


CERTIFIED COPY


12/02/2021

(पवन अग्रवाल) / Pawan Agrawal
कंपनी सचिव / Company Secretary
आईडीबीआई बैंक लिमिटेड / IDBI Bank Limited
मुंबई / Mumbai

DRAFT SCHEME OF REDUCTION OF SHARE CAPITAL

BETWEEN

IDBI BANK LIMITED

AND

ITS SHAREHOLDERS

UNDER SECTIONS 66, 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016



TABLE OF CONTENTS

INTRODUCTION.....	3
1. Preamble.....	3
2. Parts of the Scheme.....	3
SCHEME.....	4
Part A – Definitions and Interpretations.....	4
Part B – Details of the Bank.....	6
3. Incorporation of the Bank.....	6
4. Main Objects of the Bank.....	7
5. Capital Structure of the Bank.....	7
6. Financial Position of the Bank.....	9
7. Accumulated Losses and Securities Premium of the Bank.....	9
Part C – Reduction of Share Capital.....	11
8. Rationale and Purpose of the Scheme.....	11
9. Benefits / Objects of the Scheme.....	12
10. Accounting Treatment.....	12
11. Form of Minute.....	12
12. Effect of the Scheme on Shareholders.....	13
13. Effect of the Scheme on Employees / Workers.....	13
14. Effect of the Scheme on Creditors / Banks / Financial Institutions.....	13
15. Legal Proceedings.....	14
16. Conduct of Business by the Bank.....	14
17. Miscellaneous.....	14
Part D – General Terms and Conditions applicable to this Scheme.....	15
18. Date of Taking Effect and Operative Date.....	15
19. Application to NCLT.....	15
20. Modifications / Amendments to the Scheme.....	15
21. Conditionality of the Scheme.....	15
22. Effect of Non-Receipt of Approvals.....	16
23. Cost, Charges and Expenses.....	16
24. Listing Benefits.....	16
25. Severability.....	16



INTRODUCTION

1. Preamble

This Scheme of Reduction of Share Capital is made in accordance with the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 for reduction of Share Capital of IDBI Bank Limited ("the Scheme").

2. Parts of the Scheme

This Scheme is divided into the following parts:

Part A which deals with definitions and interpretations;

Part B which deals with details of IDBI Bank Limited;

Part C which deals with reduction of share capital of IDBI Bank Limited;

Part D which deals with the general terms and conditions applicable to this Scheme.



SCHEME

Part A – Definitions and Interpretations

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

- i) "Act" means the Companies Act, 2013, including the rules, circulars, orders and regulations made thereunder and will include any statutory amendments, modifications and/or re-enactments thereof for the time being in force.
- ii) "Accumulated Losses" means the losses as indicated in the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2021.
- iii) "Applicable law(s)" mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter.
- iv) "Appointed Date" means April 01, 2021.
- v) "Board" or "Board of Directors" means the Board of Directors of the Bank including any duly constituted Committee(s) thereof.
- vi) "BSE" means BSE Limited.
- vii) "Bank" means IDBI Bank Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number L65190MH2004GOI148838 and having its Registered Office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India and registered with RBI as a Banking Company.
- viii) "Designated Stock Exchange" means a Stock Exchange which is chosen by the Bank in accordance with SBI Circular Ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by Securities and Exchange Board of India read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE is the Designated Stock Exchange.
- ix) "Equity Shares" means the fully paid-up Equity Shares of Rs. 10/- each issued by the Bank.
- x) "Effective Date" means the date on which the final approval of the RBI for setting-off accumulated losses against the balances in the Securities Premium Account is received.

Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.



