully submitted,

<p>S.R. Batliboi & Co. LLP Chartered Accountants ICAI Firm Registration Number: 301003E</p>   <p>Jayesh Gandhi Partner Membership No: 037924 Date: 13 October 2017</p>	<p>Deloitte Haskins & Sells Chartered Accountants ICAI Firm Registration Number: 117365W</p>   <p>Anjum A. Qazi Partner Membership No: 104968 Date: 13 October 2017</p>
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**Deloitte
Haskins & Sells**

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Gujarat, India

Tel: +91 (079) 6682 7300
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STRICTLY PRIVATE & CONFIDENTIAL

Ref: DHS/G-200/130

13 October 2017

To,
IndusInd Bank Limited
2401 Gen.
Thimmayya Road (Cantonment),
Pune - 411 001, India.

Sub: Recommendation of the Fair Equity Share Exchange Ratio for the purpose of the Proposed Merger of Bharat Financial Inclusion Limited into IndusInd Bank Limited ("Proposed Merger").

This has reference to your request to furnish the relevant computations based on which our recommendation of the fair equity share exchange ratio in the event of the Proposed Merger, i.e., the number of equity shares of IndusInd Bank Limited ("IBL") to be issued for the equity shares of Bharat Financial Inclusion Limited ("BFIL") (the "Fair Equity Share Exchange Ratio") (hereinafter BFIL and IBL jointly referred to as the "Companies") as set out in our report dated 13 October 2017 (the "Report"), was arrived at by us.

As requested, enclosed along with this letter are the relevant computations, which, inter alia, have formed the basis for our arriving at recommendation of the Fair Equity Share Exchange Ratio for the Proposed Merger.

In this connection, we may mention that the computations enclosed herewith need to be viewed in conjunction with the Report for the Proposed Merger and the documents referred to in the Report. As set out in the Report, the recommendation of the Fair Equity Share Exchange Ratio was arrived on the basis of a relative valuation of equity shares of BFIL in terms of the relative value of equity shares of IBL, which was based on the various approaches / methods detailed in the Report and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies having regard to the information base, management representations, key underlying assumptions and limitations as referred in the Report.

We trust the above meets your requirements.

Yours faithfully,

For **Deloitte Haskins & Sells**
Chartered Accountants
[Registration No. 117365W]


Anjum Qazi
Partner
Membership No. 104968
Encl: Annexures



Recommended Fair Equity Share Exchange Ratio for the Proposed Merger of Bharat Financial Inclusion Limited into IndusInd Bank Limited

Valuation Approach	Bharat Financial Inclusion Limited		IndusInd Bank Limited		Annexure
	Value per share (INR)	Weight	Value per share (INR)	Weight	
Asset Approach	187.3	0%	365.0	0%	A
Income Approach	1,541.7	50%	2,156.4	50%	B
Market Approach	906.2	50%	1,675.2	50%	C
Relative Value per share	1,223.9		1,915.8		
Fair Equity Share Exchange (rounded off)	Share Ratio	0.639			

Hence, the ratio works out to:

639 (Six Hundred and Thirty Nine Only) equity shares of IndusInd Bank Limited of INR 10/- each fully paid up for every 1000 (One Thousand Only) equity shares of Bharat Financial Inclusion Limited of INR 10/- each fully paid up.

Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.



Annexure A

ASSET APPROACH

Statement showing Value Per Equity Share of BFIL and IBL under the Net Asset Value Method as at 30 June 2017

Particulars	INR Million	
	BFIL	IBL
Equity Share Capital	1,380	5,990
Reserves and Surplus	22,820	209,020
Net Asset Value	24,200	215,010
Add: Cash receivable assuming exercise of ESOPs outstanding as on 30 June 2017	2,403	7,609
Adjusted NAV	26,603	222,619
Number of equity shares as on 30 June 2017	138,028,604	598,517,311
To be issued on issue of shares to ESOP holders assuming exercise of ESOPs outstanding as on 30 June 2017	4,020,870	11,403,230
Number of equity shares of INR 10/- each fully paid up (on a diluted basis)	142,049,474	609,920,541
Adjusted Book Value per equity share (INR)	187.3	365.0

Annexure B

INCOME APPROACH

Statement showing Value Per Equity Share of BFIL and IBL under the Earnings Capitalization Value Method

Particulars	INR million	
	BFIL	IBL
Maintainable Earnings	5,144	42,182
Capitalisation Rate	2.38%	3.23%
Equity Value	216,594	1,307,639
Add: Cash receivable assuming exercise of ESOPs outstanding as on 30 June 2017	2,403	7,609
Adjusted Equity Value	218,997	1,315,248
Number of equity shares of INR 10/- each fully paid up (on a diluted basis)*	142,049,474	609,920,541
Value per Equity Share (INR)	1,541.7	2,156.4

*Refer Annexure A



MARKET APPROACH

Statement showing Value Per Equity Share of BFIL and IBL under the Market Price Method

Volume Weighted Average Prices (VWAP) - BFIL		Volume Weighted Average Prices (VWAP) - IBL	
Share Price of BFIL (See Notes 1 and 2)	INR	Share Price of IBL (See Notes 1 and 2)	INR
60 days VWAP	807.2	60 days VWAP	1,585.2
Preferential Allotment Pricing		Preferential Allotment Pricing	
- 26 weeks average of high/low of VWAP	787.2	- 26 weeks average of high/low of VWAP	1,507.6
- 2 weeks average of high/low of VWAP	906.2	- 2 weeks average of high/low of VWAP	1,675.2
Price considered	906.2	Price considered	1,675.2

Notes:

- 1) We have considered the market prices upto 8 September 2017 which is the last trading day prior to the announcement of the exclusivity agreement between BFIL and IBL on 11 September 2017.
- 2) We have considered the market prices as quoted on the NSE which is the exchange where the shares of both Companies have highest trading volumes.



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Morgan Stanley

October 13, 2017

Board of Directors
IndusInd Bank Limited,
8th Floor, Tower 1, One Indiabulls Centre,
841, Senapati Bapat Marg,
Elphinstone Road (W),
Mumbai

Members of the Board:

We understand that Bharat Financial Inclusion Ltd. ("BFIL" or the "Company") and IndusInd Bank Ltd. ("IIB") propose to enter into a Scheme of Composite Arrangement (the "Merger Agreement"), which provides, among other things, for the merger (the "Merger") of BFIL into IIB. As a part of the Merger, the following activities are proposed to occur:

- The amalgamation of BFIL into IIB in accordance with the Reserve Bank of India amalgamation directions
- The issuance and allotment of the Warrants to the promoters of IIB
- The subsequent transfer of the Transferred Undertaking (as defined in the Merger Agreement) into IIB, and vesting thereof in a wholly owned subsidiary of IIB, as a 'going concern' on a slump exchange basis

Pursuant to the Merger, for every 1,000 shares of common stock of Company, 639 shares of IIB will be issued (the "Exchange Ratio"). The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether the Exchange Ratio pursuant to the Merger Agreement is fair from a financial point of view to IIB.

For purposes of the opinion set forth herein, we have:

- 1) Reviewed certain publicly available financial statements and other business and financial information of the Company and IIB, respectively;
- 2) Reviewed certain internal financial statements and other financial and operating data concerning the Company and IIB, respectively;
- 3) Reviewed certain financial projections in relation to IIB and the Company, as confirmed by the management of IIB;
- 4) Reviewed information relating to certain strategic, financial and operational benefits anticipated from the Merger, prepared by the management of IIB;
- 5) Discussed the past and current operations and financial condition and the prospects of the Company, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of IIB; Discussed the past and current operations and financial condition and the prospects of



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IIB, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of IIB; Reviewed the pro forma impact of the Merger on IIB's earnings per share, cash flow, consolidated capitalization and financial ratios;

- 6) Reviewed the reported prices and trading activity for the Company Common Stock and the IIB Common Stock;
- 7) Compared the financial performance of the Company and IIB and the prices and trading activity of the Company Common Stock and IIB Common Stock with that of certain other publicly-traded companies comparable with the Company and IIB, respectively, and their securities;
- 8) Reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- 9) Participated in certain discussions and negotiations among representatives of the Company and IIB and certain parties and their financial and legal advisors;
- 10) Reviewed the valuation reports by independent valuers in relation to the transaction;
- 11) Reviewed the Merger Agreement and certain related documents; and
- 12) Performed such other analyses and reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information of IIB and Company that was publicly available or supplied or otherwise made available to us by IIB, and formed a substantial basis for this opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Buyer of the future financial performance of the Company and the Buyer. In addition, we have assumed that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement without any waiver, amendment or delay of any terms or conditions. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. We are not legal, tax, regulatory advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Buyer and the Company and their legal, tax, regulatory advisors with respect to legal, tax, regulatory matters. We have relied upon, without independent verification, the assessment by the managements of IIB on: (i) the strategic, financial and other benefits expected to result from the Merger; (ii) the timing and risks associated with the integration of the Company and the Buyer; (iii) their ability to retain key employees of the Company and (iv) the validity of, and risks associated with, the Company and the Buyer's existing and future technologies, intellectual property, products, services and business models. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons to be paid as part of the transaction. We are not experts in the evaluation of allowance for loan losses, and we have neither made an independent evaluation of the adequacy of the allowance for loan losses at the Company, nor have we examined any individual loan credit files of the Company or been requested to conduct such a review, and, as a result, we have assumed that the aggregate allowance for loan losses of the Company is adequate. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or Buyer, nor have we been furnished with any such valuations or appraisals. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us

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as of the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We have acted as financial advisor to the Board of Directors of IIB in connection with this transaction and will receive a fee for our services which is contingent upon the closing of the Merger. Morgan Stanley may also seek to provide such services to IIB and the Company in the future and expects to receive fees for the rendering of these services.

Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of IIB, the Company, or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Board of Directors of IIB only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be included in its entirety in any filing IIB is required to make with the Securities and Exchange Board of India, in connection with this transaction if such inclusion is required by applicable law. In addition, this opinion does not in any manner address the prices at which the IIB Common Stock will trade following consummation of the Merger or at any time and Morgan Stanley expresses no opinion or recommendation as to how the shareholders of IIB should vote at the shareholders' meeting to be held in connection with the Merger.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Exchange Ratio pursuant to the Merger Agreement is fair from a financial point of view to IIB.

Very truly yours,

MORGAN STANLEY INDIA COMPANY PRIVATE
LIMITED

By:



Sachin Wagle

Managing Director



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October 13, 2017

The Board of Directors
Bharat Financial Inclusion Limited
Unit No. 410, Madhava
Bandra Kurla Complex
Bandra (East)
Mumbai 400051- India

Members of the Board:

You have requested our opinion (the "**Opinion**") as to the fairness, from a financial point of view, to the holders of the equity shares of Bharat Financial Inclusion Limited ("**BFIL**") and such holders, the "**Holder(s)**" of the Exchange Ratio (defined below) in connection with the merger of BFIL into and with IndusInd Bank Limited ("**IBL**") and such merger, the "**Merger**", as more fully described in the proposed scheme of arrangement of BFIL and IBL, which provides, *inter-alia*, for the Merger (the "**Scheme of Arrangement**").

As more fully described in the Scheme of Arrangement, pursuant to the Merger, 639 fully paid-up equity share(s) having face value of Rs. 10/- per equity share of IBL (the "**IBL Equity Shares**") will be issued to each holder holding 1,000 fully paid-up equity share(s) having face value of Rs. 10/- per equity share of BFIL (the "**BFIL Equity Shares**") on the record date (the "**Exchange Ratio**"). The terms and conditions of the Merger are more fully described in the Scheme of Arrangement and the above summary is qualified in its entirety by reference to the Scheme of Arrangement.

In arriving at our Opinion, we have reviewed (i) the draft joint valuation report dated October 13, 2017 furnished by S.R. Batliboi & Co. LLP an independent valuer appointed by BFIL, and Deloitte Haskins & Sells an independent valuer appointed by IBL (the "**Draft Report**"); (ii) the draft dated October 13, 2017 of the Scheme of Arrangement (the "**Draft Scheme**"); and (iii) certain publicly available business and financial information relating to BFIL and IBL, including, among other things, the details of shareholding of BFIL and IBL, third party research analysts' reports relating to BFIL and IBL, financial and operating data of BFIL and IBL, capital structure of BFIL and IBL, and the current and historical market prices and trading volumes of BFIL Equity Shares and IBL Equity Shares on BSE Limited and National Stock Exchange of India Limited. We considered, to the extent publicly available, certain other past transactions which we considered relevant in evaluating the Merger and analyzed certain other publicly available information relating to the businesses of other public listed companies whose operations we considered relevant in evaluating those of BFIL and IBL. In arriving at our Opinion, we have not reviewed or used financial forecasts, projections or forward looking statements except those that are publicly available.

In connection with our review, we have not independently verified any of the foregoing information and we have assumed and relied, without independent verification, upon such information being complete and accurate in all material respects. We have further relied upon the assurances of the management of BFIL that it is not aware of any relevant information that has been omitted or that remains undisclosed in its disclosures to us that would make the public information or data examined by, provided to, reviewed by, or discussed with, us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at our Opinion. With respect to the publicly available financial forecasts for BFIL and IBL referred to above, we have assumed that such forecasts represent reasonable estimates and judgments with



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respect to the future financial performance of BFIL and IBL, respectively. We do not assume any responsibility or liability with respect to such information and data.

The issuance of our Opinion has been approved by our authorized internal committee.

We have assumed that the Merger will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals (including approvals of all classes of shareholders and creditors of BFIL, IBL and their respective affiliates, as applicable), consents and releases for the Merger and any other transaction contemplated in the Draft Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on BFIL, IBL or the contemplated benefits of the Merger. We have further assumed that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. We have assumed that the final terms of the Scheme of Arrangement will not vary materially from those set forth in the Draft Scheme reviewed by us and that the terms of the final valuation report of S.R. Batliboi & Co. LLP and Deloitte Haskins & Sells will not vary from those set forth in the Draft Report reviewed by us. Further, we have assumed that there will not be any adverse rulings or proceedings whatsoever (whether of any court, regulatory body or otherwise) arising out of or in relation to the Merger as contemplated.

We are financial advisors only, and our Opinion does not address, and we have not assessed, any legal, regulatory, taxation or accounting matters, as to which we understand that BFIL has obtained such advice as it deemed necessary from qualified professionals. We have also assumed that all aspects of the Merger and any other transaction contemplated in the Draft Scheme would be in compliance with applicable laws and regulations; and we have issued this Opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Merger and the other transactions contemplated by the Draft Scheme will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and accordingly we have not considered the consequences or impact on BFIL or IBL, if any such open offers are mandated, and we have also assumed that the Merger will not result in any adverse effect on BFIL or IBL or their respective businesses, whether under tax or other laws or under the terms of any license or approval. We also have assumed that the Merger will be treated as a tax-free reorganization for Indian income tax purposes.

Our Opinion, as set forth herein, relates to the relative values of BFIL and IBL. We are not expressing any opinion as to what the value of the IBL Equity Shares actually will be when issued pursuant to the Merger or the price at which the BFIL Equity Shares or IBL Equity Shares will trade at any time including following the announcement of or completion of the Merger. We have been informed, and have assumed, that the Exchange Ratio takes into consideration the entire value of BFIL and IBL, respectively, without exclusion of any undertaking(s). We have accordingly not attempted to ascertain the value of any individual undertakings of either BFIL or IBL.

Our Opinion is restricted to the fairness, from a financial point of view, of the Exchange Ratio, as determined by S.R. Batliboi & Co. LLP and Deloitte Haskins & Sells pursuant to their valuation exercise, to the Holders and express no view as to (i) the fairness (financial or otherwise) to the holders of any other class of securities, creditors or other constituencies of BFIL, IBL or any of their respective affiliates; or (ii) any other aspect or implication of the Merger or any other agreement, arrangement or understanding entered into in connection with the Merger or otherwise, including, without limitation, the fairness of the amount or nature of, or any other aspect relating to, any compensation (whether in respect of vested or unvested





employee stock options or otherwise) to any officers, directors or employees of any party to the Merger, or class of such persons, relative to the Exchange Ratio or otherwise. Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have been informed, and have assumed, that, for the purposes of determining the Exchange Ratio, the number of outstanding BFIL Equity Shares and IBL Equity Shares has been calculated on a fully diluted basis assuming full conversion of all outstanding stock options of BFIL and IBL, as the case may be. Further, our Opinion does not take into account any corporate actions of either BFIL or IBL or any of their respective affiliates or undertakings after the date hereof, including payment of dividends. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of BFIL or IBL or their respective affiliates or undertakings nor have we made any physical inspection of the properties or assets of BFIL or IBL or their respective affiliates or undertakings. We express no opinion as to the solvency or fair value of BFIL or IBL or their respective affiliates or undertakings under any laws, or otherwise, or the realizable value of the properties or assets of BFIL or IBL or their respective affiliates or undertakings. This Opinion (i) has been prepared solely pursuant to the Securities and Exchange and Board of India circular dated March 10, 2017 relating to schemes of arrangement by listed companies and (ii) is not to be treated as a valuation of any securities of BFIL or IBL or their respective affiliates or undertakings under any laws or otherwise. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which BFIL or IBL or their respective affiliates or undertakings is or may be a party to or is or may be subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which BFIL or IBL or their respective affiliates or undertakings is or may be a party or is or may be subject. We express no view as to, and our Opinion does not address, the underlying business decision of BFIL to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for BFIL or the effect of any other transaction in which BFIL or IBL or their respective affiliates or undertakings might engage. We express herein no view or opinion as to any terms or other aspects of the Merger or the Scheme of Arrangement other than the Exchange Ratio, as determined by S.R. Batliboi & Co. LLP and Deloitte Haskins & Sells pursuant to their valuation exercise, to the Holders, to the extent expressly specified herein. Our Opinion is necessarily based upon publicly available information available to us on BFIL and IBL, and stock market and other conditions and circumstances existing, as of the date hereof.

We have acted as financial advisor to BFIL in connection with the Merger and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Merger. We also became entitled to receive a fee upon the rendering of our opinion. In addition, BFIL has agreed to indemnify us and certain related parties for certain liabilities and other items arising out of or related to our engagement. We and our affiliates have in the past provided and are currently providing investment banking services to BFIL for which we and our affiliates have received and would expect to receive compensation, including in connection with the initial public offering and the qualified institutional placements by BFIL. We and our affiliates have also in the past provided investment banking services to IBL. We and our affiliates may have provided other financial advice and services, and may in the future provide financial advice and services, to BFIL, IBL and their respective affiliates for which we and our affiliates have received, and would expect to receive, compensation.

We are a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, we and our affiliates may acquire, hold or sell, for our and our affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of BFIL, IBL and any other company that may be involved in the Merger, as well as provide investment





banking and other financial services to such companies. In addition, we and our affiliates may maintain relationships with BFIL, IBL and their respective affiliates. For the purposes of this Opinion, the term affiliate means, with respect to any entity, any other entity that, directly or indirectly, controls or is controlled by, or is under common control with, such entity. As used in this definition, control and correlative terms have the meanings ascribed to such words under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

It is understood that this letter is for the information of the Board of Directors of BFIL only in connection with its consideration of the Merger or the Scheme of Arrangement and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on the proposed Merger or the Scheme of Arrangement. Our Opinion may not be quoted, referred to or otherwise disclosed, in whole or part, nor may any public reference to Credit Suisse be made, without our prior written consent. However, BFIL may disclose the Opinion (i) to its legal counsel involved in the Merger on a need-to-know basis only and under conditions of confidentiality with our prior written consent; or (ii) if required by law, regulation, judicial or governmental order, subpoena or other legal process or is requested or required by any governmental authority or regulatory agency, in such form and substance as Credit Suisse shall approve (unless legally prohibited); or (iii) in the information memorandum or similar document prepared in relation to the Transaction which is required to be filed with the Indian stock exchanges under applicable laws, rules or regulations, in such form and substance as Credit Suisse shall approve; or (iv) as may be consented by Credit Suisse in writing. Notwithstanding the above, neither our issuance of the Opinion to the Board of Directors of BFIL, nor our consent to annex or include this Opinion to the information memorandum or disclose otherwise shall permit any third party (including, without limitation, any shareholder, creditor or other person of BFIL, IBL or their respective affiliates) to rely upon, use or derive any rights from, and we shall not be liable to any third party in relation to, the Opinion.

