* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Order reserved on: 23.07.2026
Order delivered on: 24.07.2026

\+ O.M.P.(I) (COMM.) 293/2026, I.A. 19139/2026 & I.A. 19140/2026

RESILIENT INNOVATIONS PRIVATE LIMITED .....Petitioner

versus

UNITY SMALL FINANCE BANK AND ORS .....Respondents

Advocates who appeared in this case:

For the Petitioner : Dr. Abhishek Manu Singhvi and Mr. Amit Sibal, Senior Advocates with Mr. Mohit Goel, Mr. Sidhant Goel, Mr. Anuj Berry, Mr. Suradhish Vats, Ms. Aishna Jain, Mr. Shashwat Mukherjee and Mr. Ishaan Pratap Singh, Advocates.

For the Respondents : Mr. Sandeep Sethi, Senior Advocate with Mr. Sanjay Gupta, Mr. Ateev Mathur, Ms. Jagriti Ahuja and Mr. Amol Sharma, Advocates for R-1 and 2.
Mr. Rajshekhar Rao, Senior Advocate with Mr. Sanjay Gupta, Mr. Ateev Mathur, Ms. Jagriti Ahuja and Mr. Amol Sharma, Advocates for R-3.

CORAM:
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

O R D E R

TUSHAR RAO GEDELA, J.

1. The present petition under Section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as *"the Act"*) has been filed by the petitioner seeking following prayers:-

> *"a. Pass an interim measure of protection, restraining Respondent No.1, its directors and any person acting on its behalf, from taking up for consideration, deliberating upon, voting on, approving, passing any*

resolution, ratifying or acting upon Agenda Item No. 18 and 20 of the Impugned Agenda dated 18 July 2026, at the meeting of the Board of Directors of Respondent No.1 scheduled on 25 July 2026 or at any adjourned or subsequent meeting, or by circulation or otherwise, without the prior written consent of the Petitioner in accordance with Clauses 6.11(d) and 8 read with Schedule 2 of the Shareholders' Agreement dated 26 October 2021;

b. Pass an interim measure of protection, restraining the Respondents, their directors, officers, employees, agents and any person acting on their behalf, from taking any decision or action in respect of any Reserved Matter under Clauses 6.11 (d) and 8 read with Schedule 2 of the Shareholders' Agreement dated 26 October 2021, including any increase in the authorised share capital of Respondent No.2, any amendment to Clause V of its Memorandum of Association, and any application to the Reserve Bank of India or any other authority in respect thereof without the prior written consent of the Petitioner;

c. Pass an interim measure of protection, restraining the Respondents, their directors, officers, employees, agents and any person acting on their behalf, from breaching the Shareholders' Agreement dated 26 October 2021;

d. Direct the Respondents to maintain status quo, as on the date prior to circulation of the Impugned Agenda Item Nos.18 and 20 on 18 July 2026;

e. Direct the Respondents to furnish all details of the current holders of Warrants of Respondent No.1, as well as the details of all transfers and encumbrances, undertaken by Respondent Nos. 2 and 3 of the Warrants till date;

f. Pass an ad-interim ex-parte reliefs in terms of prayers (a) to (e) hereinabove; and

Pass such other and further orders as this Hon'ble Court may deem just, equitable and proper in the facts and circumstances of the present case."

BRIEF FACTS:-

2. The petitioner, Resilient Innovations Private Limited, claims to be a company incorporated under the Companies Act, 2013, having its registered office in New Delhi. The petitioner is stated to operate a successful fintech business under the trade name "BharatPe".

3. It is stated that the respondent no.1, Unity Small Finance Bank Limited is a small finance bank, established in 2021, incorporated under the

Companies Act, 2013, having its registered at New Delhi, India, and its corporate office at Mumbai. It is stated that respondent no.1 is a contracting party to the Shareholders Agreement (hereinafter referred to as "*SHA*") and that it was founded, and is promoted by respondent no.2, namely, Centrum Financial Services Limited, which owns 51% of respondent no.1.

4. The respondent no.3, namely, JBCG Advisory Services Private Limited, is stated to be a part of the promoter group of respondent no.2. It is further stated that certain Warrants of respondent no.1 have been transferred to respondent no.3 by respondent no.2, in one or more tranches, and that respondent no.3 has executed a Deed of Undertaking dated 28.10.2022, in terms of Clause 12.4 of the SHA, through which it is bound by the SHA.