- xi) "Ind AS" means the Indian Accounting Standards prescribed under Section 133 of the Act.
- xii) "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Circulars issued in this regard by SEBI.
- xiii) "NSE" means National Stock Exchange of India Limited.
- xiv) "RBI" means the Reserve Bank of India.
- xv) "ROC" means the Registrar of Companies, Maharashtra, Mumbai.
- xvi) "Rules" means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time.
- xvii) "Scheme" means this scheme of reduction of share capital between the Bank and its shareholders, pursuant to the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016.
- xviii) "SEBI" means the Securities and Exchange Board of India.
- xix) "Securities Premium Account" means the securities premium account maintained by the Bank in accordance with the provisions of Section 52 of the Act and having such amount as indicated in the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2021.
- xx) "Stock Exchanges" means the stock exchanges where the equity shares of the Bank are listed and are admitted to trading, i.e., BSE and NSE.
- xxi) "Tribunal" or "NCLT" means the National Company Law Tribunal, Mumbai bench.

All terms and words used but not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities and Exchange Board of India Act, 1992, Listing Regulations, Reserve Bank of India Act, 1934, Banking Regulation Act, 1949 and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.



Part B – Details of the Bank

3. Incorporation of the Bank

i) Industrial Development Bank of India

Industrial Development Bank of India (IDBI) was constituted under Industrial Development Bank of India Act, 1964 as a Development Financial Institution (DFI) and came into being as on July 01, 1964 vide Government of India's notification dated June 22, 1964. It was regarded as a Public Financial Institution in terms of the provisions of Section 4A of the Companies Act, 1956. It continued to serve as a DFI for 40 years till the year 2004 when it was transformed into a Bank.

Industrial Development Bank of India Limited

In response to the felt need and on commercial prudence, it was decided to transform IDBI into a Bank. For the purpose, Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 [Repeal Act] was passed repealing the Industrial Development Bank of India Act, 1964. In terms of the provisions of the Repeal Act, a new company under the name of Industrial Development Bank of India Limited (IDBI Ltd.) was incorporated as a Banking Company under the Companies Act, 1956 on September 27, 2004. Thereafter, the undertaking of IDBI was transferred to and vested in IDBI Ltd. with effect from October 01, 2004

Merger of United Western Bank with IDBI Ltd.

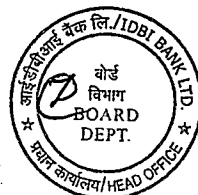
The United Western Bank Ltd. (UWB), a Satara-based private sector bank, was placed under moratorium by RBI. Upon IDBI Ltd. showing interest to take over the said bank towards its further inorganic growth, UWB was amalgamated with IDBI Ltd., in terms of the provisions of Section 45 of the Banking Regulation Act, 1949. The merger came into effect on October 03, 2006.

Change of name of IDBI Ltd. to IDBI Bank Ltd.

To truly capture its widened business functions, the name of the Bank was changed to IDBI Bank Ltd. with effect from May 07, 2008 upon issue of the Fresh Certificate of Incorporation by Registrar of Companies, Maharashtra

Merger of IDBI Home Finance Ltd. and IDBI Gilts with IDBI Bank Ltd.

Two wholly owned subsidiaries of IDBI Bank Ltd., viz. IDBI Home Finance Ltd. and IDBI Gilts Ltd. were amalgamated with IDBI Bank Ltd. under Section 391-394 of the Companies Act, 1956 vide Government of India, Ministry of Corporate Affairs order dated April 08, 2011. The appointed day under the scheme of amalgamation has been approved as January 01, 2011. In terms of Section 394(3) of the Companies Act 1956, the Government of India's above Order has been filed with the Registrar of Companies on April 26, 2011.



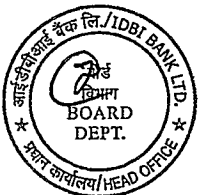
Re-categorization of IDBI Bank Ltd. as a Private Sector Bank

LIC of India completed acquisition of 51% controlling stake in IDBI Bank on January 21, 2019 making it the majority shareholder of the bank. Subsequent to enhancement of equity stake by LIC of India on January 21, 2019, Reserve Bank of India has clarified vide a Press Release dated March 14, 2019, that IDBI Bank stands re-categorized as a Private Sector Bank, with retrospective effect from January 21, 2019.