We accept no responsibility to any person other than the Board of Directors of BFIL in relation to the contents of this Opinion even if it is disclosed to such person with our consent. It is understood that this Opinion is given only as of the date hereof, and any subsequent developments, including in relation to any contingent liabilities, may affect this Opinion, and we do not have any obligation to update, revise or reaffirm this Opinion.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to the Holders.

Very truly yours,

CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED" around the perimeter and a central emblem.



Ref: NSE/LIST/15840

June 01, 2018

The Head – Legal, Compliance & Company Secretary
Indusind Bank Limited
731, Solitaire Corporate Park,
167 Guru Hargovindgji Marg,
Andheri Ghatkopar link road, Chakala
Andheri (East) Mumbai – 400093

Kind Attn.: Mr. Haresh Gajwani

Dear Sir,

Sub: Observation Letter for Composite Scheme of Arrangement amongst IndusInd Bank Limited and Bharat Financial Inclusion Limited and their respective shareholders and creditors.

We are in receipt of the draft Composite Scheme of Arrangement amongst IndusInd Bank Limited and Bharat Financial Inclusion Limited and their respective shareholders and creditors filed by IndusInd Bank Limited vide application dated March 28, 2018.

Based on our letter reference no Ref: NSE/LIST/44507 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated June 01, 2018, has given following comments:

- a. *The Company shall ensure to finalise/decided the capital structure of the demerged undertaking prior to filing of the scheme with NCLT.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circulars.*
- d. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.



However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from June 01, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm



DCS/AMAL/SD/R37/1155/2018-19

June 4, 2018

The Company Secretary
INDUSIND BANK LTD.
2401, General Thimmayya Road,
Cantonment, Pune, Maharashtra- 411001

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement amongst Indusind Bank Ltd, Bharat Financial Inclusion Ltd(formerly known as 'SKS Microfinance Ltd'), the proposed Wholly Owned Subsidiary of Indusind Bank Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement amongst Indusind Bank Ltd, Bharat Financial Inclusion Ltd(formerly known as 'SKS Microfinance Ltd'), the proposed Wholly Owned Subsidiary of Indusind Bank Ltd and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 1, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

The matter has been examined by SEBI in light of the provisions under Part A, Annexure I of the aforesaid circular. Accordingly, SEBI's comments on the draft scheme are as under:

- "Company is advised to finalise/decide the Capital Structure of the demerged undertaking prior to filing of the scheme with NCLT."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, F-1 Towers, Dalal Street, Mumbai 400 001, India
T: +91 22 2272 1234/331 E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number : LA71J019-G005PLC155188



In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nibin Pujari
Sr. Manager



Ref: NSE/LIST/15839

June 01, 2018

The Head – Legal, Compliance & Company Secretary
Bharat Financial Inclusion Limited
Unit No. 410, Madhava,
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051

Kind Attn.: Mr. Rajendra Patil

Dear Sir,

Sub: Observation Letter for Composite Scheme of Arrangement amongst IndusInd Bank Limited and Bharat Financial Inclusion Limited and their respective shareholders and creditors.

We are in receipt of the draft Composite Scheme of Arrangement amongst IndusInd Bank Limited and Bharat Financial Inclusion Limited and their respective shareholders and creditors filed by Bharat Financial Inclusion Limited vide application dated March 28, 2018.

Based on our letter reference no Ref: NSE/LIST/44506 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated June 01, 2018, has given following comments:

- a. *The Company shall ensure to finalise/decided the capital structure of the demerged undertaking prior to filing of the scheme with NCLT.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circulars.*
- d. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.



However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from June 01, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm



DCS/AMAL/SD/R37/1156/2018-19

June 4, 2018

The Company Secretary
Bharat Financial Inclusion Ltd.
Unit No. 410, "Madhava", Bandra-Kurla Complex,
Bandra (East), Mumbai, Maharashtra- 400051

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement amongst Indusind Bank Ltd, Bharat Financial Inclusion Ltd(formerly known as 'SKS Microfinance Ltd'), the proposed Wholly Owned Subsidiary of Indusind Bank Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement amongst Indusind Bank Ltd, Bharat Financial Inclusion Ltd(formerly known as "SKS Microfinance Ltd"), the proposed Wholly Owned Subsidiary of Indusind Bank Ltd and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 1, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

The matter has been examined by SEBI in light of the provisions under Part A, Annexure I of the aforesaid circular. Accordingly, SEBI's comments on the draft scheme are as under:

- "Indusind Bank Ltd is advised to finalise/decide the Capital Structure of the demerged undertaking prior to filing of the scheme with NCLT."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.



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Corporate Identity Number: L67130PB12005PLC155188



In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Sr. Manager

IndusInd Bank

Date: May 08, 2018

To,

National Stock Exchange of India Limited
Manager - Listing Compliance Department,
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

BSE Limited
Deputy General Manager - Corporate
Relationship Department,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001.

NSE Scrip Code: INDUSINDBK

BSE Scrip Code: 532187

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed scheme of arrangement amongst IndusInd Bank Limited, Bharat Financial Inclusion Limited (formerly known as 'SKS Microfinance Limited'), the proposed wholly owned subsidiary of IndusInd Bank Limited and their respective shareholders and creditors.

Ref.: Submission of "Complaints Report" in format prescribed at Annexure - III pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Dear Sirs,

This is with reference to the draft scheme of arrangement between IndusInd Bank Limited ("IndusInd Bank"), Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) ("BFIL"), the proposed wholly owned subsidiary of IndusInd Bank and their respective shareholders and creditors ("Scheme"), submitted to you *vide* our aforesaid application on March 28, 2018.

In compliance with the requirements of paragraph 6 of Annexure I of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Scheme Circular"), we submit herewith the "Report on Complaints", in the format prescribed at Annexure III of the Scheme Circular.

As set out in the annexed 'Report on Complaints', we wish to confirm that IndusInd Bank has not received any complaints / comments from its shareholders / creditors in respect of the Scheme upto May 07, 2018, either directly or through the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (the NSE and BSE hereafter collectively referred to as "Stock Exchanges") or SEBI. Whilst an anonymous letter was received by SEBI which was forwarded to IndusInd Bank through the Stock Exchanges, IndusInd Bank has provided the responses to the Stock Exchanges in this regard.

In accordance with paragraph 8(c) of Annexure I of the Scheme Circular, the 'Report on Complaints' shall also be uploaded on our website at the following link www.indusind.com/content/home/investor/shareholders-corner/corporate-announcements.html

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme, at the earliest.

Yours faithfully,
For IndusInd Bank Limited


Hareesh Gajwani
Company Secretary

Encl: as above



One India Bulls Center Office: IndusInd Bank Limited, One Indiabulls Centre, Tower 1, 8th Floor,
841 Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013, Maharashtra, India. Tel: (022) 24231950

Registered Office: 2401 Gen. Thimmayya Road, Pune 411 001, India
Tel: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at www.indusind.com
CIN: L65191PN1994PLC076333

Report on Complaints

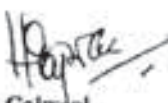
Part A

<i>Sr. No.</i>	<i>Particulars</i>	<i>Number</i>
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

<i>Sr. No.</i>	<i>Name of complainant</i>	<i>Date of complaint</i>	<i>Status (Resolved/Pending)</i>
		N.A.	

For IndusInd Bank Limited


Haresh Gajwan
Company Secretary

Date: May 08, 2018
Place: Mumbai





Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000
F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in
Corporate Identity Number: L65999MH2003PLC250504
Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

National Stock Exchange of India Limited Manager - Listing Compliance Department, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 NSE Scrip Code: BHARATFIN	BSE Limited Deputy General Manager - Corporate Relationship Department, 1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Scrip Code: 533228
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Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed scheme of arrangement amongst IndusInd Bank Limited, Bharat Financial Inclusion Limited (formerly known as "SKS Microfinance Limited"), the proposed wholly owned subsidiary of IndusInd Bank Limited and their respective shareholders and creditors.

Ref.: Submission of "Complaints Report" in format prescribed at Annexure - III pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Dear Sirs,

This is with reference to the draft scheme of arrangement between IndusInd Bank Limited (the "Bank"), Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) ("BFIL"), the proposed wholly owned subsidiary of IndusInd Bank Limited and their respective shareholders and creditors ("Scheme"), submitted to you vide our aforesaid application on March 28, 2018.

In compliance with the requirements of paragraph 6 of Annexure I of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Scheme Circular"), we submit herewith the "Report on Complaints", in the format prescribed at Annexure III of the Scheme Circular.

As set out in the annexed "Report on Complaints", we wish to confirm that BFIL has not received any complaints / comments from its shareholders / creditors in respect of the Scheme up to May 07, 2018, either directly or through the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ("NSE" and "BSE" hereafter collectively referred to as "Stock Exchanges") or SEBI. Whilst an anonymous letter was received by SEBI which was forwarded to BFIL through the Stock Exchanges, BFIL has provided the responses to the Stock Exchanges in this regard.

In accordance with paragraph 8(c) of Annexure I of the Scheme Circular, the "Report on Complaints" shall also be uploaded on our website at the following link <http://www.bfil.co.in/notifications>.

We request you to kindly take the above on record and kindly issue your no-objection letter with respect to the Scheme, at the earliest.

Yours faithfully,
For Bharat Financial Inclusion Limited
(formerly known as "SKS Microfinance Limited")


Rajendra Patil
EVP - Legal & Company Secretary

Encl: as above





Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000 F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in

Corporate Identity Number: L65999MH2003PLC250504

Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

Report on Complaints

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
N.A.			

For Bharat Financial Inclusion Limited
(formerly known as 'SKS Microfinance Limited')

Rajendra Patil
EVP-Legal & Company Secretary

Date: May 08, 2018
Place: Mumbai



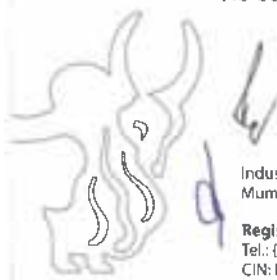
IndusInd Bank

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INDUSIND BANK LIMITED ("BANK") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, BY CIRCULAR RESOLUTION PASSED ON WEDNESDAY, SEPTEMBER 26, 2018.

1. The Board of Directors ("**Board**") of the Bank at its meeting held on October 14, 2017 approved a draft of the proposed composite scheme of arrangement amongst the Bank, Bharat Financial Inclusion Limited (earlier known as 'SKS Microfinance Limited') ("**BFIL**"), IndusInd Financial Inclusion Limited ("**IFIL**"), and their respective shareholders and creditors ("**Scheme**"), which involves *inter alia*, the following:
 - (a) the voluntary amalgamation of BFIL with the Bank by way of merger by absorption, and dissolution of BFIL without winding up and the consequent issuance of equity shares of the Bank to the shareholders of BFIL in accordance with the Scheme ("**Amalgamation**");
 - (b) the preferential allotment of the share warrants ("**Warrants**") by the Bank to the promoters of the Bank ("**Preferential Allotment**"); and
 - (c) the transfer of the undertaking in relation to the business correspondent activities of BFIL transferred to the Bank pursuant to the Scheme (the "**Transferred Undertaking**"), as a going concern, on a slump sale basis, from the Bank to IFIL, in exchange for the equity shares of IFIL to the Bank ("**Slump Exchange**");
 - (d) the grant of Special Incentive (SI) Options (*as defined in the Scheme*) to specified BFIL Employees (*as defined in the Scheme*) transferred to the Bank or IFIL pursuant to the Scheme; and
 - (e) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Bank,

pursuant to Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 ("**Act**") in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961. The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Bank laying out in particular the Share Exchange Ratio (*as specified below*), specifying any special valuation difficulties ("**Report**").
3. The following approvals have been obtained in relation to the Scheme:
 - Approval from the Competition Commission of India - December 19, 2017;
 - No-objection from the RBI for the Scheme - March 13, 2018;



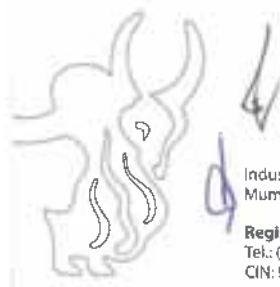
IndusInd Bank Limited, 701-801 Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E), Mumbai - 400 093, Maharashtra, India Tel: (022) 66412200 Fax: (022) 66412224

Registered Office: 2401 Gen. Thimmayya Road, Pune 411 001, India
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at www.Indusind.com
CIN: L65191PN1994PLC076333

- No-objection on the draft Scheme from the National Stock Exchange of India Limited - June 1, 2018;
 - No-objection on the draft Scheme from the BSE Limited - June 4, 2018;
 - Approval from the RBI for incorporation of IFIL by the Bank - June 8, 2018
4. Having regard to the applicability of the aforesaid provision, the Scheme and the following documents are placed before the Board:
- (a) Joint Valuation Report dated October 13, 2017 issued by S.R Batliboi & Co. LLP, Independent Valuers appointed by BFIL, and Deloitte Haskins & Sells, Independent Valuers appointed by the Bank (together, the “**Valuers**”), together with a supplementary letter dated October 13, 2017 issued by Deloitte Haskins and Sells, for the purposes of arriving at the Share Exchange Ratio describing *inter alia* the methodology adopted by the Valuers in arriving at the Share Exchange Ratio for the proposed Amalgamation (the “**Valuation Report**”), and the workings and calculations for the valuation derived in the valuation table provided in the Joint Valuation Report, as well as the methods used for such valuation;
 - (b) Fairness Opinion dated October 13, 2017 issued by Morgan Stanley India Company Private Limited, a SEBI Registered Merchant Banker, on the valuation of the shares to be issued to the shareholders of BFIL pursuant to the Amalgamation (“**Fairness Opinion**”);
 - (c) Statutory Auditors’ Certificate dated March 23, 2018 issued by Price Waterhouse Chartered Accountants LLP, the statutory auditors of the Bank as required under Section 232(3) of the Companies Act, 2013 and the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, certifying that the accounting treatment in the draft Scheme is in accordance with the accounting standards and applicable law;
 - (d) Pricing Certificate dated March 21, 2018 issued by Bhandari & Associates, Company Secretaries, certifying that the pricing for the preferential allotment of the Warrants by the Bank in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read the SEBI Circular CFD/DIL3/CIR/2017/26 dated March 23, 2017;
 - (e) Valuation report dated August 13, 2018 issued by MSKA & Associates, Chartered Accountants appointed by IFIL, specifying the book value of the Transferred Undertaking as on the appointed date (i.e. January 1, 2018) and the number of equity shares to be issued by IFIL to the Bank in consideration for the Slump Exchange.

5. Rationale of the Scheme

- (a) The Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive



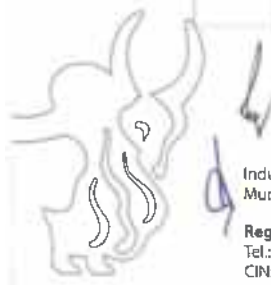
synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

- (b) The Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception.
- (c) BFIL has a commercially established model in the microfinance segment. The Amalgamation shall provide the Bank access to BFIL's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India.
- (d) The Amalgamation would offer the Bank a deeper reach in the low income segment, and also increase the access of BFIL's customer base to the Bank's wide array of products and services.
- (e) The Bank can, pursuant to the Amalgamation, leverage BFIL's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both BFIL and the Bank.
- (f) The Preferential Allotment to the promoters of the Bank is being made to obtain upfront capital commitment and support for the growth and expansion of the Bank following the Amalgamation. The same shall result in bolstering the capital base and balance sheet of the Bank and shall provide growth capital for its future growth.
- (g) The Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Bank with access to dedicated business correspondent services through IFIL which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Bank in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Bank, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services - Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, *inter alia*, prohibit a banking company from carrying on the business correspondent business directly.

6. Effect of Scheme on stakeholders

S. NO	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
1.	Shareholders (including GDR holders)	(i) Upon the Scheme becoming effective and in consideration of the Amalgamation, the Bank shall allot equity shares, credited as fully paid-up, to the members of BFIL, holding fully paid up equity shares in BFIL and whose names appear

3



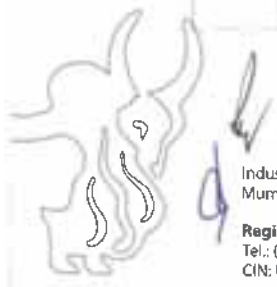
IndusInd Bank Limited, 701-801 Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E), Mumbai - 400 093, Maharashtra, India Tel: (022) 66412200 Fax: (022) 66412224

Registered Office: 2401 Gen. Thimmayya Road, Pune 411 001, India
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at www.indusind.com
CIN: L65191PN1994PLC076333

IndusInd Bank

S. No	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
		<p>in the register of members of BFIL on a specific record date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the record date in the following manner: "639 (Six Hundred and Thirty Nine) Equity Shares of shares of the Bank of INR 10/- each fully Paid-Up for every 1,000 (One Thousand) Equity Shares of BFIL of INR 10/- each fully Paid-Up" ("Share Exchange Ratio").</p> <p>(ii) Pursuant to the Amalgamation, the Bank shall, as an integral part of the Scheme, issue and allot to the promoters of the Bank, on a preferential basis, subject to applicable law, up to 1,57,70,985 (One Crore Fifty Seven Lakhs Seventy Thousand Nine Hundred and Eighty Five) Warrants, each convertible into 1 (one) share of the Bank, such that upon exercise of all the Warrants, and together with the shares already held by them, the promoters shall hold in the aggregate up to 15 % (fifteen per. cent.) of the total expanded issued and paid up equity share capital of the Bank on a fully diluted basis.</p> <p>(iii) Pursuant to the Amalgamation, the Transferred Undertaking shall be transferred from the Bank to IFIL, as a going concern, on a slump sale basis, in exchange for 4,37,03,500 (Four Crore Thirty Seven Lakhs Three Thousand Five Hundred only) equity shares of IFIL to the Bank ("Slump Exchange Shares").</p> <p>(iv) The shares allotted to shareholders of BFIL by the Bank as set out above shall rank <i>pari passu</i> in all respects with the then existing equity shares of the Bank and shall be listed on BSE Limited and National Stock Exchange of India Limited.</p> <p>(v) The authorised share capital of the Bank will be increased to INR 857,00,00,000 (Rupees Eight Hundred and Fifty Seven Crores only) comprising of 85,70,00,000 equity shares of INR 10 (Rupees Ten) each, in accordance with the provisions of the Act, pursuant to the Scheme.</p> <p>(vi) The Amalgamation will result in dilution of holding of the shareholders of the Bank by approximately 12.92% and in turn an increase in the public float of the Bank's shares to that extent. This will in turn increase the trading stock of the shares of the Bank.</p>

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S. NO	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
(vii)	Promoters	Please refer to point 1(ii) above for details regarding the Preferential Allotment to the promoters.
(viii)	Non-Promoter Shareholders	Please refer to point 1 above for details regarding effect on the shareholders.
(ix)	Key Managerial Personnel ("KMPs")	The KMPs of the Applicant Company shall continue as key managerial personnel of the Applicant Company after effectiveness of the Scheme. Please refer to point (i) above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Bank. Other than the above, the KMPs are not affected pursuant to the Scheme.
(x)	Employees	Under the Scheme, no rights of the staff and employees of the Bank are being affected.
(xi)	Creditors	Under the Scheme, no arrangement is sought to be entered into between the Bank and its creditors. The Scheme is expected to be in the best interest of the Bank's creditors.