- ii) Life Insurance Corporation of India (LIC) is the promoter of the Bank holding 49.24% shareholding and Government of India is the co-promoter (without management control) holding 45.48% shareholding.
- iii) The Registered Office of the Bank is presently situated at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India.
- iv) The Corporate Identity Number is L65190MH2004GOI148838.
- v) The Equity Shares of the Bank are listed on BSE and NSE.

4. Main Objects of the Bank

1. To establish and carry on business of banking in all forms within India and outside India;
2. To acquire by transfer or otherwise the undertaking of the Industrial Development Bank of India, a corporation established under the Industrial Development Bank of India Act, 1964 (18 of 1964) togetherwith all its business, assets, rights, powers, authorities and privileges and all properties, movable and immovable, real and personal, corporeal and incorporeal, in possession or reservation, present or contingent of whatsoever nature and wheresoever situate, including lands, buildings, vehicles, cash balances, deposits, foreign currencies, disclosed and undisclosed reserves, reserve fund, special reserve fund, benevolent reserve fund, any other fund, stocks, investments, shares, bonds, debentures, securities, management of any assisted entities, loans, advances and guarantees given to any person or assisted entities, tenancies, leases and book debts and all other rights and interests arising out of such property as were immediately before the date of transfer in the ownership, possession or power of the Industrial Development Bank of India in relation to its undertaking, within or outside India, all books of accounts, registers, records and documents, relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind within or outside India, then subsisting of the Industrial Development Bank of India.
3. To finance, promote or develop industry and assist in the development of industries by –
 - a. granting loans and advances to –
 - i. any State Financial Corporation or any other state industrial development corporation or any state industrial and investment corporation, non-banking financing company, any financial institution, any scheduled bank or State co-operative bank by way of refinance of any loans or advances granted by such corporations, financial institutions or banks;
 - ii. any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution, by way of refinance of any loans or advances granted by such bank or institution which are for the purpose of, or in



connection with, the export of capital goods, commodities or merchandise from India or the execution of any turn-key project outside India.

- b. accepting, discounting or re-discounting bills of exchange and promissory notes made, drawn, accepted or endorsed by any manufacturer, user or any person selling capital goods;
- c. subscribing to or purchasing stocks, shares, bonds or debentures of any State Financial Corporation or any other financial institution, whether within or outside India;
- d. granting lines of credit or loans and advances to any State Financial Corporation or any other financial institution for the purpose of any business of such corporation or institution;
- e. granting loans and advances or subscribing, or purchasing, or underwriting the issue of stocks, shares, bonds or debentures or securities:

Provided that nothing contained in this clause shall be deemed to preclude the Company from granting loans or advances, or subscribing to debentures, the amounts outstanding thereon may be convertible at the option of the Company into stocks or shares of that entity within the period the loan, advance or debenture is repayable.

Explanation - In this clause, the expression "the amounts outstanding thereon" used in relation to any loan or advance, shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stocks or shares;

- f. granting loans and advances –
 - i. to any person exporting products; or
 - ii. to any person outside India, in connection with the export of capital goods from India; or
 - iii. for the execution of turn-key projects outside India by any person in India;
- g. transferring for consideration any instrument relating to loans and advances granted by the Company;
- h. granting loans and advances to any person for purposes of investment;
- i. guaranteeing deferred payments;
- j. guaranteeing –
 - i. loans which are floated in the public market; and
 - ii. loans from any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution;
- k. guaranteeing the obligations of any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution, arising out of, or in connection with, underwriting the issue of stocks, shares, bonds or debentures or securities;