7. Valuation

Share Exchange Ratio

- (a) For the purpose of arriving at the Share Exchange Ratio, the Valuation Report was obtained by both the Bank and BFIL in terms of the SEBI Scheme Circular, circular no. LIST/COMP/02/2017-18 dated May 29, 2017 issued by BSE Limited and circular no. NSI/CML/2017/12 dated June 1, 2017 issued by the National Stock Exchange of India Limited.
- (b) The Valuers have not expressed any difficulty while carrying out the valuation.
- (c) The Valuers have considered the Earnings Capitalization Value Method ("ECV"), the Comparable Companies Quoted Multiples Method ("CCM"), Discounted Cash Flows Method ("DCF"), Net Asset Value Method ("NAV") and the Market Price Method ("MPM") for determining the relative value of the shares of the Applicant Company and BFIL in order to arrive at the Share Exchange Ratio for the Scheme.

However, considering the nature of the transactions contemplated in the Scheme, the valuers are of the opinion that CCM and NAV Method are of limited relevance and have based their valuation on ECV, MPM and DCF methods, by assigning appropriate weightages as under:

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IndusInd Bank

- Weightage given by S.R. Batliboi:
 - DCF: 50%
 - MPM: 50%
- Weightage given by Deloitte Haskins & Scells
 - ECV: 50%
 - MPM: 50%

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the businesses based on the methodologies explained in the Valuation Report and various qualitative factors relevant to each business.

- (d) The recommendation of the Share Exchange Ratio has been certified as being a fair valuation and has been approved by the audit committee of the Bank, the Board of the Bank, Board of BFIL and the audit committee of BFIL.

Slump Exchange

- (e) The Slump Exchange Shares to be issued in consideration for the Slump Exchange has been taken on record by the Bank after taking into consideration the valuation report dated August 13, 2018, issued by MSKA & Associates, Chartered Accountants, specifying the book value of the Transferred Undertaking as on the appointed date of the Scheme. MSKA & Associates have not expressed any difficulty while carrying out the valuation.

8. Adoption of the Report by the Directors

The directors of the Bank have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorised committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For INDUSIND BANK LIMITED



Romesh Sobti
Managing Director
DIN No. 00031034
Date September 26, 2018
Place, Mumbai





Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000 F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in

Corporate Identity Number: L65999MH2003PLC250504

Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BHARAT FINANCIAL INCLUSION LIMITED AT ITS MEETING HELD ON OCTOBER 14, 2017 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, PROMOTER AND NON-PROMOTER SHAREHOLDERS AND KEY MANAGERIAL PERSONNEL

1. Background

1.1 The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report ("Report") explaining (i) the effect of the arrangement under the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited ("Amalgamating Company" or "Company"), IndusInd Bank Limited ("Amalgamated Company" or "IBL") and a wholly owned subsidiary of the Amalgamated Company to be incorporated ("Transferee Company") and their respective shareholders and creditors ("Scheme") on each class of shareholders, promoter and non-promoter shareholders and key managerial personnel; and (ii) laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said Report is required to be circulated to the equity shareholders and the secured creditors at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT").

1.2 This Report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.3 The following documents were placed before the Board:

- 1.3.1 Draft Scheme as recommended by the Audit Committee of the Company;
- 1.3.2 Valuation report dated October 13, 2017 prepared jointly by S. R. Batliboi & Co. LLP and Deloitte Haskins & Sells ("Joint Valuation Report");
- 1.3.3 Fairness Opinion dated October 13, 2017 issued by Credit Suisse Securities (India) Private Limited, a Category-I Merchant Banker ("Fairness Opinion");
- 1.3.4 Certificate from the statutory auditors of the Company confirming that the Scheme is in compliance with applicable accounting treatment notified under the Act and other generally accepted principles; and
- 1.3.5 Report of the Audit Committee of the Board of Directors dated October 13, 2017.

1.4 The proposed Scheme was approved by the Board of Directors of the Company ("Board") at its meeting held on October 14, 2017 based on the recommendation of the Audit Committee.

2. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders), employees and key managerial personnel of the Company:

2.1 Equity shareholders (promoter and non-promoter shareholders): The Scheme provides for the amalgamation of the Company with the Amalgamated Company by way of merger by absorption and dissolution of the Company without winding up and consequent issuance of IBL Shares (as defined in the Scheme) by the Amalgamated Company to the shareholders of the Company as per the following share exchange ratio ("Share Exchange Ratio"):

639 (Six Hundred and Thirty Nine) IBL Shares, credited as fully paid-up, for every 1,000 (One Thousand) equity share of the face value of INR 10/- (Rupees Ten Only) each fully paid-up held by such member in the Company.





BHARAT
Financial Inclusion Ltd.

(Publicly Listed)

(Formerly known as 'SKS Microfinance Limited')

The Share Exchange Ratio is based on the Joint Valuation Report and the Fairness Opinion. The Joint Valuation Report and Fairness Opinion have been duly considered by the Board of Directors of the Company and have come to the conclusion that Share Exchange Ratio is fair and reasonable.

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

Pursuant to the Scheme, the promoters of the Company, upon issuance of IBL Shares, shall be classified as 'public shareholders of the Amalgamated Company'.

Key Managerial Personnel: There is no effect of the Scheme on the key managerial personnel of the Company. The key managerial personnel of the Company, holding shares in the Company, do not have any other interest in the Scheme otherwise than that as shareholders in general. Save as aforesaid, none of the key managerial personnel of the Company have any material interest in the Scheme except the appointment of Mr. M. R. Rao, the Managing Director & CEO of the Company as the Managing Director of the Transferee Company.


2.2 Employees: Pursuant to Clauses 17 and 51 of the Scheme and upon the Scheme coming into effect, all BFIL Employees (as defined in the Scheme) shall become the employees of the Amalgamated Company/Transferee Company, subject to the provisions thereof without any break in their service and on the basis of continuity of service and, on terms and conditions no less favourable than those on which they are engaged by the Company and without any interruption of service as a result of the Scheme. In the circumstances, the rights of BFIL Employees would in no way be affected by the Scheme.

2.3 No special valuation difficulties were reported.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

By Order of the Board

For **Bharat Financial Inclusion Limited**
(formerly known as 'SKS Microfinance Limited')


M.R. Rao
Managing Director and Chief Executive Officer
DIN: 03276291



Date: October 14, 2017
Place: Mumbai

IndusInd Financial Inclusion Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INDUSIND FINANCIAL INCLUSION LIMITED BY CIRCULATION NO. 1/2018-19 ON WEDNESDAY, SEPTEMBER 26, 2018 IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013.

1. The Board of Directors ("**Board**") of IndusInd Financial Inclusion Limited ("**IFIL**") at its meeting held on August 14, 2018 approved a draft of the proposed composite scheme of arrangement amongst IndusInd Bank Limited ("**IBL**"), Bharat Financial Inclusion Limited (earlier known as 'SKS Microfinance Limited') ("**BFIL**") and IFIL, and their respective shareholders and creditors ("**Scheme**"), which involves *inter alia*, the following:
 - (a) the voluntary amalgamation of BFIL with IBL by way of merger by absorption, and dissolution of BFIL without winding up and the consequent issuance of equity shares of IBL to the shareholders of BFIL in accordance with the Scheme ("**Amalgamation**");
 - (b) the preferential allotment of the share warrants ("**Warrants**") by IBL to the promoters of IBL ("**Preferential Allotment**"); and
 - (c) the transfer of the undertaking in relation to the business correspondent activities of BFIL transferred to IBL pursuant to the Scheme (the "**Transferred Undertaking**"), as a going concern, on a slump sale basis, from IBL to IFIL, in exchange for the equity shares of IFIL to IBL ("**Slump Exchange**");
 - (d) the grant of Special Incentive IBL Options (*as defined in the Scheme*) to specified BFIL Employees (*as defined in the Scheme*) transferred to the Bank or IFIL pursuant to the Scheme; and
 - (e) various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Bank,

pursuant to Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 ("**Act**") in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961. The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.

CIN No: U65999MH2018PC312539

IndusInd Financial Inclusion Limited

Regd. Office: One Indiabulls Centre, Tower 1, Floor 8, 841, Senapati Bapat Marg, Elphinstone, Mumbai - 400013.

Email: companysecretary@indusind.com

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IndusInd Financial Inclusion Limited

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the Share Exchange Ratio (*as specified below*), specifying any special valuation difficulties ("**Report**").
3. The following approvals have been obtained in relation to the Scheme:
 - Approval from the Competition Commission of India - December 19, 2017;
 - No-objection from the RBI for the Scheme - March 13, 2018;
 - No-objection on the draft Scheme from the National Stock Exchange of India Limited - June 1, 2018;
 - No-objection on the draft Scheme from the BSE Limited - June 4, 2018;
 - Approval from the RBI for incorporation of IFIL by IBI - June 8, 2018
4. Having regard to the applicability of the aforesaid provision, the Scheme and the following documents are placed before the Board:
 - (a) Statutory Auditors' Certificate dated August 14, 2018 issued by S.R. Batliboi & Co. LLP, the statutory auditors of IFIL, as required under Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment in the draft Scheme is in accordance with the accounting standards and applicable law;
 - (b) Valuation report dated August 13, 2018 issued by MSKA & Associates, Chartered Accountants appointed by IFIL, specifying the book value of the Transferred Undertaking as on the appointed date (i.e. January 1, 2018) and the number of equity shares to be issued by IFIL to IBI, in consideration for the Stamp Exchange.
5. **Rationale of the Scheme**
 - (a) The Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.

CIN No. U65999MH2018PLC312539

IndusInd Financial Inclusion Limited

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IndusInd Financial Inclusion Limited

- (b) The Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception.
- (c) BFII has a commercially established model in the microfinance segment. The Amalgamation shall provide IBI access to BFII's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India.
- (d) The Amalgamation would offer IBI a deeper reach in the low income segment, and also increase the access of BFII's customer base to IBI's wide array of products and services.
- (e) IBI can, pursuant to the Amalgamation, leverage BFII's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both BFII and IBI.
- (f) The Preferential Allotment to the promoters of IBI is being made to obtain upfront capital commitment and support for the growth and expansion of IBI, following the Amalgamation. The same shall result in bolstering the capital base and balance sheet of IBI, and shall provide growth capital for its future growth.
- (g) The Stump Exchange of the Transferred Undertaking pursuant to the Scheme would provide IBI with access to dedicated business correspondent services through BFII, which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help IBI in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable IBI, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, *inter alia*, prohibit a banking company from carrying on the business correspondent business directly.

CIN No. U65999MH2018PLC312539

IndusInd Financial Inclusion Limited

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IndusInd Financial Inclusion Limited

6. Effect of Scheme on stakeholders

S. No	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
A.	Shareholders	<p>IFIL is a wholly owned subsidiary of IBL and only has equity shareholders and does not have any preference shareholders.</p> <p>Upon the Scheme becoming effective and in consideration of transfer and vesting of the Transferred Undertaking from IBL to IFIL in terms of this Scheme, IFIL shall allot 4,37,03,500 equity shares of face value Rs. 10/- each, credited as fully paid-up, to IBL ("Stump Exchange Shares").</p> <p>IFIL shall remain a wholly owned subsidiary of IBL pursuant to the effectiveness of the Scheme.</p>
B.	Promoters	<p>IFIL is a wholly owned subsidiary of IBL.</p> <p>Pursuant to the Scheme, fresh equity shares stated in (A) above, shall be issued by IFIL to IBL.</p>
C.	Non-Promoter Shareholders	Not Applicable.
D.	Key Managerial Personnel ("KMPs")	The KMPs of IFIL will not be affected by the Scheme.
E.	Employees	Under the Scheme, no rights of the staff and employees of the Bank are being affected.
F.	Creditors	As of the date of this notice, IFIL has no secured creditor and has only one unsecured creditor - IBL. The Scheme will not have any adverse impact on IBL in its capacity as unsecured creditor of IFIL.

CIN No. U65999MH2018PLC312539

IndusInd Financial Inclusion Limited

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IndusInd Financial Inclusion Limited

7. Valuation

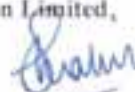
The Slump Exchange Shares to be issued in consideration for the Slump Exchange has been taken on record by IFIL, after taking into consideration the valuation report dated August 13, 2018 issued by MSKA & Associates, Chartered Accountants, specifying the book value of the Transferred Undertaking as on the appointed date. MSKA & Associates have not expressed any difficulty while carrying out the valuation.

8. Adoption of the Report by the Directors

The directors of IFIL have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorised committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For IndusInd Financial Inclusion Limited,




Sanjay Mallik
Director
DIN No. 08194530

Date: September 26, 2018
Place: Mumbai

Pre - Shareholding Pattern of IndusInd Bank Limited for the quarter ended September 30, 2018

Category	Category & Name of the Shareholder	Pre Scheme	
		Total No. of Shares	As a percentage of total capital
A	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu undivided Family		-
(b)	Central Government/State Government(s)	-	-
(c)	Financial Institutions/Banks		
(e)	Any Other (specify)	-	-
	Sub-Total (A)(1)	-	-
2	Foreign		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)		-
(b)	Bodies Corporate	-	-
(c)	Institutions		
(d)	Foreign Portfolio Investor		
(e)	Any Other (specify)		
1	Bodies Corporate		
	(i) Indusind International Holdings Ltd	66,027,767	10.98
	(ii) Indusind Limited	23,800,000	3.96
	Sub-Total (A)(2)	89,827,767	14.94
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	89,827,767	14.94
B	Public Shareholding		
1	Institutions		
(a)	Mutual Funds	50,670,876	8.43
(b)	Venture Capital Funds	-	-
(c)	Alternate Investment Funds	1,336,813	0.22
(d)	Foreign Venture Capital Investors	-	-
(e)	Foreign Portfolio Investors/ Foreign Institutional Investors	280,090,652	46.58
(f)	Financial Institutions/Banks	806,530	0.13
(g)	Insurance Companies	2,000,046	0.33
(h)	Provident Funds/ Pension Funds	-	-
(i)	Any Other		
	i) Foreign Banks	42	0.00
	ii) UTI	800	0.00
	Sub Total (B)(1)	334,905,759	55.70
2	Central Government/ State Government(s)/ President of India	50	0.00
	Sub Total (B)(2)	50	0.00
3	Non-Institutions		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	29,594,046	4.92
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	7,096,389	1.18
(b)	NBFCs registered with RBI	988,914	0.16
(c)	Employee Trusts	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-
(e)	Any Other		
	i) TRUST	5,478,505	0.91
	ii) Hindu Undivided Family	653,114	0.11
	iii) Non Resident Indians (Non Repat)	1,885,361	0.31
	iv) NON RESIDENT INDIANS (Repat)	3,474,897	0.58
	v) Clearing Member	3,318,495	0.55
	vi) Directors & their Relative	604,950	0.10
	vii) Overseas Bodies Corporates	925,000	0.15
	viii) Foreign Nationals	80	0.00
	ix) Bodies Corporate	56,701,333	9.43
	x) Investor Education And Protection Fund	1,160,028	0.19
	Sub-Total (B)(3)	111,881,112	18.61
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	446,786,921	74.30
C	Non Promoter-Non Public		
C1	Shares held by Custodian and against which DRs have been issued	64,681,514	10.76
C2	Shares held by Employees Trusts	-	-
	Total Public Shareholding (C) = (C1)+ (C2)	64,681,514	10.76
	GRAND TOTAL (A)+(B)+(C)	601,296,202	100.00

Post- Shareholding Pattern of IndusInd Bank Limited

Category	Category & Name of the Shareholder	Post Scheme	
		Total No. of Shares	As a percentage of total capital
A	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu undivided Family		-
(b)	Central Government/State Government(s)	-	-
(c)	Financial Institutions/Banks		
(e)	Any Other (specify)	-	-
	Sub-Total (A)(1)	-	-
2	Foreign		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)		-
(b)	Bodies Corporate	-	-
(c)	Institutions		
(d)	Foreign Portfolio Investor		
(e)	Any Other (specify)		
I	Bodies Corporate		
(i)	Indusind International Holdings Ltd.	77,620,206	10.99
(ii)	Indusind Limited	27,978,546	3.96
	Sub-Total (A)(2)	105,598,752	14.95
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	105,598,752	14.95
B	Public Shareholding		
1	Institutions		
(a)	Mutual Funds	75,917,255	10.74
(b)	Venture Capital Funds	-	-
(c)	Alternate Investment Funds	1,649,771	0.23
(d)	Foreign Venture Capital Investors	-	-
(e)	Foreign Portfolio Investors/ Foreign Institutional Investors	328,137,103	46.44
(f)	Financial Institutions/Banks	1,209,076	0.17
(g)	Insurance Companies	3,607,918	0.51
(h)	Provident Funds/ Pension Funds	-	-
(i)	Any Other		
	i) Foreign Banks	42	0.00
	ii) UTI	800	0.00
	Sub Total (B)(1)	410,521,965	58.10
2	Central Government/ State Government(s)/ President of India	50	0.00
	Sub Total (B)(2)	50	0.00
3	Non-Institutions		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	32,904,630	4.66
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	11,416,668	1.62
(b)	NBFCs registered with RBI	992,471	0.14
(c)	Employee Trusts	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-
(e)	Any Other		
	i) TRUST	5,634,802	0.80
	ii) Hindu Undivided Family	771,641	0.11
	iii) Non Resident Indians (Non Repat)	2,800,254	0.40
	iv) NON RESIDENT INDIANS (Repat)	3,788,286	0.54
	v) Clearing Member	3,748,739	0.53
	vi) Directors & their Relative	604,950	0.09
	vii) Overseas Bodies Corporates	2,117,470	0.30
	viii) Foreign Nationals	336	0.00
	ix) Bodies Corporate	58,413,679	8.27
	x) Investor Education And Protection Fund	1,160,028	0.16
	xi) Foreign Company	1,414,627	0.20
	Sub-Total (B)(3)	125,768,581	17.80
B	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	536,290,596	75.90
C	Non Promoter-Non Public		
C1	Shares held by Custodian and against which DRs have been issued	64,681,514	9.16
C2	Shares held by Employees Trusts	10,646	0.00
	Total Public Shareholding (C) = (C1)+ (C2)	64,692,160	9.16
	GRAND TOTAL (A)+(B)+(C)	706,581,508	100.00

Pre - Shareholding Pattern of Bharat Financial Inclusion Limited as on September 30, 2018

Category	Category & Name of the Shareholder	BFIL Pre Scheme	
		Total No. of Shares	As a percentage of total capital
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/Hindu undivided Family		
(b)	Central Government/State Government(s)		
(c)	Financial Institutions/Banks		
(e)	Any Other (specify)		
	Sub-Total (A)(1)		
2	Foreign		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions		
(d)	Foreign Portfolio Investor		
(e)	Any Other (specify)		
1	Bodies Corporate	22,13,813	1.58
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	22,13,813	1.58
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	3,95,09,200	28.20
(b)	Venture Capital Funds	-	-
(c)	Alternate Investment Funds	4,89,762	0.35
(d)	Foreign Venture Capital Investors	-	-
(e)	Foreign Portfolio Investors/ Foreign Institutional Investors	7,51,90,064	53.67
(f)	Financial Institutions/Banks	6,29,962	0.45
(g)	Insurance Companies	25,16,232	1.80
(h)	Provident Funds/ Pension Funds	-	-
(i)	Any Other		
	i) Foreign Banks		
	ii) UTI		
	Sub Total (B)(1)	11,83,35,220	84.47
(2)	Central Government/ State Government(s)/ President of India	-	-
	Sub Total (B)(2)	0.00	-
(3)	Non-Institutions		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	51,80,883	3.70
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	63,83,347	4.56
(b)	NBFCs registered with RBI	5,567	0.00
(c)	Employee Trusts	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-
(e)	Any Other		
	i) TRUST	2,44,597	0.17
	ii) Hindu Undivided Family	1,85,489	0.13
	iii) Non Resident Indians (Non Repat)	14,31,758	1.02
	iv) NON RESIDENT INDIANS (Repat)	4,90,437	0.35
	v) Clearing Member	6,73,308	0.48
	vi) Directors & their Relative	3,77,652	0.27
	vii) Overseas Bodies Corporates	18,66,150	1.33
	viii) Foreign Nationals	400	0.00
	ix) Bodies Corporate	26,79,728	1.91
	x) Foreign Company		
	x) Investor Education And Protection Fund	-	
	Sub-Total (B)(3)	1,95,19,316	13.93
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	13,78,54,536	98.41
C	Non Promoter-Non Public		
C1	Shares held by Custodian and against which DRs have been issued	-	
C2	Shares held by Employees Trusts	16,661	0.01
	GRAND TOTAL (A)+(B)+(C)	14,00,85,010	100.00

IndusInd Bank

Pre-Shareholding of IndusInd Financial Inclusion Limited ('IFIL') as on September 30, 2018

Sr.No.	Name of the Shareholder	No. of shares	Percentage
1	IndusInd Bank Limited	1	14.28
2	Romesh Sobti*	1	14.28
3	Paul Abraham*	1	14.28
4	Sanjeev Anand*	1	14.29
5	Jayaraman Sridharan*	1	14.29
6	Sharadchandra Vithal Zaregaonkar*	1	14.29
7	Sumant Kathpalia*	1	14.29
	Total	7	100.00

* Shares of IFIL are held as Nominees of IBL.

Post - Shareholding of IndusInd Financial Inclusion Limited

Sr.No.	Name of the Shareholder	No. of shares	Percentage
1	IndusInd Bank Limited	4,37,03,501	100.00
2	Romesh Sobti *	1	0.00
3	Paul Abraham *	1	0.00
4	Sanjeev Anand*	1	0.00
5	Jayaraman Sridharan*	1	0.00
6	Sharadchandra Vithal Zaregaonkar*	1	0.00
7	Sumant Kathpalia*	1	0.00
	Total	4,37,03,507	100.00

* Shares of IFIL are held as Nominees of IBL.

CIN: L65191PN1994PLC076333

IndusInd Bank

October 15, 2018

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

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

NSE Symbol: INDUSINDBK

BSE Scrip Code: 532187

Madam / Dear Sir,

Unaudited Financial Results and Limited Review Report – For the Quarter / Half-year ended September 30, 2018

In compliance with Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we notify that the Board of Directors of the Bank, at their meeting held today in Mumbai, have approved inter alia, the Unaudited Financial Results of the Bank for the quarter / half-year ended September 30, 2018.

The Board also took note of the 'Limited Review Report' issued by the Bank's Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants.


We forward herewith the above as enclosures.

The Board Meeting commenced at 11:15 a.m. and concluded at 1:20 p.m.

In compliance with Listing Regulations, the Unaudited Financial Results along with Limited Review Report are being hosted on the Bank's website at www.indusind.com.

Kindly take the same on record and oblige.

Yours faithfully,
For IndusInd Bank Limited


**Haresh K. Gajwani
Company Secretary**

Encl. : a/a



IndusInd Bank Limited, 701-801 Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E),
Mumbai - 400 093, Maharashtra, India Tel: (022) 66412200 Fax: (022) 66412224

Registered Office: 2401 Gen. Thimmayya Road, Pune 411 001, India
Tel: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at www.indusind.com
CIN: L65191PN1994PLC076333

S.R. BATLIBOI & CO. LLP
Chartered Accountants


12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

Limited Review Report

Review report to
The Board of Directors
IndusInd Bank Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of IndusInd Bank Limited (the 'Bank') for the quarter and half year ended September 30, 2018 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in aforesaid Statement have not been reviewed by us. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
4. The comparative financial information of the Bank for the corresponding quarter and half year ended September 30, 2017, quarter ended June 30, 2018 were reviewed by predecessor auditor and the financial statements for the Bank for the year ended March 31, 2018, were audited by the predecessor auditor who expressed an unmodified conclusion on those financial information on October 12, 2017, July 10, 2018 and an unmodified opinion on April 19, 2018, respectively.

S.R. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants


per Viren H. Mehta
Partner
Membership No.: 048749

Date: October 15, 2018
Place: Mumbai

Regd. Office : 2401, Gex, Thimmayya Road, Cantonment, Pune 411 001
CIN: L65191PN1994PLC076333

Unaudited Financial Results for the quarter / half year ended September 30, 2018

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended 30.09.2018 (unaudited)	Quarter ended 30.06.2018 (unaudited)	Quarter ended 30.09.2017 (unaudited)	Half year ended 30.09.2018 (unaudited)	Half year ended 30.09.2017 (unaudited)	Year ended 31.03.2018 (audited)
1.	Interest Earned (a)+(b)+(c)+(d)	543809	506815	420835	1050624	834386	1728075
(a)	Interest / Discount on Advances / Bills	445210	414662	329028	859872	656098	1369991
(b)	Income on Investments	91831	86103	76794	177934	149441	307438
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	2744	1868	11080	4612	20930	32147
(d)	Others	4024	4182	3933	8206	7917	19899
2.	Other Income	131728	130160	118757	261888	235483	475010
3.	Total Income (1+2)	675537	636975	539592	1312512	1069869	2203885
4.	Interest Expended	323481	294572	238736	618053	474881	971330
5.	Operating Expenses (i)+(ii)	152812	151290	137506	304102	272785	551144
(i)	Employees Cost	45818	46204	44504	92022	86721	178069
(ii)	Other Operating Expenses	106994	105086	93002	212080	186064	383075
6.	Total Expenditure (4+5) Excluding Provisions and Contingencies	476293	445862	376242	922155	747666	1537474
7.	Operating Profit before Provisions and Contingencies (3-6)	199244	191113	163350	390357	322203	665611
8.	Provisions (other than tax) and Contingencies	59027	35001	29375	94028	60372	117543
9.	Exceptional items	-	-	-	-	-	-
10.	Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8-9)	140217	156112	133975	296329	261831	548068
11.	Tax Expense	48192	52540	45965	100732	90166	187468
12.	Net Profit (+) / Loss (-) from Ordinary Activities after Tax (10-11)	92025	103572	88010	195597	171665	360599
13.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14.	Net Profit for the period (12-13)	92025	103572	88010	195597	171665	360599
15.	Paid up Equity Share Capital (Face Value: Rs.10/- each)	60130	60044	59887	60130	59887	60022
16.	Reserves excluding revaluation reserves						2287922
17.	Analytical Ratios						
(i)	Percentage of shares held by Government of India	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Capital Adequacy Ratio (%) - Basel III	14.28	14.70	15.63	14.28	15.63	15.03
(iii)	Earnings per share - (Basic and Diluted) (Rs.)						
(a)	Basic EPS before Extraordinary items (not annualized)	15.32	17.25	14.70	32.57	28.68	60.19
	Diluted EPS before Extraordinary items (not annualized)	15.17	17.08	14.54	32.26	28.38	59.57
(b)	Basic EPS after Extraordinary items (not annualized)	15.32	17.25	14.70	32.57	28.68	60.19
	Diluted EPS after Extraordinary items (not annualized)	15.17	17.08	14.54	32.26	28.38	59.57
(iv)	NPA Ratios						
(a)	Gross NPA	178136	174062	134528	178136	134528	170491
	Net NPA	78757	76235	53689	78757	53689	74567
(b)	Gross NPA (%)	1.09	1.15	1.08	1.09	1.08	1.17
	Net NPA (%)	0.48	0.51	0.44	0.48	0.44	0.51
(v)	Return on Assets (%) (annualized)	1.59	1.91	1.90	1.74	1.88	1.90

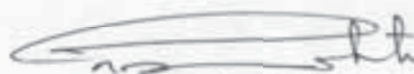


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Notes:

- 1 There has been no material change in the accounting policies adopted during the quarter / half year ended September 30, 2018 as compared to those followed for the year ended March 31, 2018.
- 2 The working results for the quarter / half year ended September 30, 2018 have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposure, non-performing assets (NPAs), depreciation in investments, income-tax and other usual and necessary provisions.
- 3 The above financial results for the quarter / half year ended September 30, 2018 were subjected to a Limited Review by the Statutory Auditors of the Bank. A clean report has been issued by them thereon. These financial results were reviewed by the Audit Committee and subsequently have been taken on record and approved by the Board of Directors at its meeting held on October 15, 2018.
- 4 RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015, as amended, on Basel III Capital Regulations contains guidelines on certain Pillar 3 and leverage ratio disclosure requirements that are to be made along with the publication of financial results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link:
<http://www.indusind.com/content/home/important-links/regulatory-disclosures-section.html>
These disclosures have not been subjected to the Limited Review.
- 5 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 6 Provisions (other than tax) and Contingencies:
Advances granted to various companies belonging to a Group in the infrastructure sector, against certain identified cash flows and pertaining to specific assets, are classified as 'Standard' as at September 30, 2018 in compliance with RBI Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to the Advances Portfolio (ILAC norms) on the basis of the conduct of the accounts till date. Certain governance and management changes have taken place in this Group and measures to turn it around through a Resolution Plan are underway. Bank's management is monitoring the developments and implications of the Resolution Plan. In the interim, as a prudential measure, the Bank has made a contingent provision of Rs.275 crores on these 'Standard' assets which is included under Provisions (other than tax) and Contingencies during the quarter / half year ended September 30, 2018.
- 7 On March 14, 2017, the Bank made an announcement of entering into an agreement with Infrastructure Leasing and Financial Services Ltd. (IL&FS), the Promoter Shareholders of IL&FS Securities Services Ltd. (ISSL), to acquire 100% of ISSL. Further to the Reserve Bank of India (RBI) approval dated April 03, 2018, a definitive Share Purchase Agreement has been signed on June 26, 2018 with IL&FS and other minority shareholders. While all regulatory approvals for the transaction have been obtained, the closing is pending fulfillment of certain conditions by the counterparties. As such, the proposed transaction does not have any bearing on the current financial results or the financial position of the Bank as at September 30, 2018.
- 8 On October 14, 2017, the Board of Directors of the Bank and Bharat Financial Inclusion Limited (BFIL), at their respective meetings, approved a merger of BFIL with the Bank in an all-stock transaction through a Composite Scheme of Arrangement. The Competition Commission of India has approved the proposed Scheme and RBI has conveyed their 'No Objections' for the Scheme and an approval for incorporating a Wholly-Owned-Subsidiary to act as Business Correspondent of the Bank. The Scheme has 'no adverse remarks' from Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited and BSE Limited. In terms of the Scheme, IndusInd Financial Inclusion Limited has been incorporated on August 06, 2018 as a wholly owned subsidiary of the Bank with an initial subscribed capital of Rs. 70. An application is made to National Company Law Tribunal (NCLT) seeking directions to hold meeting of shareholders and creditors. The Scheme is subject to the approval of the respective shareholders and creditors of the Bank and BFIL. As such, the proposed transaction does not have any impact on the current financial results or the financial position of the Bank as at September 30, 2018.
- 9 During the quarter / half year ended September 30, 2018, the Bank allotted 858220 shares and 1072015 shares respectively, pursuant to the exercise of stock options by certain employees.
- 10 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period / year classification.

Mumbai
October 15, 2018



Kamal Subit
Managing Director



Regd. Office : 2401, Gen. Thimmayya Road, Cantonment, Pune 411 001
CIN : L65191PN1994PLC076333


Segment Reporting for the quarter / half year ended September 30, 2018

Business Segments:

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended 30.09.2018 (unaudited)	Quarter ended 30.06.2018 (unaudited)	Quarter ended 30.09.2017 (unaudited)	Half year ended 30.09.2018 (unaudited)	Half year ended 30.09.2017 (unaudited)	Year ended 31.03.2018 (audited)
(a)	Segment Revenue :						
(i)	Treasury Operations	105414	100029	109258	205443	214772	409520
(ii)	Corporate / Wholesale Banking	220689	207150	172432	427839	344743	703638
(iii)	Retail Banking	361252	346480	278872	707732	554896	1177915
(iv)	Other Banking Business	1513	1791	1580	3304	3062	7273
	Total [Items (i) to (iv)]	688868	655450	562142	1344318	1117473	2298348
	Less : Inter-segment Revenue	13331	18475	22550	31806	47604	95263
	Total Income	675537	636975	539592	1312512	1069869	2203085
(b)	Segment Results :						
(i)	Treasury Operations	7405	11397	10646	18802	35620	60579
(ii)	Corporate / Wholesale Banking	71782	64996	52286	136778	103269	212405
(iii)	Retail Banking	125072	119358	97287	244430	192851	411251
(iv)	Other Banking Business	524	617	551	1141	1064	2540
	Total [Items (i) to (iv)]	204783	196368	168770	401151	332804	686775
	Add: Unallocated Revenue	-	-	-	-	-	-
	Less: Unallocated Expenses	5539	5255	5420	10794	10601	21164
	Operating Profit	199244	191113	163350	390357	322203	665611
	Less: Provisions & Contingencies	59027	35001	29375	94028	60372	117543
	Net Profit before tax	140217	156112	133975	296329	261831	548068
	Less: Taxes including Deferred Taxes	48192	52540	45965	100732	90166	187469
	Extraordinary Profit / Loss	-	-	-	-	-	-
	Net Profit	92025	103572	88010	195597	171665	360599
(c)	Other Information :						
	Segment Assets						
(i)	Treasury Operations	6032126	6039447	5108688	6032126	5108688	5696978
(ii)	Corporate / Wholesale Banking	7603006	7069379	5621187	7603006	5621187	6816750
(iii)	Retail Banking	10045939	8870993	7954068	10045939	7954068	8629631
(iv)	Other Banking Business	-	-	-	-	-	-
	Unallocated Assets	1150917	908096	819226	1150917	819226	1019257
	Total Assets	24831988	22887915	19503169	24831988	19503169	22162616
	Segment Liabilities						
(i)	Treasury Operations	4372805	3767156	2415186	4372805	2415186	3871743
(ii)	Corporate / Wholesale Banking	7653483	7144058	6328341	7653483	6328341	6723430
(iii)	Retail Banking	9334357	8909370	7965667	9334357	7965667	8583383
(iv)	Other Banking Business	-	-	-	-	-	-
	Unallocated Liabilities	934892	575205	596820	934892	596820	599896
	Capital & Other Reserves	2536451	2492126	2197155	2536451	2197155	2384164
	Total Liabilities	24831988	22887915	19503169	24831988	19503169	22162616

Mumbai
October 15, 2018


Romesh Sobti
Managing Director



IndusInd Bank

Regd. Office : 2401, Gen. Thimmayya Road, Cantonment, Pune 411 001
CIN : L65191PN1994PLC076333

Summarised Balance Sheet

	As at 30.09.2018 (unaudited)	As at 30.09.2017 (unaudited)	(Rs. in lakhs) As at 31.03.2018 (audited)
CAPITAL AND LIABILITIES			
Capital	60130	59887	60022
Employee Stock Options Outstanding	1119	1581	1457
Reserves and Surplus	2475202	2135687	2322685
Deposits	16821928	14144058	15163917
Borrowings	4282805	2355768	3828908
Other Liabilities and Provisions	1190804	806188	785627
Total	24831988	19503169	22162616
ASSETS			
Cash and Balances with Reserve Bank of India	876534	635746	1006241
Balances with Banks and Money at Call and Short Notice	956721	1195126	225347
Investments	5008846	4214594	5007672
Advances	16314434	12318082	14495366
Fixed Assets	136336	134821	133875
Other Assets	1539117	1004800	1204115
Total	24831988	19503169	22162616



Romesh Sobti
Managing Director

Mumbai
October 15, 2018





Head Office: 3rd Floor, My Home Tycoon, Block A, 6-3-1192, Kundanbagh Begumpet, Hyderabad - 500 016, Telangana, India T: +91 40 4452 6000 F: +91 40 4452 6001; info@bfil.co.in | www.bfil.co.in
Corporate Identity Number: L65999MH2003PLC250504
Registered Office: Unit No. 410, Madhava, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India T: +91 22 2659 2375

October 24, 2018

The General Manager,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

The Vice President - Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra - Kurla Complex,
Mumbai - 400 051.

Dear Sir/Madam,

Sub: Approval of Audited Financial results for quarter / half year ended September 30, 2018

In compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of Bharat Financial Inclusion Limited at its meeting held on October 24, 2018 (commenced at 2.00 p.m. and concluded at 4.30 p.m.) has approved Audited Financial Results and Auditor's Report for the quarter / half year ended September 30, 2018. A copy of each of the Audited Financial Results and Auditor's Report is attached herewith.

We request you to take the same on record.

Thanking you,

Yours faithfully

For Bharat Financial Inclusion Limited

Rajendra Patil

Sr. Executive Vice President - Legal & Company Secretary



Encl: As above

B S R & Associates LLP

Chartered Accountants

Salarpura Knowledge City
Orwell, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2299

Auditor's report on quarterly financial results and year-to-date results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

To

**The Board of Directors of
Bharat Financial Inclusion Limited**

1. We have audited the quarterly financial results of Bharat Financial Inclusion Limited ('the Company') for the quarter ended 30 September 2018 and the year-to-date financial results for the period from 1 April 2018 to 30 September 2018 ('financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Listing Regulations.
2. These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulation.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

1

B S R & Associates LLP

4. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year-to-date results:
- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the quarter ended 30 September 2018 as well as the year-to-date results for the period from 1 April 2018 to 30 September 2018.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024



Sriram Mahalingam
Partner
Membership No: 049642

Place: Hyderabad
Date: 24 October 2018

Ibharat Financial Inclusion Limited
 Regd Office: Unit No. 410, "Mahaiva", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 031.