- l. granting, opening, issuing, confirming or endorsing letters of credit and negotiating or collecting bills and other documents drawn thereunder;
 - m. providing consultancy and merchant banking services in or outside India;
 - n. acting as the trustee for the holders of debentures or other securities;
 - o. acquiring, the undertaking including the business, assets and liabilities of any institution the principal object of which is the promotion or development of industry, or the grant of financial assistance for such promotion or development;
 - p. undertaking research and surveys for evaluating or dealing with marketing or investments and undertaking and carrying on techno-economic studies in connection with the development of industry;
 - q. providing technical, legal, marketing and administrative assistance to any person for promotion, management or expansion of any industry;
 - r. planning, promoting and developing industries to fill up gaps in the industrial structure in India and outside India;
 - s. promoting, forming or conducting or associating in the promotion, formation or conduct of companies, subsidiaries, societies, trusts or such other association of persons as the Company may deem fit;
4. To generally engage in every form of banking business;
 5. Soliciting or procuring insurance business as a corporate agent.

5. Capital Structure of the Bank

- i. Authorized Share Capital: Rs. 25000 crore (2500,00,00,000 Equity Shares of Rs. 10 each)
- ii. Issued, Subscribed and Paid-up Share Capital: Rs. 10752,40,21,750 (10752,40,21,75 Equity Shares of Rs 10 each)
- iii. Security Premium: Rs. 5,07,32,26,83,579.06

6. Financial Position of the Bank

Bank has declared its financial results for the Q3/ Nine months ended December 31, 2020 FY 2020-21 on January 28, 2021. Unaudited financial statement along with Auditors' Limited Review Report is annexed herewith.

7. Accumulated Losses and Securities Premium of the Bank

- i) The accumulated losses (i.e., debit balance of Profit or Loss Account) of the Bank from previous years as per Audited Financial Statements for the Financial Year ended March 31, 2020 and as on April 01, 2020 is Rs. 45,586 Crore (Rupees Forty-Five Thousand Five Hundred and Eighty-Six Crore). The said balance as on December 31, 2020 stood at Rs. 44,739 Crore (Rupees Forty-Four Thousand Seven Hundred and Thirty-Nine Crore) as per the unaudited financial statements. The accumulated losses as at March 31, 2021, shall be ascertained after the audited Financial Statements are approved by the Board of Directors of the Bank.



- ii) The balance standing to the credit of Securities Premium Account of the Bank as per Audited Financial Statements for the Financial Year ended March 31, 2020 and as on April 01, 2020 is Rs. 49,669 Crore (Rupees Forty-Nine Thousand Six Hundred and Sixty-Nine Crore). The said balance as on December 31, 2020 stood at Rs.50,718 crore as per the unaudited financial statements. The balance standing to the credit of Securities Premium Account as at March 31, 2021, shall be ascertained after the audited Financial Statements are approved by the Board of Directors of the Bank.



Part C – Reduction of Share Capital

8. Rationale and Purpose of the Scheme

- i) Accumulated losses have wiped-off the value represented by the Share Capital of the Bank and in view of the accumulated losses, the distributable items, in terms of RBI's Notification DBR.BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017, is negative and the Bank is not eligible to make coupon payment of AT 1 Bonds. Bank had to repay entire AT1 Bonds aggregating to Rs.5000 crore in March 2018. This is affecting the Bank's plan to raise AT1 Bonds in the near future.
- ii) Accordingly, with future prospects of growth and value addition to the Bank and its Shareholders, the Bank now proposes to re-align the relationship between its capital and its assets.
- iii) By Article 8 of the Articles of Association of the Bank, the Bank is authorized to reduce its share capital in any manner in accordance with the provisions of the Act.
- iv) RBI, vide its letter dated December 18, 2020 has given its in-principle no objection to the Bank from a regulatory standpoint, for setting off the accumulated losses as on April 01, 2020 against the balance standing to the credit of the Securities Premium Account on the same date, subject to compliance with the provisions of Sections 52 and 66 of the Act and also compliance with all other laws and regulations applicable in the matter. Further, RBI has stated that the Bank shall approach it for final approval after obtaining requisite approvals/ confirmations in terms of the aforesaid provisions of the Act/ other laws/ regulations.
- v) However, since by the time all regulatory approvals are obtained, financial results for financial year 2020-21 would be audited and finalised. Accordingly, it is proposed to set off Accumulated Losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Final approval of RBI will be obtained accordingly.
- vi) Section 52 of the Act prescribes the purposes for which the balance standing to the credit of Securities Premium Account can be utilized and any utilization of Securities Premium Account for any purpose other than that prescribed under Section 52 of the Act, shall be construed as a reduction of share capital of the Company and the provisions of Section 66 of the Act would accordingly be applicable in such cases.
- vii) In view of the aforesaid, the Bank, in accordance with the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and subject to approval of the Shareholders, the NCLT, the RBI and other statutory / regulatory authorities, as applicable, proposes to set-off the accumulated losses in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account, to have a rational structure which is commensurate with its business and assets.