Statement of Financial Results for the quarter and half year ended September 30, 2018

Sr No.	Particulars	Quarter ended			Half year ended		Year ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2017	March 31, 2018	
		Audited	Audited	Audited	Audited	Audited	Audited	
1	Revenue							
(a)	Revenue from operations	760.10	481.69	611.79	1,371.89	933.17	2,155.68	
(b)	Other income	0.03	0.14	0.07	0.10	0.22	1.08	
	Total revenue	760.13	481.83	611.86	1,371.99	933.39	2,156.76	
2	Expenses							
(a)	Finance Costs	204.66	179.26	199.34	404.00	355.09	727.01	
(b)	Impairment on financial instruments	25.71	(1.34)	18.56	44.26	34.29	68.54	
(c)	Employee Benefits Expenses	159.62	118.92	159.18	318.80	228.05	525.25	
(d)	Depreciations, amortization and impairment	3.79	3.13	2.70	6.49	5.85	13.25	
(e)	Others expenses	58.57	38.86	49.16	107.73	73.81	162.25	
	Total expenses	452.35	338.83	428.94	881.28	697.09	1,496.30	
3	Profit / (loss) before tax (1+2)	307.78	143.00	182.92	490.71	236.30	660.46	
4	Tax expenses							
(a)	Current tax	78.63	31.70	146.92	225.55	44.68	78.92	
(b)	Excess provision of tax relating to earlier years	-	-	-	-	-	(0.70)	
(c)	Deferred tax	(3.77)	8.16	(106.07)	(109.85)	53.28	71.76	
(d)	Minimum Alternate Tax credit entitlement	-	(31.70)	-	-	(44.68)	(78.92)	
	Total tax expense	74.86	8.16	40.85	115.70	53.28	71.06	
5	Profit / (loss) after tax (3+4)	232.92	134.84	142.07	375.01	183.02	589.40	
6	Other Comprehensive Income							
(i)	Items that will not be reclassified to profit or loss	3.10	(6.18)	(0.06)	3.04	7.82	11.36	
(ii)	Income tax on the above	(1.08)	2.14	0.02	(1.06)	(2.71)	(4.09)	
	Other Comprehensive Income (i + ii)	2.02	(4.04)	(0.04)	1.98	5.11	7.27	
7	Total Comprehensive Income (5+6)	234.94	130.80	142.03	376.99	188.13	596.67	
8	Earnings per equity share (Not annualised)							
	Nominal value of share	10.00	10.00	10.00	10.00	10.00	10.00	
	Basic	16.66	9.76	10.19	26.87	13.26	42.56	
	Diluted	16.53	9.68	10.12	26.63	13.14	42.16	



IndusInd Bank

Bharat Financial Inclusion Limited
Balance Sheet as at September 30, 2018

Rs. in crores

	As at 30-Sep-18	As at 31-Mar-18
	Audited	Audited
ASSETS		
Financial Assets		
Cash and cash equivalents	302.37	1,859.72
Bank Balance other than (a) above	358.19	313.66
Receivables	29.11	11.37
Loans	10,805.14	9,259.96
Investments	0.20	0.20
Other Financial assets	198.23	176.16
Non-financial Assets		
Current tax assets (Net)	41.50	40.79
Deferred tax Assets (Net)	210.59	208.86
Property, Plant and Equipment	23.12	16.27
Other Intangible assets	7.14	5.35
Intangible assets under development	0.43	-
Other non-financial assets	24.76	19.29
Total Assets	12,000.78	11,911.63
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Debt Securities	-	199.98
Borrowings (Other than Debt Securities)	7,720.52	8,094.05
Other financial liabilities	569.37	425.12
Non-Financial Liabilities		
Current tax liabilities (Net)	34.00	0.11
Provisions	59.17	37.18
Other non-financial liabilities	15.30	14.32
EQUITY		
Equity Share capital	140.09	139.32
Other Equity	3,462.33	3,001.55
Total Liabilities and Equity	12,000.78	11,911.63



BHARAT FINANCIAL INCLUSION LIMITED

Notes:

- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2018 and the effective date of such transition is 1 April 2017. Such transition has been carried out in line with the relevant exemptions provided under Ind AS 101 from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the previous GAAP').

Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding figures presented in these results have been restated / reclassified.

Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 24, 2018 in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As required by paragraph 32 of Ind AS 101, reconciliation of the financial results to those reported under previous GAAP is summarised as follows:

	INR in Crores	
Reconciliation of the financial results	Half year ended September 30, 2017	Quarter ended September 30, 2017
Profit/ (Loss) after tax as per previous GAAP	82.35	119.40
Expected credit loss on Loans & advances	191.79	51.52
Effective interest rate impact on financial assets and financial liability	0.38	1.49
Net gain on derecognition of loans sold under assignment transaction	(7.45)	(16.58)
Reversal of gain on derecognition of loans sold under securitisation transactions prior to date of transition	(32.63)	(12.40)
Others	1.86	(0.44)
Deferred tax impact on the above	(53.28)	(8.16)
Total Profit after tax as per Ind AS	183.02	134.83
Other Comprehensive Income, (net of taxes)	5.11	(4.04)
Total Comprehensive Income as per Ind AS	188.13	130.79

- The statutory auditors, B S R & Associates LLP have expressed an unmodified audit opinion on these financial results of the Company for the quarter and half year ended September 30, 2018.
- The Board of Directors of the Company at its meeting held on October 14, 2017 had approved the Composite Scheme of Arrangement ("Scheme") between the Company, IndusInd Bank Limited ("Bank") and the proposed wholly owned subsidiary of the Bank (to be incorporated subject to the receipt of approval from the Reserve Bank of India) ("Subsidiary") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013, subject to receipt of applicable regulatory approvals.

In this regard, the amalgamation has been approved by the Competition Commission of India on December 19, 2017 and no objection has been issued by the Reserve Bank of India, the National Stock Exchange of India Limited and the BSE Limited on March 13, 2018, June 1, 2018 and June 4, 2018, respectively.

As on date, the Scheme remains subject to the receipt of approval from the National Company Law Tribunal, the respective shareholders and creditors of the Company and the Bank and other applicable statutory and regulatory approvals.



IndusInd Bank

6. The Company is engaged primarily in the business of Micro- financing and accordingly there are no separate reportable segments as per Ind AS dealing with Operating Segment. The company operates in a single geographical segment i.e domestic.

Place: Hyderabad
Date: October 24, 2018

For Bharat Financial Inclusion Limited
CIN: L65999MH2003PLC250504


M. R. RAO
Managing Director and CEO
DIN- 03276291



Morgan Stanley India
Company Private Limited

Registered Office:
18F, Tower 2
One Indiabulls Centre
841, Senapati Bapat Marg
Mumbai 400 013, India

tel: (91) 22 6118 1000
fax: (91) 22 6118 1011

Morgan Stanley

Date: October 17, 2018

To

The Board of Directors
IndusInd Bank Limited
2401, General Thimayya Road
Cantonment,
Pune – 411 001

Sub: **Proposed scheme of amalgamation and arrangement among IndusInd Financial Inclusion Limited, IndusInd Bank Limited and Bharat Financial Inclusion Limited (the "Composite Scheme of Arrangement")**

Dear Sir/ Madam,

1. As required under the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, (the "SEBI Circular") we have examined the documents and other information provided to us (as listed in the Annexure hereto) in connection with the disclosures to be included in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, and the SEBI Circular CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable (the "Document"), in the explanatory statement to the notice to be sent to shareholders of IndusInd Bank Limited ("IBL") pertaining to a transfer of the BC Business (as defined in the Composite Scheme of Arrangement) from IBL, a listed company, to IndusInd Financial Inclusion Limited ("IFIL"), an unlisted company and a wholly owned subsidiary of IBL, as part of the Composite Scheme of Arrangement.
2. Accordingly, we hereby confirm that the information relating to IFIL to be included in the Document, is accurate and adequate in terms of paragraph 3(a) of Annexure I of the SEBI Circular read with the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and SEBI Circular CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable.
3. The above confirmation is based on the information furnished and explanations provided to us by the management of IBL and IFIL and on the assumption that such information is complete and accurate in all material aspects. We have relied upon financials, information and representations furnished to us by IBL and IFIL and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Document. This certificate is based on the information as at October 17, 2018. This certificate is for a specific purpose issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. This certificate is not, nor should it construed to be, a certification of



Stock Broker - SEBI Registration No: NSR-IND709 231014231, BSE-DNB 011014237
Compliance Officer: Anil Shetty Email: anil.shetty@morganstanley.com Tel: (91) 22 6118 1505

CIN U22990MH11998PTC111309

Morgan Stanley

compliance of the Composite Scheme of Arrangement with the provisions of applicable laws including corporate, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

4. We express no opinion whatsoever and make no recommendation at all as to the decision of IBL and/or IFIL to effect the Composite Scheme of Arrangement or as to how the holders of equity shares or secured or unsecured creditors (as the case may be) of Bharat Financial Inclusion Limited, IBL and IFIL should vote at their respective meetings held in connection with the Composite Scheme of Arrangement. We do not express and should not be deemed to have expressed any views on any other terms of the Composite Scheme of Arrangement or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of IBL will trade following the Composite Scheme of Arrangement or as to the financial performance of IBL or IFIL following the consummation of the Composite Scheme of Arrangement. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether the shareholders/investors should buy, sell or hold any stake in IBL or any of its related parties (holding company/subsidiaries/associates, etc.).

Thanking you,

Sincerely,

For Morgan Stanley India Company Private Limited



Authorized Signatory

Name: ANUL JAIN

Designation: VP

Contact Number: 61183363

Email ID: *anul.jain@morganstanley.com*

Morgan Stanley

Annexure

List of documents/information reviewed

1. Composite Scheme of Arrangement among IFIL, IBL, Bharat Financial Inclusion Limited and their respective shareholders and creditors
2. Certificate of Incorporation of IFIL
3. SPiCe (Form INC-32) for incorporation of IFIL
4. Memorandum of Association of IFIL
5. Report dated August 13, 2018 issued by MSKA & Associates in relation to the valuation of BC Business of Bharat Financial Inclusion Limited and determination of shares to be issued by IFIL
6. Certified copy of the resolution of the board of directors of IFIL passed on August 14, 2018 for appointment of statutory auditors
7. Certified copy of the resolution of the board of directors of IFIL passed on August 14, 2018 for approval of the Composite Scheme of Arrangement
8. Letters dated October 15, 2018 and October 17, 2018 by Bharat Financial Inclusion Limited and IBL respectively in relation to the current/past position of the directors of IFIL;
9. Form DIR-2 in relation to directors of IFIL
10. No-objection certificate issued by Indiabulls Properties Private Limited in relation to the use of the licensed premises as the office of IFIL
11. Bank statement of IFIL for the period of September 10, 2018 until October 12, 2018;
12. Regulatory approvals received in relation to the transaction:
 - (i) Approval from the Competition Commission of India dated December 19, 2017
 - (ii) Approval from the National Stock Exchange of India Limited dated June 1, 2018
 - (iii) Approval from the BSE Limited dated June 4, 2018
 - (iv) No objection from the Reserve Bank of India for the amalgamation dated March 13, 2018
 - (v) Approval from the Reserve Bank of India for the incorporation of IFIL dated June 8, 2018.



APPLICABLE INFORMATION PERTAINING TO THE TRANSFEREE COMPANY IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS

This document contains applicable information pertaining to the unlisted company, IndusInd Financial Inclusion Limited (the "Transferree Company") in relation to the composite scheme of arrangement amongst IndusInd Bank Limited ("Amalgamated Company"), Bharat Financial Inclusion Limited ("Amalgamating Company"), the Transferree Company and their respective shareholders and creditors ("Scheme"), under Sections 230-232 of the Companies Act, 2013 ("Act") read with the applicable provisions and rules there under, and other applicable laws.

This document is being issued pursuant to Circular no. CFD/ DIL/ 3/ CIR/ 2017/ 21 dated March 10, 2017 issued by the Securities and Exchange Board of India ("SEBI") ("SEBI Scheme Circular"). The Scheme is also available on the website of the Amalgamated Company, viz <http://www.indusind.com/content/home/investor/shareholders-corner/corporate-announcements.html> BSE Limited ("BSE") at www.bseindia.com and the National Stock Exchange of India Limited ("NSE") at www.nseindia.com.

Nothing in this document constitutes an offer or an invitation by or on behalf of the Amalgamated Company, Amalgamating Company or the Transferree Company to subscribe for or purchase any securities of the Transferree Company.

Capitalized words not defined herein shall have the meaning ascribed under the Scheme.

**THIS DOCUMENT CONTAINS '10' PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

This document dated October 17, 2018 should be read together with the Scheme and the notice to the shareholders of the Amalgamated Company in connection with the Scheme

PROCEDURE

The procedure with respect to public issue/ offer is not applicable to the Transferree Company as the Transferree Company is unlisted and issuance of equity shares of the Transferree Company would be limited to the Amalgamated Company, in accordance with the Scheme.

INDUSIND FINANCIAL INCLUSION LIMITED

Registered Office: One Indiabulls Centre Tower 1, 8th Floor, 841 Senapati Bapat Marg,
Elphinstone, Mumbai – 400 013

Telephone: 022 66412361 **Fax:** 022 30493998 **Email:** alok.desai@indusind.com

Corporate Identification Number: U65999MH2018PLC312539

Contact Person: Mr. Alok Suryakant Desai

Website: NIL.

PROMOTER OF THE TRANSFEREE COMPANY

IndusInd Bank Limited

DETAILS OF THE SCHEME



The Scheme provides for, *inter alia*, the following:

1. the amalgamation of the Amalgamating Company with the Amalgamated Company by way of merger by absorption, and dissolution of the Amalgamating Company without winding up and the consequent issuance of equity shares of the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with the Scheme ("**Amalgamation**");
2. the preferential allotment of the share warrants ("**Warrants**") by the Amalgamated Company to the promoters of the Amalgamated Company ("**Preferential Allotment**");
3. pursuant to the Amalgamation, the transfer of the BC Business (as defined in the Scheme) of the Amalgamating Company transferred to the Amalgamated Company pursuant to the Scheme ("**Transferred Undertaking**"), as a going concern, on a slump sale basis, from the Amalgamated Company to the Transferee Company, in exchange for issuance of equity shares of the Transferee Company to the Amalgamated Company ("**Slump Exchange**");
4. the grant of Special Incentive IBL Options (as defined in the Scheme) to specified BFIL Employees (as defined in the Scheme) transferred to the Amalgamated Company or the Transferee Company pursuant to the Scheme; and
5. various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Amalgamated Company,

pursuant to Sections 230 - 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961. The Amalgamation shall precede the Preferential Allotment and the Slump Exchange.

The Scheme has received the following approvals:

- The Competition Commission of India has, at its meeting held on December 19, 2017, considered the proposed Scheme and approved the same by way of letter dated December 19, 2017.
- The RBI has, by way of its letter dated March 13, 2018, provided no-objection to the proposed Scheme. Further, *vide* a letter dated June 8, 2018, the RBI provided its approval to the Amalgamated Company for the incorporation of the Transferee Company.
- The NSE has, pursuant to its letter dated June 1, 2018 provided its no-objection to the proposed Scheme.
- The BSE has, pursuant to its letter dated June 4, 2018 provided its no-objection to the proposed Scheme.

The Scheme remains subject to: (i) approval from the shareholders and creditors of the Amalgamated Company, Amalgamating Company and the Transferee Company; and (ii) the National Company Law Tribunal and other applicable approvals.

GENERAL RISKS



Specific attention of the readers is invited to "Details of the Scheme" above and "Internal Risk Factors" on page 7.

NAME OF THE CURRENT STATUTORY AUDITOR

S.R. Batliboi & Co. LLP

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PROMOTERS OF TRANSFEREE COMPANY

The Amalgamated Company is the holding company of the Transferee Company. The Amalgamated Company was incorporated on January 31, 1994, under the provisions of the Companies Act, 1956, and registered with the RBI as a banking company.

The Amalgamated Company provides a wide range of banking and financial products and services to individual consumers and corporate and commercial entities ranging from small businesses to large companies and government entities. The activities of the Amalgamated Company are organized into the following business units: (i) Consumer banking; (ii) Corporate and commercial banking; (iii) Global markets; and (iv) Transaction banking.

The registered office of the Amalgamated Company is located at 2401, General Thimayya Road, Cantonment, Pune – 411001 (with effect from March 27, 1995, prior to which the registered office of the Company was located at 32, Swapna Nagari, Karve Road, Pune – 411001).

The equity shares of the Amalgamated Company are listed on NSE and BSE with security symbol INDUSINDBK and 532187 respectively. The Amalgamated Company has also issued equity shares in connection with the issuance and listing of Global Depositary Receipts ("GDRs"), each representing one equity share of the Amalgamated Company. The GDRs are listed on the Luxembourg Stock Exchange. The issued, subscribed and paid up capital of the Amalgamated Company as on September 30, 2018 is Rs. 601,29,62,020 divided into 60,12,96,202 equity shares of Rs. 10 each.

Promoters of the Amalgamated Company:

Sr. No.	Name of Promoter	No. of shares held	Percentage (%)
1.	IndusInd International Holdings Limited	6,60,27,767	11.00
2.	IndusInd Limited	2,38,00,000	3.96
Total Shareholding		8,98,27,767	14.96



Names of the 5 (five) largest Group Companies (as per Schedule VIII (Part A)(2)(IX)(C)(2) of the SEBI ICDR Regulations, as amended:

1. IndusInd Bank Limited

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY OF THE TRANSFEREE COMPANY

The Transferee Company was incorporated on August 6, 2018 under the provisions of the Companies Act, 2013 *vide* certificate of incorporation dated August 6, 2018 issued by the Registrar of Companies. The Transferee Company is an unlisted company, having its registered office at One Indiabulls Centre Tower 1, 8th Floor, 841 Senapati Bapat Marg, Elphinstone, Mumbai – 400 013.

The Transferee Company is authorized by its Memorandum of Association to, *inter alia*, carry on the business of business correspondent/ business facilitator or authorized agent / sub-agent to customers, for various clients from time to time including banks, financial institutions, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services in connection with the same.

At present, the Transferee Company does not carry on any business activity. Pursuant to the Scheme, and immediately following the amalgamation of the Amalgamating Company with the Amalgamated Company, the Transferred Undertaking shall be transferred to the Transferee Company, and shall be operated out of the Transferee Company. The Transferee Company shall function as a dedicated business correspondent of the Amalgamated Company, thereby ensuring outreach for the Amalgamated Company by leveraging on the existing network of the Amalgamating Company.

BOARD OF DIRECTORS			
Sr. No.	Name of Director	Designation	Experience including current/ past position held in other firms
1.	Romesh Sobti	Director	Mr. Romesh Sobti has been an employee of the Amalgamated Company since 2008, and currently serves as the Managing Director & CEO of the Amalgamated Company. Prior to joining the Amalgamated Company, he was associated with ABN AMRO BANK. He has a total experience of 45 years in the banking sector.
2.	Ramachandra Rao Madapati	Director	Mr. Rao has been an employee of the Amalgamating Company since 2006 and currently serves as the Managing Director and the Chief Executive Officer of the Amalgamating Company.

			<p>Prior to joining the Amalgamating Company, he was associated with ING Vysya Life Insurance, Standard Chartered Bank, American Express and Esanda Finza & Leasing Limited as a senior executive. He has a total experience of 30 years in the financial services sector.</p>
3.	Mr. Suhail Chander	Director	<p>Mr. Suhail Chander has been an employee of the Amalgamated Company since 2008, and currently serves as the Head of Corporate & Commercial Banking Division of the Amalgamated Company.</p> <p>The Amalgamated Company has also appointed Mr. Chander as a nominee director on the Board of Cashpor Micro Credit.</p> <p>Prior to joining the Amalgamated Company, he was associated with ABN AMRO BANK. He has a total experience of 35 years in the banking sector.</p>
4.	Mr. Sanjeev Anand	Director	<p>Mr. Sanjeev Anand has been an employee of the Amalgamated Company since 2008, and currently serves as Country Head- Commercial Banking and Deputy Head - Corporate & Commercial Banking Division of the Amalgamated Company.</p> <p>The Amalgamated Company has also appointed Mr. Anand as a nominee director on the Board of Samhita Community Development Services, a company incorporated under Section 8 of the Companies Act, 2013.</p> <p>Prior to joining the Amalgamated Company, he was associated with ABN AMRO BANK. He has a total experience of 26 years in the banking sector.</p>
5.	Mr. Sanjay Mallik	Director	<p>Mr. Sanjay Mallik has been an</p>



			<p>employee of the Amalgamated Company since 2011, and currently serves as the Head of Investor Relations & Strategy team of the Amalgamated Company.</p> <p>Prior to joining the Amalgamated Company, he was associated with BROTKO FINANCIAL SERVICES. He has over 25 years of experience in the banking sector.</p>
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Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the Transferee Company in the preceding 10 years: Not Applicable

SHAREHOLDING PRIOR TO THE SCHEME OF THE TRANSFEREE COMPANY					
Sr. No.	Particular	Prior to the Scheme		Post the Scheme	
		No. of shares	% holding of share capital	No. of shares	% holding of share capital
1.	Promoter*	7	100.00	4,37,03,507	100.00
2.	Public	-	-	-	-
	Total	7	100.00	4,37,03,507	100.00

*Includes shares held by 6 individuals as nominees of the Promoter

FINANCIAL INFORMATION OF THE TRANSFEREE COMPANY

Standalone financial information in relation to the Transferee Company:

The Transferee Company was incorporated on August 6, 2018, and does not have any business operations as on the date of this document.

Sr. No.	Particular	For the period from August 6, 2018 being the date of incorporation) till the date of this document
1.	Total income from operations (net)	NIL
2.	Net profit / (Loss) before tax and extraordinary losses	NIL
3.	Net profit/ (Loss) after tax and extraordinary losses	NIL
4.	Equity share capital (issued, subscribed and paid up)	Rs. 70
5.	Reserves and surplus	NIL
6.	Net worth	Rs. 70
7.	Basic earnings per share	NIL
8.	Diluted earnings per share	NIL
9.	Return on net worth (%)	NIL
10.	Net asset value per share	Rs. 10

INTERNAL RISK FACTORS

The Transferee Company has been recently incorporated with the objective to carry on the business correspondent business and other related services. At present, the Transferee Company does not carry on any business activity.

Once operational, the Transferee Company shall act as a dedicated business correspondent of the Amalgamated Company. The Transferee Company may be exposed to the following risks:

1. **Change in regulatory environment:** The business correspondent services are undertaken as per the regulations/ circulars issued by the RBI. Any major change in the regulations pertaining to the business correspondent activities could affect the business of the Transferee Company.
2. **Competition:** Increased competition due to the presence of other business correspondents is likely to affect the profitability of the Transferee Company.
3. **Retention of human resources:** Acquisition and retention of human resources is the key to the continued scaling of the Transferee Company's business.
4. **Quality Standards:** Failure to maintain quality standards of its services could have an adverse impact on the business of the Transferee Company, the results of its operations and its financial condition.
5. **Information Technology:** The Transferee Company will be reliant on information technology systems in connection with financial controls, risk management and transaction processing, and accordingly, weaknesses, disruption or failures in information technology systems could have an adverse impact on the business of the Transferee Company.
6. **Risk in relation to the MFI Business:** The business of the Transferee Company relates predominantly to microfinance industry and any risk associated with the microfinance business may have an impact on the Transferee Company's business.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

1. Total number of outstanding litigations against the Transferee Company and amount involved: **NIL**.
2. Brief details of top 5 material outstanding litigations against the Transferee Company and amount involved: **NIL**.
3. Regulatory actions, if any – disciplinary actions taken by SEBI/ stock exchanges against the promoters/ group companies in last 5 financial years including outstanding action, if any: **NIL**.
4. Brief details of outstanding criminal proceedings against the promoters of the Transferee Company:

S. No.	Parties Involved	Brief Particulars
1.	• Gunjan Shah	A complaint was filed against the officials of the



	<p>(complainant)</p> <ul style="list-style-type: none"> Amalgamated Company and its officers 	<p>Amalgamated Company in Hazrat Ganj police station, Lucknow.</p> <p>The Amalgamated Company executed a lease deed with respect to certain premises for 9 years. During the term of the lease, the owner sold a unit of the leased land to the complainant. However, the Amalgamated Company continued to make rental payments to the erstwhile owner. The complainant has alleged that the Amalgamated Company was acting in concert with the erstwhile owner and not making payments to the complainant.</p> <p>The Amalgamated Company had filed a writ petition before the High Court of Uttar Pradesh for quashing the complaint and the High Court has issued a stay on arrest the officers named in the complaint till further orders from the High Court.</p> <p>The Amalgamated Company has also filed an arbitration petition before the civil court to settle the matter. The matter is pending listing for hearing.</p>
2.	<ul style="list-style-type: none"> Sushant Minerals Private Limited (complainant) Amalgamated Company and its officers 	<p>A case was filed by the complainant before the Judicial Magistrate First Class, Barbil, Orissa ("JMFC").</p> <p>The complainant had entered into a foreign exchange forward contract with the Amalgamated Company, subject to certain terms. However, the forward contract was cancelled by the Amalgamated Company on account of breach of the contract and the loss was appropriated from the complainant's account maintained with the Amalgamated Company. The complainant has filed the case against the Amalgamated Company's action.</p> <p>Pursuant to the JMFC's order to register the case against the Amalgamated Company and its officers, the Amalgamated Company filed a petition before the High Court of Orissa, seeking quashing of JMFC order. The matter is pending before the High Court.</p>
3.	<ul style="list-style-type: none"> Anil Kumar Amalgamated Company 	<p>A case was filed before the Judicial Magistrate First Class, Lakshmgadh (Alwar), Rajasthan, against denial of settlement of claim to the legal heirs of the deceased borrower by an insurance company. The insurance policy was issued by the Amalgamated Company on behalf of the insurance company.</p>



		<p>The Amalgamated Company has filed a quash petition before the Rajasthan High Court which is yet to be heard.</p> <p>Meanwhile, a stay order has been obtained and the matter is pending before JMFC, Laxmangarh, Alwar.</p>
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RATIONALE OF THE SCHEME

1. The Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others.
2. The Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception.
3. The Amalgamating Company has a commercially established model in the microfinance segment. The Amalgamation shall provide the Amalgamated Company access to the Amalgamating Company's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India.
4. The Amalgamation would offer the Amalgamated Company a deeper reach in the low income segment, and also increase the access of the Amalgamating Company's customer base to the Amalgamated Company's wide array of products and services.
5. The Amalgamated Company can, pursuant to the Amalgamation, leverage the Amalgamating Company's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both the Amalgamating Company and the Amalgamated Company.
6. The Preferential Allotment shall result in bolstering the capital base and balance sheet of the Amalgamated Company and shall provide growth capital for its future growth.
7. The Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Amalgamated Company with access to dedicated business correspondent services through the Transferee Company which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Amalgamated Company in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Amalgamated Company, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, *inter alia*, prohibit a banking company from carrying on the business correspondent business directly.



**ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER/
TRANSFEREE COMPANY**

NIL

DECLARATION BY THE TRANSFEREE COMPANY

We hereby declare that all applicable provisions of the format of an abridged prospectus as set out in the SEBI Scheme Circular and Part D of Schedule VIII of the SEBI ICDR Regulations have been complied with. We further certify that all statements with respect to us in this document are true and correct.

For IndusInd Financial Inclusion Limited



Name: Alok Suryakant Desai
Designation: Company Secretary
Membership No. ACS 47550
Place: Mumbai
Date: October 17, 2018



BHANDARI & ASSOCIATES

Company Secretaries

901, Kamla Executive Park, Off. Andheri Kurla Road,
J. B. Nagar, Andheri East, Mumbai- 400 059
Tel: +91 22 4221 5300 Fax: +91 22 4221 5303
Email: mumbai@amitashok.com

The Board of Directors
IndusInd Bank Limited
2401 Gen. Thimimayya Road (Cantonment)
Pune, Maharashtra - 411 001

Practicing Company Secretary's Certificate

Pricing for the Preferential Allotment of Share Warrants by IndusInd Bank Limited in terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and SEBI Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017.

1. This certificate is issued in accordance with the terms of our agreement dated March 20, 2018
2. The accompanying statement of pricing (the "Statement") of Share Warrants of IndusInd Bank Limited (the "Company") as at October 14, 2017, in the manner prescribed under Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as the "Regulations"), read with the SEBI Circular dated March 10, 2017, bearing reference No. CFD/DIL3/CIR/2017/21 and SEBI Circular dated March 23, 2017 bearing reference No. CFD/DIL3/CIR/2017/26 (collectively referred to as the "Circulars"), issued by the Securities and Exchange Board of India ("SEBI"), has been prepared and certified by the management of the Company (the "Management") in connection with the issue of 15,770,985 Share Warrants of the Company by way of a Preferential Allotment to its Promoters as an integral part of the Scheme of Arrangement between, *inter alia*, the Company and Bharat Financial Inclusion Limited (formerly known as 'SKS Microfinance Limited'), as approved at the Company's Board Meeting held on October 14, 2017. We have initialed the Statement for identification purposes only.

Management's responsibility:

3. It is the Management's responsibility to properly prepare the accompanying Statement including the creation and maintenance of records supporting its contents. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulations; and provides all relevant information to the SEBI.

Practicing Company Secretary's responsibility:

4. Pursuant to the requirements of the Regulations, read with the Circulars, issued by SEBI, it is our responsibility to certify whether the price set out in the Statement with reference to the trade quotes of the Company as downloaded from the official website of National Stock Exchange Limited ("NSE"), has been arrived at as per the pricing formula stipulated under regulation 76 of Chapter VII of the Regulations; whether the working for arriving at such price is arithmetically correct; and the relevant date, being October 14, 2017, i.e. the date of the Company's Board Meeting at which the Scheme of Arrangement is approved for the purpose of the said price determination is in accordance with SEBI Circular dated March 23, 2017 bearing reference No. CFD/DIL3/CIR/2017/26.
5. We believe that our examination provides a reasonable basis for our conclusion enclosed hereto.

Conclusion:

6. Based on our examination as above, and the information and explanations given to us in respect of the Statement, we, Bhandari & Associates, hereby certify that the price for the Preferential Allotment of Share Warrants to the Company's Promoters, based on the pricing formula prescribed under Regulation 76 of Chapter VII of the Regulations, has been worked out at Rs. 1,709. The relevant date for the purpose of said price was October 14, 2017 is in accordance with SEBI Circular dated March 23, 2017 bearing reference No. CFD/DIL3/CIR/2017/26. The working for arriving at such price has been attached herewith and is arithmetically correct.

B&A



IndusInd Bank Limited
Certificate of Pricing as at October 14, 2017 for Preferential Allotment
Page 2 of 2

Restriction on use:

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as Secretarial auditor of the Company or otherwise.
8. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with its obligations under the Regulations to submit the certificate from the practicing company secretary to BSE and NSE, and to SEBI or the Registrar of Companies, Maharashtra, as may be required, in connection with the Preferential Allotment, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Bhandari & Associates
Company Secretaries



S.N. Bhandari
Partner | C P No. : 366
Mumbai | March 21, 2018



Preferential Price Working

Relevant Date October 14, 2017

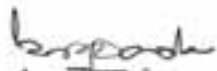
Particulars	Date	Average of weekly High of VWAP (in Rupees)	Average of weekly Low of VWAP (in Rupees)	Average (in Rupees)
Week 26	April 17, 2017 to April 21, 2017	1,439	1,427	1,433
Week 25		1,471	1,436	1,454
Week 24		1,447	1,412	1,430
Week 23		1,428	1,411	1,419
Week 22		1,433	1,394	1,413
Week 21		1,474	1,388	1,431
Week 20		1,507	1,475	1,491
Week 19		1,529	1,510	1,519
Week 18		1,511	1,492	1,502
Week 17		1,515	1,494	1,505
Week 16		1,491	1,472	1,482
Week 15		1,525	1,485	1,505
Week 14		1,577	1,550	1,563
Week 13		1,577	1,564	1,571
Week 12		1,615	1,544	1,580
Week 11		1,659	1,637	1,648
Week 10		1,658	1,614	1,636
Week 9		1,634	1,612	1,623
Week 8		1,673	1,624	1,648
Week 7		1,682	1,648	1,665
Week 6		1,699	1,672	1,686
Week 5		1,767	1,703	1,735
Week 4		1,749	1,703	1,726
Week 3		1,699	1,663	1,681
Week 2		1,700	1,687	1,693
Week 1	October 09, 2017 to October 13, 2017	1,751	1,698	1,724

Average price of Weekly High and Low for 26 weeks 1,568
 Average price of Weekly High and Low for 2 weeks 1,709
Preferential Price (Higher of 26 Week and 2 Week Average) 1,709

Note:

- (a) National Stock Exchange of India Limited is considered as recognized stock exchange due to higher transaction volume compared with BSE Limited.
- (b) Relevant Date has been defined as the date of the meeting in which the Board of the Bank approved the proposed scheme

For and on behalf of IndusInd Bank Limited



S. V. Zaregonkar
 Chief Financial Officer

Mumbai, Mar 21, 2018




Report for Valuation of BC Business
of Bharat Financial Inclusion
Limited & Determination of Shares
to be issued by IndusInd Financial
Inclusion Limited

August, 2018

Prepared by:



MSKA & Associates,
(formerly known as 'MZSK & Associates')
Chartered Accountants,
Floor 3, Enterprise Centre,
Nehru Road, Near Domestic Airport
Vile Parle (E), Mumbai - 400 099.



August 13, 2018

To,

The Board of Directors,
IndusInd Financial Inclusion Limited,
8th Floor, Tower 1, One Indiabulls Centre
841, Senapati Bapat Marg,
Elphinstone Road (W), Mumbai - 400 013

Dear Sir(s)/Madam(s),

Sub: Determination of book value of BC business and number of shares to be issued by IndusInd Financial Inclusion Limited pursuant to Composite Scheme Of Arrangement under sections 230 to 232 of the Companies Act, 2013 among Bharat Financial Inclusion Limited (Amalgamating Company), IndusInd Bank Limited (Amalgamated Company) and IndusInd Financial Inclusion Limited (Transferee Company) and their respective shareholders and creditors ('the Composite Scheme').

This has reference to:

Our Engagement Letter dated August 10, 2018 wherein the management of IndusInd Financial Inclusion Limited ("IFIL" or "the Client" or "Transferee Company") ("Management") has engaged MSKA & Associates, Chartered Accountants ("MSKA" or "we" or "us") to render valuation services to IFIL pursuant to the Composite Scheme.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached report.

Thanking you,

For MSKA & Associates (formerly known as 'MZSK & Associates')
Chartered Accountants
ICAI Firm Registration No-105047W


" " 

Rajesh Thakkar
Partner
M.No. 103085
Place: Mumbai



1. Background & Purpose of Valuation¹

- 1.1 Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) is public company, limited by shares, incorporated under the Companies Act, 1956 with corporate identification number L65999MH2003PLC250504 and having its registered office at Unit No. 410, Madhava, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "BFIL" or the "Amalgamating Company").

BFIL is registered with the Reserve Bank of India ("RBI") as a non-deposit taking non-banking financial company (a micro finance institution). The equity shares of BFIL are listed on the BSE Limited and the National Stock Exchange of India Limited (together the "Stock Exchanges"). BFIL is engaged primarily in the businesses of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income-generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business correspondent (as defined in para 1.4 below) for IndusInd Bank Limited ("IBL" or the "Amalgamated Company") as well as provision of other products and services;

- 1.2 IBL is a public company, limited by shares, incorporated under the Companies Act, 1956 with corporate identification number L65191PN1994PLC076333 and having its registered office at 2401, General Thimmayya Road, East Street, Pune - 4112 001 and is licensed as a banking company under the provisions of the Banking Regulation Act, 1949.

The equity shares of the Amalgamated Company are listed on the Stock Exchanges and its global depository receipts are listed on the Luxembourg Stock Exchange. IBL is primarily engaged in the business of providing banking services in India. IBL is engaged in the business of, inter alia, banking and financial services including retail, commercial, corporate and investment banking and wealth management services catering to both consumer and corporate customers.

- 1.3 IFIL is a company incorporated under the Companies Act, 2013 ("the Act") with corporate identification number U65999MH2018PLC312539 and having its registered office at 8th Floor, Tower 1, One Indiabulls Centre, 841, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.

IFIL is a wholly owned subsidiary of IBL. The main objects of IFIL include, inter alia, to carry on the business of business correspondent/ business facilitator or authorized agent/sub-agent to customers, for various clients from time to time including banks, financial institutions, central government, state governments, quasi-government agencies or any person (whether incorporated or not) in India or elsewhere and to provide various services in connection with the same.

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

- 1.5 BFIL and IBL have entered into an Implementation Agreement dated October 14, 2017 (the "Implementation Agreement") pursuant to which the parties thereto have agreed, inter alia, to the amalgamation of BFIL into IBL in accordance with the applicable regulations and as provided in the Composite Scheme, the issuance and allotment of the Warrants to the IBL Promoters, and the subsequent transfer of the Transferred Undertaking from the Amalgamated Company to, and vesting thereof in the Transferee Company, as a 'going concern' on a slump sale basis, by way of the Composite Scheme.

¹ Terms not defined in this report shall be as per the Composite Scheme which have been reproduced in Annexure I

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- 1.6 As per the Composite Scheme, the Transferred Undertaking shall be transferred from the Amalgamated Company to the Transferee Company at its value appearing in the books as on the Appointed Date ("Transferred Undertaking Value").
- 1.7 Accordingly, upon the Composite Scheme for the Transferred Undertaking becoming effective, in consideration of the transfer and vesting of the Transferred Undertaking to the Transferee Company on the Effective Date, or on such later date as the Amalgamated Company may consent to in writing, the Amalgamated Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Amalgamated Company equity shares at their face value, credited as fully paid up, which shall be equivalent in value to the Transferred Undertaking Value ("Slump Exchange Shares").
- 1.8 Appointed Date has been defined in the Composite Scheme as opening of business on January 01, 2018. Accordingly, we have considered the financial information of Transferred Undertaking as on the close of December 31, 2017.
- 1.9 In this regard, IFIL requires MSKA to determine the Transferred Undertaking Value as per the provisions of the Composite Scheme stated above and also determine the Slump Exchange Shares as on the Appointed Date.

2. Sources of Information

For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management and representatives of the Client:

- 2.1. The Draft of the Composite Scheme as shared with us by the Management;
- 2.2. Independent Auditor's Report dated August 13, 2018 certifying the closing balance of assets and liabilities as of 31 December 2017 of BFIL;
- 2.3. Certificate of Incorporate of IFIL;
- 2.4. Statement of assets and liabilities of BFIL as on December 31, 2017 being transferred to IFIL as part of the Composite Scheme;
- 2.5. Management Representation Letter dated August 13, 2018; and
- 2.6. Other relevant data and information provided to us, whether in oral or physical form or in soft copy, and discussions with the representatives of the Client.

3. Exclusions and Limitations

- 3.1. Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Client for providing select information and only in connection with the purpose mentioned above which includes sharing with statutory or regulatory authorities. This report may be shared with the audit committee/ Board of IBL as well, for their information. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Client or its management or its representatives intends to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our

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- consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 3.3. This report is subject to the laws of India.
 - 3.4. The fee for this engagement is not contingent upon the outcome of the report.
 - 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of BFIL or the BC Business and have considered them at the value as disclosed by BFIL in its regulatory filings or in submissions, oral or written, made to us.
 - 3.6. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
 - 3.7. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Client and BFIL. We have assumed that no information has been withheld that could have influenced the purpose of our report.
 - 3.8. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of BFIL or the BC Business. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
 - 3.9. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
 - 3.10. Our scope is limited to expression of our view on the value of the BC business as per its books being transferred to IFIL as per the Composite Scheme.
 - 3.11. Recommendation of the book value of BC Business is specific to the purpose as mentioned above. It may not be valid for any other purpose. Also, it may not be valid if done on behalf of any other entity.
 - 3.12. The recommendation of the Slump Exchange Shares tendered in this report only represents our recommendation based upon information furnished by the Client and other sources and the said recommendation should be considered to be in the nature of non-binding advice. Our valuation analysis should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into any kind of transaction with or involving the Client or the BC Business.
 - 3.13. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
 - 3.14. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable for

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responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.

- 3.15. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client, as laid out in the engagement letter, for such valuation work.