viii) The Bank believes that the reduction of share capital is the most practical and economically efficient option available to the Bank in the present scenario so as to present a true and fair view of the financial position of the Bank. Further, the said exercise of rearrangement of liabilities i.e., setting off of accumulated losses against Securities Premium would be a Balance Sheet neutral exercise.

9. Benefits / Objects of the Scheme

- i) Under this Scheme, if approved:
 - a) the Bank will be able to represent its true financial position which would benefit Shareholders as their holding will yield better value;
 - b) will place the Bank in a better position to achieve its Turnaround Plan in a time-bound manner;
 - c) will enable the Bank to explore opportunities for the benefit of the Shareholders of the Bank including in the form of dividend payment as per the applicable provisions within a reasonable timeframe; and
 - d) will enable the Bank to utilize a balance of the amount standing to the credit of its Securities Premium Account in an effective manner for the benefit of the Bank

10. Accounting Treatment

- i) Upon the Scheme becoming effective, the accumulated losses (i.e., debit balance of Profit or Loss Account) shall be set-off with corresponding adjustments by way of a debit to the Securities Premium Account.
- ii) The Bank shall pass appropriate entries as per the applicable accounting standards as regards accounting for the reduction of Share Capital and setting-off the accumulated losses.

11. Form of Minute

- i) The form of minute proposed to be registered under Section 66(5) of the Act is as under:

"The issued, subscribed and paid-up share capital of IDBI Bank Limited is Rs. 10752,40,21,750 (Rupees Ten Thousand Seven Hundred and Fifty Two crore Forty Lakh Twenty One Thousand Seven Hundred & Fifty only divided into 10752,40,21,75 Equity Shares of Rs. 10/- each. At the date of the registration of this minute 107524021750 Equity Shares of Rs. 10/- each have been issued and are deemed to be fully paid-up."

12. Effect of the Scheme on Financial Statement

The exercise of rearrangement of liabilities i.e. setting off of Accumulated Losses against Securities Premium is balance sheet neutral and will not:

- (a) alter the Bank's liabilities; or
- (b) change in any way its assets position; or



- (c) change the shareholding; or
- (d) alter or impact the capital structure ; or
- (e) impact the capital adequacy ratio; or
- (f) adversely impact the net-worth; or
- (g) impact or impair the voting rights or other shareholders rights;
- (h) impact the position of non-performing assets; or
- (i) any other ratios

13. Effect of the Scheme on Tax Liability

There will be no impact of the Scheme on:

- i) Tax Books and tax benefits available to Bank;
- ii) Tax liability of the Bank and carry forwards of accumulated losses in tax Books;
- iii) DTA position of the Bank

14. Effect of the Scheme on Shareholders

- i) The proposed reduction of Share Capital does not involve extinction or reduction of any liability in respect of unpaid share capital or cancellation of paid-up share capital which is lost or is unrepresented by available assets or the payment to any shareholder of any paid-up share capital.
- ii) The proposed reduction of Share Capital does not entail discharge of any consideration by the Bank to its shareholders. Accordingly, the Bank's equity capital structure and shareholding pattern post reduction of Securities Premium Account will remain unchanged. The Book Value of the equity shares will also remain unchanged.
- iii) The proposed reduction of Share Capital will not have any adverse effect on the Shareholders of the Bank.