4. Valuation Conclusion

- 4.1. The book value of assets of the Transferred Undertaking as on December 31, 2017 is INR 2,010,545,745 (Refer Annexure II).
- 4.2. The book value of liabilities of the Transferred Undertaking as on December 31, 2017 is INR 1,573,510,745 (Refer Annexure II).
- 4.3. Accordingly, the net book value of the Transferred Undertaking as on December 31, 2017 is INR 437,035,000.
- 4.4. The number of shares to be issued by IFIL (Transferee Company) at face value of INR 10 per share fully paid up to IBL (Amalgamated Company) on transfer and vesting of the Transferred Undertaking are 43,703,500.

For MSKA & Associates (formerly known as 'MZSK & Associates')
Chartered Accountants
ICAI Firm Registration No. 105047W

Rajesh Thakkar
Partner
M.No. 103085
Place: Mumbai



Annexure I - Terms defined in the Composite Scheme and used in this report

- “Effective Date” means the last of the dates on which the conditions and matters referred to in Clause 72 of the Composite Scheme occur or have been fulfilled or waived;

References in the Composite Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date.

- “Warrants” shall have the meaning ascribed to it in Clause 42 of the Composite Agreement;

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

- “IBL Promoters” shall mean IndusInd International Holdings Limited and IndusInd Limited;
- “Transferred Undertaking” shall mean the undertaking of the Amalgamated Company in relation to the BC Business pursuant to the Amalgamation and includes (without limitation), inter alia:

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

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



MSKA

Associates

Chartered Accountants

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

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

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

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

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



Annexure II - Book Value of Assets and Liabilities

A. Book Value of Assets:

Account name	Amount Rs.
Telephone/Telex/Fax Machine	9,591,087
Computers & Peripherals	378,911,171
Generators	3,834,089
Two Wheelers	42,825
Four Wheelers	3,574,689
Air Conditioner	746,162
Equipments	41,012,429
Photo Copier	189,584
Furniture	80,069,819
Lease Computers & Peripherals	22,581,051
Software	283,797,099
Client acq Cost(Un motz)	39,701,136
CWIP - intangible Assets	1,001,000
Cash in hand	187,388,468
Bank HO	600,000,396
Contribution to Gratuity Fund	148,146,090
Advance to SKS Microfinance Emp Gratuity Fund	287,055
Advance to employees HO	2,228,036
Advance to employees Branch	2,078
Advance for Medical	2,372,313
CGT Advance to Employees	2,871,620
Unsettled Advances	67,928
Prepaid Insurance	148,125,136
Prepaid Expenses	14,513,663
Rent Deposit	35,645,390
Telephone Deposit	335,616
LPG Deposit	868,735
Electricity Deposit	1,343,843
Water Deposit	144,713
Sundry Creditors Item Purchases	848,408
Sundry Creditors Others Purchases	304,116
TOTAL	2,010,545,745

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MSKA

& Associates
Chartered Accountants

B. Book Value of Liabilities:

Account name	Amount Rs.
O/S Salaries Payable HO	3,246,020
O/S Salaries Payable Branch	18,983,963
O/S Incentive Payable HO	199,252,337
O/S Incentive Payable Branch	31,741,959
O/S Leave Encashment Payable HO	2,252,362
O/S Leave Encashment Payable Branch	765,846
O/S Reimbursements Payable	4,587,145
O/s Transfer Allowance Payable	216,224
O/S Office Rent Payable Branch	1,249,620
O/S Admin Expenses Payable Branch	9,599,236
Payable to Employees	15,887,446
O/s Vehicle Fuel to Staff	11,623,387
O/S Mediclaims Payable	4,811,727
Sundry Creditors Service Purchases	142,706,772
O/S Employer PF Payable	13,645,826
O/S Employee PF Payable	14,486,210
O/s ESI - Employer	6,757,672
O/S ESI Employees	2,493,345
O/S P Tax - AP	3,300
O/S P Tax- Maharashtra	271,425
O/S P Tax- Karnataka	287,200
O/S P Tax- Madhya pradesh	15,600
O/s P Tax - Orissa	34,325
O/s P Tax - West Bengal	105,410
O/S P Tax - Gujarat	650
O/S PT - Jharkhand	10,752
O/S PT - Telangana	85,750
TDS on Salaries Payable	11,449,524
TDS on Consultancy Fee Payable	1,540,598
TDS on Office Rent Payable	602,429
TDS on Contractors Payable	240,814
Provision for gratuity	319,888,538
Provision for leave encashment	100,837,615
Provision for Other Assets (Impairment provision)	2,199,949
Accu. Depreciation Telephone/Telex/Fax Machine	4,855,375
Accu. Depreciation Computers & Peripherals	285,633,534
Accu. Depreciation Generators	709,463
Accu. Depreciation Two Wheelers	39,029
Accu. Depreciation Four Wheelers	1,987,983
Accu. Depreciation Air Conditioner	411,844
Accu. Depreciation Equipments	20,801,410
Accu. Depreciation Photo Copier	138,402
Accu. Depreciation Furniture	45,322,838
Accu. Depreciation Lease Computer & Peripherals	22,581,051
Accu. Depreciation Software	229,447,705
Accu. Depreciation Client acq Cost(Un motz)	39,701,135
TOTAL	1,573,510,745

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IndusInd Bank Limited
CIN: L65191PN1994PLC076333

Registered Office: 2401, General Thimmaya Road (East Street), Pune – 411 001, Maharashtra, India.
Secretarial & Investor Services Office: 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (East), Mumbai – 400 093.
Tel: (022) 6641 2487 / 2359 **Email ID:** companysecretary@indusind.com; **Website:** www.indusind.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 921 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a company incorporated under the Companies Act, 1956, having its Registered Office at 2401, General Thimmaya Road, East Street, Pune - 411 001, Maharashtra, India;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited.

IndusInd Bank Limited [CIN: L65191PN1994PLC076333],)
a company incorporated under the Companies Act, 1956,) ...Applicant Company
having its Registered Office at 2401, General Thimmaya)
Road, East Street, Pune - 411 001, Maharashtra, India.)

ATTENDANCE SLIP

Folio No./ DP ID /Client ID	:	
Name and Address of the Member(s)	:	
Name of the joint holder(s)	:	
Number of Shares held	:	

I / We hereby record my / our presence at the Meeting of the Shareholders of IndusInd Bank Limited convened as per Order dated October 31, 2018 by the Mumbai Bench of the National Company Law Tribunal to be held on Tuesday, December 11, 2018 at 2.00 p.m. at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune - 411 007, Maharashtra, India.

Name of the Shareholder(s) / Proxy / Authorised Representative : _____

Signature of the Shareholder(s) / Proxy / Authorised Representative: _____

Note: 1. Members / Proxy holders / Authorised Representatives need to furnish the duly signed 'Attendance Slip' along with valid Identity Proof such as PAN Card, Passport, AADHAAR Card or Driving Licence to enter the Meeting Hall.

2. Only Members, Proxy-holders and Authorised Representatives may attend this meeting.

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IndusInd Bank Limited
CIN: L65191PN1994PLC076333

Registered Office: 2401, General Thimmaya Road, East Street, Pune – 411 001, Maharashtra, India.

Secretarial & Investor Services Office: 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg,
Andheri (East), Mumbai – 400 093, Maharashtra India.

Tel: (022) 6641 2487 / 2359 **Email ID:** companysecretary@indusind.com; **Website:** www.indusind.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. 921 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230 to 232 and other relevant provisions
of the Companies Act, 2013;

And

In the matter of IndusInd Bank Limited [CIN: L65191PN1994PLC076333], a company
incorporated under the Companies Act, 1956, having its Registered Office at 2401,
General Thimmaya Road, East Street, Pune - 411 001, Maharashtra, India;

And

In the matter of the Composite Scheme of Arrangement among Bharat Financial
Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion
Limited.

IndusInd Bank Limited [CIN: L65191PN1994PLC076333],)
a company incorporated under the Companies Act, 1956,)
having its Registered Office at 2401, General Thimmaya)
Road, East Street, Pune - 411 001, Maharashtra, India.)

...Applicant Company

Form No. MGT-11

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies
(Management and Administration) Rules, 2014.

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No. / Client ID	:	
DP ID	:	

I / We, being the member(s) of _____ Equity Shares of IndusInd Bank Limited appoint;

IndusInd Bank

- 1) Name: _____ E-mail ID _____
 Address: _____
 Signature: _____, or failing him/her
- 2) Name: _____ E-mail ID _____
 Address: _____
 Signature: _____, or failing him/her
- 3) Name: _____ E-mail ID _____
 Address: _____
 Signature: _____

as my / our Proxy to attend and vote on a poll for me / us and on my / our behalf at the meeting of the Equity Shareholders of IndusInd Bank Limited convened pursuant to Order of the Mumbai Bench of the National Company Law Tribunal to be held on Tuesday, December 11, 2018 at 2.00 p.m. at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune – 411007, Maharashtra, India and any adjournment thereof in respect of the Resolution as indicated below:

Sr. No.	Particular	Number of Equity shares held	For	Against
1.	Resolution to approve the Composite Scheme of Arrangement among Bharat Financial Inclusion Limited and IndusInd Bank Limited and IndusInd Financial Inclusion Limited and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013			

This is optional. Please put a tick (✓) in the appropriate column against the Resolution indicated in the box.

If a Shareholder leaves the 'For' or 'Against' column blank, then the Proxy will be entitled to vote in the manner he deems fit.

If a Shareholder wishes to abstain from voting, then he / she may write **ABSTAIN** across the boxes.

Signed this ____ day of ____ 2018

Signature of Shareholder(s): _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp of
₹ 1

Notes:

- This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Applicant Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Applicant Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Applicant Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.
- Please affix Revenue Stamp before putting Signature.
- All alterations made in the Form of Proxy should be initialed.
- Proxy need not be a shareholder of the Applicant Company.
- In case of multiple Proxies, the Proxy received later in time shall be accepted.

ROUTE MAP



Prominent Landmark for the venue is Raj Bhavan.

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IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

C.A. (C.A.A.) 921/MB/ 2018

C.A. (C.A.A.) 922/MB/ 2018

C.A. (C.A.A.) 923/MB/ 2018

In the matter of the Companies Act, 2013;

And

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

And

In the matter of Composite Scheme of Arrangement among Bharat Financial Inclusion Limited ("Amalgamating Company"), IndusInd Bank Limited ("Amalgamated Company") and IndusInd Financial Inclusion Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme" or "Composite Scheme of Arrangement").

IndusInd Bank Limited

A company, incorporated under the Companies Act, 1956, having its Registered Office at 2401, General Thimmayya Road, East Street, Pune - 411 001.

CIN: L65191PN1994PLC076333

...First Applicant Company/
Amalgamated Company

Bharat Financial Inclusion Limited

A company incorporated under the Companies Act, 1956 and having its Registered Office at Unit No. 410, Madhava, Bandra Kuria Complex, Bandra (East), Mumbai 400051.

CIN: L65999MH2003PLC250504



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...Second Applicant Company/
Amalgamating Company

IndusInd Financial Inclusion Limited
A company, Incorporated under the
Companies Act, 2013, having its
Registered Office at One Indiabulls
Centre, Tower 1, 8th Floor, 841 Senapati
Bapat Marg, Elphinstone, Mumbai,
Maharashtra - 400013.
CIN: U65999MH2018PLC312539

...Third Applicant Company/
Transferee Company

Order Dated 31.10.2018

Coram:

Hon'ble Shri V. P. Singh, Member (Judicial)

Hon'ble Shri Ravikumar Duraisamy, Member (Technical)

For the Applicant Company: Mr. Gaurav Joshi, Senior Advocate
along with Mr. Tapan Deshpande,
Ms. Priya Patwa, Advocates of M/s.
Cyril Amarchand Mangaldas and
Mr. Himanshu Tembe and Mr.
Rounak Agarwal Advocates of AZB
& Partners.

Per Ravikumar Duraisamy, Member

ORDER

1. The proposed Composite Scheme of Arrangement among Bharat Financial Inclusion Limited (hereinafter referred to as "Amalgamating Company") and IndusInd Bank Limited (hereinafter referred to as "Amalgamated Company") and IndusInd Financial Inclusion Limited (hereinafter referred to as the "Transferee Company"), collectively referred to as "Applicant Companies", (hereinafter referred to as the "Scheme" or the "Scheme of Arrangement"), provides *inter alia* for the following:



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- (i). the amalgamation of the Amalgamating Company by way of merger by absorption with the Amalgamated Company and dissolution of the Amalgamating Company without winding up and the consequent issuance of IndusInd Bank Limited (IBL) Shares (as defined in the Scheme) by the Amalgamated Company to the shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio (as defined in the Scheme) ("Amalgamation");
- (ii). the Preferential Allotment (as defined in the Scheme) by the Amalgamated Company of the Warrants (as defined in the Scheme) to the IBL Promoters (as defined in the Scheme);
- (iii). pursuant to the Amalgamation, the transfer of the Transferred Undertaking (as defined in the Scheme), as a going concern, on a slump sale basis, from the Amalgamated Company to the Transferee Company in exchange for the Slump Exchange Shares (as defined in the Scheme) to be issued by the Transferee Company to the Amalgamated Company ("Slump Exchange");
- (iv). the grant of Special Incentive IBL Options (as defined in the Scheme) to specified Bharat Financial Inclusion Limited (BFIL) Employees (as defined in the Scheme) transferred to the Amalgamated Company or the Transferee Company pursuant to the Scheme; and
- (v). various other matters incidental, consequential or otherwise integrally connected therewith, including the reorganization of the share capital by the Amalgamated Company, pursuant to Sections 230 -



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232 and other relevant provisions of the Companies Act, 2013 ("Act") in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961 ("IT Act").

2. The counsel for the Applicant Companies submits that the Amalgamation shall precede the Preferential Allotment and the Slump Exchange. Further, the background and rationale of the Scheme, as set out in the Scheme are:

"The Amalgamating Company and the Amalgamated Company have entered into an Implementation Agreement dated 14th October, 2017, pursuant to which the parties thereto have agreed, inter alia, to the amalgamation of Amalgamating Company into the Amalgamated Company in accordance with the RBI's Master Direction 'Amalgamation of Private Sector Banks Directions 2016' and the Act, the issuance and allotment of the Warrants (as defined in the Scheme) to the IBL Promoters (as defined in the Scheme), and the subsequent transfer and vesting of the Transferred Undertaking (as defined in the Scheme) from the Amalgamated Company to, the Transferee Company, as a 'going concern' on a slump sale basis, by way of a Scheme under Sections 230 - 232 of the Act."

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

- a. the Amalgamation would create meaningful value to various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, wider product diversification, stronger balance sheet and the ability to drive synergies across



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- revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;
- b. the Amalgamation will result in material realizable synergies for the benefit of both sets of shareholders, a large common shareholder base and stable market perception in relation to the Amalgamation;
- c. the Amalgamating Company has a commercially established model in the microfinance segment. The Amalgamation pursuant to the Scheme shall provide the Amalgamated Company access to the Amalgamating Company's growing customer base and outlets which would help in building a strong liability book which will help in reducing cost of funds and increase cross-sell opportunities of various main-stream banking products to financially underserved customers in rural India;
- d. the Amalgamation would offer the Amalgamated Company a deeper reach in the low income segment, and also increase the access of the Amalgamating Company's customer base to the Amalgamated Company's wide array of products and services;
- e. the Amalgamated Company can, pursuant to the Amalgamation, leverage the Amalgamating Company's loan book in furtherance of its focus on financial inclusion and priority sector lending and for alignment of the mission objectives of both the Amalgamating Company and the Amalgamated Company;
- f. the Preferential Allotment shall result in bolstering the capital base and balance sheet of the Amalgamated Company and shall provide growth



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capital for the future growth of the Amalgamated Company; and

- g. the Slump Exchange of the Transferred Undertaking pursuant to the Scheme would provide the Amalgamated Company with access to dedicated business correspondent services through the Transferee Company which will help deepen the reach and widen the delivery mechanism of banking services by improving last-mile connectivity, and help the Amalgamated Company in fulfilling its commitment towards financial inclusion in a commercially viable manner. At the same time, this would enable the Amalgamated Company, after the Amalgamation, to comply with the RBI's circular on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents dated June 24, 2014 read with the RBI Master Circular on Branch Authorization dated July 1, 2014, which, Inter alia, prohibit a banking company from carrying on the business correspondent business directly.
4. The counsel for the Applicant Companies states that the Amalgamated Company does not have any secured creditors. The Amalgamated Company has 46,89,578 unsecured creditors as on 31st July, 2018, having their unsecured outstanding of ₹195,642.24crore. The Amalgamated Company has 46,88,729 depositors holding aggregate deposits of ₹158,391.48crores as on 31st July, 2018 forming part of the unsecured creditors of the Amalgamated Company. The Amalgamated Company being a banking company has certain regulatory obligations in relation to maintaining confidentiality of customer information. Due to these regulatory restrictions, the Amalgamated Company is unable to provide details



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such as name, addresses and amounts held as deposits with the Amalgamated Company and therefore has not included such details in the annexure being the List of unsecured creditors being Exhibit P to the Company Scheme Application. The Amalgamated Company has submitted that net worth of the Amalgamated Company as on 30.09.2018 is ₹25,005.32crore and the net worth of the Amalgamating Company as on 30.09.2018 is ₹3,598.63 crores. The Amalgamated Company submitted that under the Scheme of Arrangement, there is no compromise proposed with any of the unsecured creditors, nor is any liability of the said unsecured creditors of the Amalgamated Company, proposed to be reduced or extinguished. Further, the Amalgamated Company submitted that the Scheme is not prejudicial to the interests of the unsecured creditors of the Amalgamated Company, in any manner. The Amalgamated Company has also submitted that the Amalgamated Company will have a positive net-worth, upon effectiveness of the Scheme, which entails that the Amalgamated Company has sufficient assets to meet the liabilities post the Scheme.

5. The counsel for the Applicant Companies states that the Amalgamating Company is engaged primarily in the business of providing small value loans and certain other basic financial services to women in rural areas in India, for use in small businesses or for other income generating activities and certain non-financial, non-lending activities which comprise origination, servicing and collection of loans as a business correspondent of the Amalgamated Company as well as provision of other products and services.
6. The counsel for the Applicant Companies states that the Transferee Company:



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- a. is a wholly owned subsidiary of the Amalgamated Company;
 - b. is an unlisted company;
 - c. is having a paid-up share capital of 7 shares of ₹10 each amounting to ₹70/-;
 - d. does not have secured creditors; and
 - e. has only one unsecured creditor being the Amalgamated Company and the said sole unsecured creditor has provided its no objection and approval to the Scheme by way of an Affidavit of consent.
7. A meeting of the equity shareholders of the Amalgamated Company be convened and held at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune 411007, Maharashtra, India at 2:00 p.m. (1400 hours) on Tuesday, 11.12.2018, or any adjourned date(s) thereof, for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement.
8. In view of Regulation 44 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Amalgamated Company is required to provide the facility of remote e-voting to its shareholders in respect of all shareholder resolutions. Additionally, the Amalgamated Company proposes to offer the facility of voting by postal ballot to its shareholders in respect of the resolution, to be passed at the said meeting of equity shareholders. Accordingly, the equity shareholders of the Amalgamated Company are allowed to avail remote e-voting facility and/or voting by postal ballot and/or voting by ballot/e-voting at the venue, for the said meeting to be held on Tuesday, 11.12.2018. The e-voting facility and



postal ballot facility for the shareholders of the Amalgamated Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 as substituted by the Company (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as applicable.