15. Effect of the Scheme on Employees / Workers

- i) The proposed reduction of Share Capital would not affect the employees and workers of the Bank in any manner and their service shall be continuous and they would continue to enjoy the same benefits as they used to before the reduction of Share Capital.

16. Effect of the Scheme on Creditors / Banks / Financial Institutions

- i) The proposed reduction of Share Capital would not in any way adversely affect the ordinary operations of the Bank or the ability of the Bank to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the Creditors/ Banks/ Financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Bank.



- ii) The proposed reduction of Share Capital in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

17. Legal Proceedings

- i) The Scheme will not affect any legal or other proceedings by or against the Bank, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Bank in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Bank prior to the Scheme.

18. Conduct of Business by the Bank

- i) The Scheme does not involve any financial outlay / outgo and therefore, will not affect the ability or liquidity of the Bank to meet its obligations / commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Bank during the course, or after the approval, of the Scheme.

19. Miscellaneous

- i) No inspection, inquiry or investigation have been instituted and are pending against the Bank under the Act.
- ii) Being a Banking Company, provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder pertaining to deposits are not applicable to the Bank.
- iii) The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.
- iv) The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Bank to any person or entity.
- v) The Scheme is merely a reduction of Share Capital and does not involve any conveyance or transfer of any property of the Bank and does not involve any issue of shares.
- vi) Notwithstanding the reduction of Share Capital in pursuance to this Scheme and subject to the orders of the NCLT, the Bank shall not be required to add the words "And Reduced" as a suffix to its name.



Part D – General Terms and Conditions applicable to this Scheme

18. Date of Taking Effect and Operative Date

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

19. Application to NCLT

- i) The Bank shall make applications / petitions under Section 66 and other applicable provisions of the Act to the NCLT for the sanction of this Scheme, minute of reduction and all matters ancillary or incidental thereto.

20. Modifications / Amendments to the Scheme

- i) The Bank will be at liberty to apply to the NCLT from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.
- ii) Subject to the provisions of the applicable law, the Bank through its Board, may assent to any modifications/ amendments to the respective part of this Scheme and/ or to any conditions or limitations, including such modifications/ amendments and/ or conditions or limitations that the NCLT, the SEBI, the Stock Exchanges and/ or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Bank, through its authorized representatives, be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the NCLT or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

21. Conditionality of the Scheme

- i) The Scheme is conditional upon and subject to:
 - a) the Scheme being approved by the shareholders of the Bank through a Special resolution
 - b) The requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be required by applicable law in respect of this Scheme, being obtained;
 - c) The Scheme being sanctioned by the NCLT under Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National



Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016;

- d) The certified copy of the order of the NCLT sanctioning the Scheme and the minute of reduction being filed with the ROC;
- e) The final approval of the RBI for setting-off Accumulated Losses against the balances in the Securities Premium Account is received.

22. Effect of Non-Receipt of Approvals

- i) In the event of any of the sanctions and approvals referred to above not being obtained and / or the reduction of Share Capital not being sanctioned by the NCLT or such other appropriate authority, if any, this reduction of Share Capital shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the reduction of Share Capital or as may otherwise arise in law and agreed between the relevant parties.
- ii) The Board of Directors shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and / or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the NCLT for any reason including if the Board is of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on the Bank or in case any condition or alteration imposed by the NCLT or any other authority or entity is not on terms acceptable to them.

23. Cost, Charges and Expenses

- i) The Bank shall bear all the costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto and all such costs shall be treated as costs relating to this Scheme.

24. Listing Benefits

- i) Notwithstanding the reduction of Share Capital, the listing benefits of the Bank on all the Stock Exchange(s) shall continue and the Bank will comply with the applicable provisions of the listing regulations.

25. Severability

- i) If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme.
- ii) If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then subject to the decision of the Board, such part shall be severable from the remainder of the Scheme,



and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme.

---X---X---X---