9. That at least 30 clear days before the said meeting of the equity shareholders of the Amalgamated Company to be held as aforesaid, a notice convening the said meeting and also the instructions with regard to e-voting and voting by postal ballot together with a copy of the Scheme, a copy of the statement disclosing all material facts as required under Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the prescribed Form of Proxy shall be sent by Registered Post and/or Courier and/or Speed Post and/or Air Mail and/or hand delivery and/or through e-mail (to those shareholders whose email addresses are duly registered with the Amalgamated Company or its Registrar and Transfer Agent or the Depositories), addressed to each of the equity shareholders of the Amalgamated Company, at their last known address or email addresses as per the records available with the Amalgamated Company and/or depositories.
10. At least thirty days before the meeting of the equity shareholders of the Amalgamated Company, to be held as



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aforesaid, a notice convening the said meeting, indicating the place, date and time of the meeting and also instructions with regard to e-voting and voting by postal ballot as aforesaid be published in Pan-India edition of any one or a combination of the newspapers viz. The Times of India, The Indian Express and/or The Hindu in the English language and a Marathi translation thereof in Loksatta (Maharashtra edition), stating that copies of the Scheme and the statements required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Form of Proxy/ies shall be obtained free of charge at the registered office of the Amalgamated Company as aforesaid and/ or at the offices of its Advocates, Cyril Amarchand Mangaldas, Advocates & Solicitors, 5th Floor, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel 400 013.

11. The Amalgamated Company, vide its affidavit dt. 26.10.2018 undertakes to:
 - i. Issue Notice convening the meeting of the equity shareholders as per Form No. CAA 2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the equity shareholders of the Amalgamated Company;
 - ii. Issue Statements containing all the particulars as per Section 230 of the Companies Act, 2013;
 - iii. Issue Form of Proxy/ies as per Form Np. MGT- 11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
 - iv. Advertise the Notice convening the meeting as per Form No. CAA 2 (Rule 7) the Companies



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(Compromises, Arrangements and Amalgamation)
Rules, 2016.

The above undertaking given by the Amalgamated Company is accepted.

12. That Mr. Sanjay Asher, Practising Advocate and Solicitor, Senior Partner of M/s Crawford Bayley & Co., and in his absence, Mr. Vishal Phal, Practising Advocate shall be the Chairperson of the said meeting of the equity shareholders of the Amalgamated Company, to be held at Yashwantrao Chavan Academy of Development Administration (YASHADA), Rajbhavan Complex, Baner Road, Pune 411 007, Maharashtra, India, at 2:00 p.m. (1400 hours) on Tuesday, 11.12.2018, or on any adjourned date(s) thereof. The fee of the person appointed as chairperson for the said meeting shall be ₹1,25,000/- excluding applicable taxes.
13. That the Scrutinizer for the purpose of conducting the voting process by remote e-voting, voting conducted through postal ballot and voting at the venue of the meeting of the equity shareholders of the Amalgamated Company shall be Mr. Bhaskar Soman, Practising Company Secretary (Membership No. FCS 2481; CP: 3072), and in his absence Ms. Malati Kumar, Practising Company Secretary (Membership No. ACS15508 CP: 10980) and his/her remuneration is fixed as ₹50,000/- excluding applicable taxes.
14. The Chairperson appointed by the Tribunal for the said meeting of the equity shareholders of the Amalgamated Company, to issue notice of the meeting to the equity shareholders and publication of date of notice of the meeting in the newspapers. The said Chairperson shall have all the powers as per the Articles of Association, also under the Companies Act, 2013 and the Companies



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(Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, including for deciding procedural questions that may arise thereat or at any adjourned dates thereof or any other matter including an amendment to the Scheme or the resolution, if any proposed at the meeting by any person(s).

15. That the quorum of the aforesaid meeting of the equity shareholders of the Amalgamated Company shall be as prescribed under Section 103 of the Companies Act, 2013.
16. That the voting by proxy or by authorized representative in the case of a body corporate be permitted, provided that a proxy in the prescribed form/ authorisation, duly signed by the person entitled to attend and vote at the meeting, is filed with the Amalgamated Company at its registered office at 2401, General Thimmayya Road, East Street, Pune - 411 001, not later than 48 (forty-eight) hours before the aforesaid meeting.
17. The number and value of the equity shares of the equity shareholders of the Amalgamated Company shall be in accordance with the records or registers of the Amalgamated Company and where the entries in the records or registers are disputed, the Chairperson of the meeting shall determine the number or value, as the case may be for the purposes of the meeting and his decision in that behalf would be final.
18. A meeting of the Equity Shareholders of the Amalgamating Company be convened and held at First Floor, Boundary Hall, Mumbai Cricket Association, Recreation Centre (MCA), Bandra Kurla Complex, G Block, Bandra (East), Mumbai 400051 Maharashtra at 11:00 a.m. (11:00 hrs) on Tuesday, 11.12.2018, or any adjourned date(s) thereof, for the purpose of considering and, if thought fit,



approving, with or without modification(s), the proposed Composite Scheme of Arrangement.

19. A meeting of the Secured Creditors of the Amalgamating Company, be convened and held at Salon Valliere Dubarry, Sofitel Mumbai BKC, C-57, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Maharashtra at 02.30 p.m. (1430 hrs) on Tuesday, 11.12.2018, or any adjourned date(s) thereof, for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement.
20. At least 30 (thirty) clear days before the aforesaid meetings of the Equity Shareholders and Secured Creditors of the Amalgamating Company be held as aforesaid, a notice convening the said meetings, indicating the place, day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230 of the Companies Act, 2013 and the prescribed form of proxy, shall be sent by registered post or by air mail or by courier or by speed post or by hand delivery to each of the Equity Shareholders and Secured Creditors of the Amalgamating Company at their registered or last known addresses or by e-mail to the registered e-mail address of the Equity Shareholders and Secured Creditors, as per the records of the Amalgamating Company.
21. In view of Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Amalgamating Company is required to provide the facility of remote e-voting to its shareholders in respect of all shareholder resolutions. Additionally, the Amalgamating Company proposes to offer the facility of voting by postal ballot to its Equity Shareholders in respect of the resolution, to be passed at the said meeting of the Equity

Shareholders. Accordingly, the Equity Shareholders of the Amalgamating Company are allowed to avail remote e-voting facility and/or voting by postal ballot and/or voting by ballot/e-voting at the venue, for the said meeting to be held on Tuesday, 11.12.2018. The e-voting facility and postal ballot facility for the Equity Shareholders of the Amalgamating Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 as substituted by the Company (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) Issued by the Institute of Company Secretaries of India and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as applicable.

22. At least 30 (thirty) days before the aforesaid meetings of the Equity Shareholders and Secured Creditors of the Amalgamating Company to be held as aforesaid, an advertisement of notice convening the said meetings, indicating the place, date and time aforesaid and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and that the form of proxy can be obtained free of charge at the registered office of the Amalgamating Company as aforesaid, shall be published in Pan-India edition of any one or a combination of the newspapers viz. The Times of India, The Indian Express and/or The Hindu in the English language and a Marathi translation thereof in Loksatta (Maharashtra edition).
23. The Amalgamating Company, vide its affidavit dt. 26.10.2018 undertakes to:



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- (i) Issue notice convening meeting of the Equity Shareholders and Secured Creditors as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
- (ii) Issue statement containing all the particulars as per Section 230 of the Companies Act, 2013;
- (iii) Issue form of proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
- (iv) advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The above undertaking given by the Amalgamating Company is accepted.

24. That Mr. Jyotin Mehta, an Independent Professional, FCS, FCA and FCMA, and in his absence, Mr. Abeezar E. Faizullabhoy, Advocate, Senior Partner, Hemant Sahai Associates shall be the Chairperson for the aforesaid meeting of the Equity Shareholders of the Amalgamating Company. The fee of the professional appointed as chairperson for the said meeting shall be ₹1,25,000/- excluding applicable taxes.
25. That, Mr. Abeezar E. Faizullabhoy, Advocate, Senior Partner, Hemant Sahai Associates and In his absence, Mr. Jyotin Mehta, an Independent Professional, FCS, FCA and FCMA shall be the Chairperson for the aforesaid meeting of Secured Creditors of the Amalgamating Company. The fee of the professional appointed as chairperson for the said meeting shall be ₹1,00,000/- excluding applicable taxes.
26. That the Scrutinizer for the purpose of conducting the voting process of the voting at the venue of the meeting of Equity Shareholders and Secured Creditors of the



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Amalgamating Company shall be Mr. K. V. S. Subramanyam (Membership No. F5400), failing him, Mr. A. Ravi Shankar (Membership No. F5335) of M/s. Ravi & Subramanyam, Practicing Company Secretaries and his remuneration is fixed as ₹75,000/-, excluding applicable taxes.

27. The Chairperson appointed for the said meetings of the Equity Shareholders and Secured Creditors of the Amalgamating Company, to issue notice of the said meeting(s) to the Equity Shareholders and Secured Creditors of the Amalgamating Company and publication of date of notice of the meeting in the newspaper. The Chairperson appointed for the said meetings of the Equity Shareholders and Secured Creditors of the Amalgamating Company shall have all powers as per the Articles of Association of the Amalgamating Company, also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting(s) by any person(s).
28. The quorum for the aforesaid meeting of the Equity Shareholders of the Amalgamating Company shall be as prescribed under Section 103 of the Companies Act, 2013.
29. That provisions of Section 103 of the Companies Act, 2013 shall mutatis mutandis apply to the meeting of Secured Creditors of the Amalgamating Company.
30. The value and number of the equity shares of the equity shareholder of Amalgamating Company shall be in



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accordance with the records or registers of the Amalgamating Company or depository records and where the entries in the records or registers are disputed, the Chairperson of the Meeting shall determine the value or number, as the case maybe for the purposes of the meeting of Equity Shareholders of the Amalgamating Company and his decision in that behalf would be final. The value and number of each of the Secured Creditors shall be in accordance with the books of account of the Amalgamating Company as on August 31, 2018 and where the entries in the books of accounts of the Amalgamating Company are disputed, the Chairperson of the Meeting shall determine the value or number, as the case maybe for the purposes of the meeting of the Secured Creditors of the Amalgamating Company and his decision in that behalf would be final.

31. A meeting of the equity shareholders of the Transferee Company be convened and held at the Board Room, One Indiabulls Centre, Tower 1, Floor 8, 841, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India, at 4:00 p.m. (1600 hours) on Friday, 07.12.2018, or any adjourned date(s) thereof, for the purpose of considering and, if thought fit, approving the Scheme.
32. That at least 30 clear days before the said meeting of the equity shareholders of the Transferee Company to be held as aforesaid, a notice convening the said meeting together with a copy of the Scheme, a copy of the statement disclosing all material facts as required under Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the prescribed Form of Proxy shall be sent by Registered Post and/or Courier and/or Speed Post and/or Air Mail and/or hand delivery



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and/or through e-mail (to those shareholders whose email addresses are duly registered with the Transferee Company), addressed to each of the equity shareholders of the Transferee Company, at their last known address or email addresses as per the records available with the Transferee Company.

33. That at least 30 days before the meeting of the equity shareholders of the Transferee Company, to be held as aforesaid, a notice convening the said meeting, indicating the place, date and time of the meeting as aforesaid be published in the Indian Express (Mumbai edition) in the English language and a Marathi translation thereof in Loksatta (Mumbai edition), stating that copies of the Scheme and the statements required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Form of Proxy/ies shall be obtained free of charge at the registered office of the Transferee Company as aforesaid and/ or at the offices of its Advocates, Cyril Amarchand Mangaldas, Advocates & Solicitors, 5th Floor, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel 400 013.
34. The Transferee Company, vide its affidavit dt. 26.10.2018 undertakes to:
- i. Issue Notice convening the meeting of the equity shareholders as per Form No. CAA 2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the equity shareholders of the Transferee Company;
 - ii. Issue Statements containing all the particulars as per Section 230 of the Companies Act, 2013;



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- iii. Issue Form of Proxy/ies as per Form No. MGT- 11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
- iv. Advertise the Notice convening the meeting as per Form No. CAA 2 (Rule 7) the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

The above undertaking given by the Transferee Company is accepted.

35. That Mr. Sanjay Asher, Practising Advocate and Solicitor, Senior Partner of M/s Crawford Bayley & Co., and in his absence, Mr. Vishal Phal, Practising Advocate shall be the Chairperson of the aforesaid meeting of the equity shareholders of the Transferee Company. The fee of the professional appointed as chairperson for the said meeting shall be ₹50,000/- excluding applicable taxes.
36. That the Scrutinizer for the purpose of conducting the voting process of the voting at the venue of the meeting of the equity shareholders of the Transferee Company shall be Mr. Bhaskar Soman, Practising Company Secretary (Membership No. FCS 2481; CP: 3072), and in his absence Ms. Malati Kumar, Practising Company Secretary (Membership No. ACS15508 CP: 10980) and his remuneration is fixed as ₹25,000/- excluding applicable taxes.
37. The Chairperson appointed by the Tribunal for the said meeting of the equity shareholders of the Transferee Company, to issue notice of the meeting to the equity shareholders and publication of date of notice of the meeting in the newspapers. The said Chairperson shall have all the powers as per the Articles of Association, also under the Companies Act, 2013 and the Companies



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(Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, including for deciding procedural questions that may arise thereat or at any adjourned dates thereof or any other matter including an amendment to the Scheme or the resolution, if any proposed at the meeting by any person(s).

38. That the quorum of the aforesaid meeting of the equity shareholders of the Transferee Company shall be as prescribed under Section 103 of the Companies Act, 2013.
39. That the voting by proxy or by authorized representative in the case of a body corporate be permitted, provided that a proxy in the prescribed form/ authorisation, duly signed by the person entitled to attend and vote at the meeting of equity shareholders of the Transferee Company, is filed with the Transferee Company at its registered office at One Indiabulls Centre, Tower 1, 8th Floor, 841 Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra - 400013, not later than 48 (forty-eight) hours before the aforesaid meeting.
40. The number and value of the equity shares of the equity shareholders of the Transferee Company shall be in accordance with the records or registers of the Transferee Company and where the entries in the records or registers are disputed, the Chairperson of the meeting shall determine the number or value, as the case may be for the purposes of the meeting of equity shareholders of the Transferee Company and his decision in that behalf would be final.
41. That the respective Chairperson of the aforesaid meetings to file an affidavit not less than 7 (Seven) days before the date fixed for the holding of the meetings and do report to this Tribunal that the direction regarding the issue of



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notice and the advertisement have been duly complied with.

42. Since the list of equity shareholders and unsecured creditors of the Amalgamated Company, to whom the notice of the meeting will be issued, is voluminous, the Amalgamated Company is allowed to submit the said lists with the Registry in a form of a Compact Disc.
43. Since the list of Equity Shareholders of the Amalgamating Company, to whom the notice of the aforesaid meeting of the Equity Shareholders will be issued, is voluminous, the Amalgamating Company is allowed to submit the said list with the Registry in a form of a Compact Disc.
44. That the respective Chairperson of the aforesaid meetings to report to this Tribunal, the result of the aforesaid meetings within seven (7) days of the conclusion of the meeting and the said report shall be verified by his/her Affidavit as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
45. The convening and holding the meeting of the secured creditors of the Amalgamated Company for the purpose of considering and if thought fit, approving the Scheme is not required, in view of the averment made in the Company Scheme Application, that there are no secured creditors of the Amalgamated Company.
46. The convening and holding the meeting of the secured creditors of the Transferee Company for the purpose of considering and if thought fit, approving the Scheme is not required, in view of the averment made in the Company Scheme Application, that there are no secured creditors of the Transferee Company.
47. The convening and holding the meeting of the unsecured creditors of the Amalgamated Company for the purpose of



considering and if thought fit, approving the Scheme is not required in view of the averments made in the Company Scheme Application. The Amalgamated Company is directed to issue notice to its unsecured creditors whose outstanding debts is above ₹5,00,000/-, constituting 95% in value of total unsecured creditors of the Amalgamated Company, on 31st July, 2018 under Section 230 (3) of the Companies Act, 2013 intimating the meeting of the equity shareholders, with a direction that they may submit their representations to this Tribunal, if any. The said notice shall be sent by Registered Post and/or Courier and/or Speed Post and/or Air Mail and/or hand delivery and/or through e-mail (to those unsecured creditors whose email addresses are available on the records of Amalgamated Company), addressed to each of the unsecured shareholders of the Amalgamated Company, at their last known address or email addresses as per the records available with the Amalgamated Company. The Amalgamated Company submitted that it will also be publishing the notices of the meeting of the equity shareholders in the newspapers as required under the Reserve Bank of India (Amalgamation of Private Sector Bank), Directions, 2016.

48. The convening and holding the meeting of the unsecured creditors of the Amalgamating Company does not arise as it does not have any Unsecured Creditors.
49. The convening and holding the meeting of the unsecured creditors of the Transferee Company for the purpose of considering and if thought fit, approving the Scheme is not required in view of the Affidavit of Consent provided by the sole unsecured creditor of the Transferee Company and the averments made in the Company Scheme-Application. The Transferee Company is directed to issue notice to its



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sole unsecured creditor under Section 230(3) of the Companies Act, 2013 intimating the meeting of the equity shareholders, with a direction that it may submit its representations to this Tribunal, if any.

50. The Amalgamated Company shall pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve notices along with a copy of the Scheme upon: (i) Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, (ii) the Registrar of Companies, Mumbai, (iii) Income Tax Authority within whose jurisdiction the assessments of the Amalgamating Company is made, (iv) Reserve Bank of India, (v) Securities and Exchange Board of India, (vi) BSE Limited, (vii) National Stock Exchange of India Limited, and any other applicable regulatory authority with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and a copy of such representations shall simultaneously be served upon the Amalgamated Company, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
51. The Amalgamating Company shall pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve notices along with a copy of the Scheme upon: (i) Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, (ii) the Registrar of Companies, Mumbai, (iii) Income Tax Authority within whose jurisdiction the assessments of the Amalgamating



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Company is made, (iv) Reserve Bank of India, (v) Official Liquidator, Mumbai, (vi) Securities and Exchange Board of India, (vii) BSE Limited, (viii) National Stock Exchange of India Limited, and any other applicable regulatory authority with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and a copy of such representations shall simultaneously be served upon the Amalgamating Company, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

52. The Transferee Company shall pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve notices along with a copy of the Scheme upon: (i) Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, (ii) the Registrar of Companies, Mumbai, (iii) Income Tax Authority within whose jurisdiction the assessments of the Amalgamating Company is made, (iv) Reserve Bank of India and any other applicable regulatory authority with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and a copy of such representations shall simultaneously be served upon the Transferee Company, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
53. The Tribunal is appointing Chartered Accountants, M/s. S. U. Buch & Co., with a remuneration of ₹2,00,000/- (Rupees Two Lakhs only) for their service to assist the Official Liquidator to file his representation.



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54. The Amalgamated Company and the Amalgamating Company are directed to display the Scheme on Its own website as well as the web site of the Stock Exchanges on which it is listed.
55. In view of the averments made in the Company Scheme Application, giving notice of the meeting of the equity shareholders Issued under Section 230 (3) of the Companies Act, 2013, to The Competition Commission of India, in terms of Section 230 (5) of the Companies Act, 2013, is not required.
56. The Applicant Companies undertake to file Affidavit proving service of notices of the meeting and publication of notice in newspapers, as directed above, in not less than 7 (Seven) days before the date fixed for the holding of the meeting.

SD/-

RAVIKUMAR DURAISAMY
Member (Technical)

31st October, 2018



SD/-

V. P. SINGH
Member (Judicial)

Certified True Copy
Copy Issued "free of cost"
On 31/10/18

Assistant Registrar
National Company Law Tribunal Mumbai Bench

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