5. It is therefore stated that respondent no.1 is a company in which the petitioner and respondent no.2 hold 49% and 51% shareholding respectively, since November 2021. The petitioner has invested approximately Rs.746 Crores into respondent no.1 to acquire a 49% shareholding therein. It is stated that respondent no.1, in breach of Clauses 6.11(d) and 8 read with Schedule 2 of the SHA, has decided to include Agenda item no.18 for consideration by the Board, seeking to increase the Authorized Share Capital and amend Clause V of the Memorandum of Association (hereinafter referred to as "*MoA*"), which is extracted hereunder:

> "*V. The Authorised Share Capital of the Bank is Rs. 4900,00,00,000/- (Rupees Four Thousand Nine Hundred Crore Only) divided into 170,00,00,000 (One Hundred and Seventy Crore) Equity share of Rs. 10/- each and 320,00,00,000 (Three Hundred and Twenty Crore) Preference Shares of Rs. 10/- each, with rights, privileges and conditions, as are provided under the Articles of Association of the Company and in accordance with applicable law, with power to increase or reduce or reclassify or alter the share capital of the Company and to divide/consolidate the shares in the capital for the*

time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force."

6. The petitioner, by its letter dated 20.07.2026, is stated to have called upon respondent no.1 to withdraw the impugned Agenda item no.18 from the upcoming Board meeting on the ground that it was contrary to and in breach of the SHA. It is stated that despite receipt of the said letter, respondent no.1 has neither responded thereto nor provided any indication that the impugned Agenda item no.18 would be withdrawn. In these circumstances, it is stated by the petitioner that there exists a real and imminent apprehension that respondent no.1 will proceed to place the impugned Agenda item no.18 before the Board, and procure its approval in breach of Clauses 6.11(d) and 8 read with Schedule 2 of the SHA.

7. It is stated that in view of the above circumstances, the petitioner is constrained to seek urgent intervention and *ad-interim* reliefs from this Court. It is further stated by the petitioner that Clause 17 of the SHA, provides that the arbitration shall be conducted in accordance with the provisions of the Act, and the seat and place of the arbitration shall be New Delhi, hence, the present petition.

CONTENTIONS OF THE PETITIONER:-

8. After alluding to the brief facts of the case, Mr. Abhishek Manu Singhvi and Mr. Amit Sibal, learned senior counsel for the petitioner submit as under:-

8.1. Learned senior counsel submitted that it is undisputed that the petitioner had invested a sum of Rs.746 Crores into the respondent no.1 and the ratio of shareholding between the petitioner and respondent no.2 is 49:51. They would contend that the controversy which has arisen in the present petition is in respect of breach of the provisions under Clauses 6.11(d) and 8 of the SHA and Schedule 2 to the said SHA which was executed on 26.10.2021.

8.2. While referring to Clause 1.1 of the SHA learned senior counsel would submit that the definition of word 'Securities' was what is ascribed to it under the Companies Act, 2013 and also includes shares and warrants. Similarly, the word 'Warrant' would mean warrants issued by the company in accordance with the provisions of this agreement and the applicable law.

8.3. Inviting attention of this Court to Clause 6.11(d) of the SHA, it was stated that those matters which were covered under the definition of 'Reserved Matters' were proscribed from being taken up for discussion or approval by the Board without the prior written consent from petitioner and respondent no.2 in terms of Clause 8 of the SHA. Clause 8 of the SHA was referred to demonstrate that the Board is precluded from taking any decision or action in respect of the 'Reserved Matters' unless such action or decision has been approved by way of an affirmative vote or prior written consent by at least one representative from each of respondent no.2 and the petitioner. Thus, it was emphasized that unless and until the petitioner consented in writing for any issue which would fall within the ambit of 'Reserved Matter', no such issue could even be put up in the impugned Agenda for it to be tabled before the Board for discussion of any nature whatsoever.

8.4. As to what would be the nature of Reserved Matters, learned senior counsel invited the attention of this Court to Schedule 2 of the SHA which enumerates seven Reserved Matters. According to learned senior counsel, the relevant Reserved Matter for the present case is contained in para (a) and para (f) of Schedule 2 to the SHA. Learned senior counsel contended that the impugned Agenda item no.18 in the opening paragraph itself and in other paragraphs clearly indicates that what was being sought to be discussed and placed for approving, was the proposed resolution seeking amendments to the MoA and of Articles of Association (hereinafter referred to as "*AoA*") which, according to him, would affect the rights of the shareholders. It was further contended that para (f) of the Reserved Matters was in relation to any change in the capital structure, including through the issue of new issue of shares or securities etc., which too would be an excepted/Reserved Matter.

8.5. In order to demonstrate that the respondents were conscious of the aforesaid Clauses of the SHA, including Clause 8 and Schedule 2 of the SHA in respect of the proscription regarding Reserved Matters, learned senior counsel referred to various letters/e-mails issued by the respondent no.2 to the petitioner. In that, the respondent no.2 *vide* e-mail/letters dated 23.10.2025, 01.05.2026 and 08.07.2026, admittedly sought express written consent of the petitioner to include the issue which is challenged by the petitioner in Agenda item no.18 in the meeting of Board. It was forcefully contended that to each of the aforesaid letters, the petitioner in express written terms had refused to give consent for such an issue to be placed in the Agenda for consideration of the Board.

8.6. Learned senior counsel would also state that it is rather strange that despite the petitioner clearly refusing consent in written at least three times in the recent past, no mention thereof is present in the Agenda item no.18, which is impugned herein. In fact, according to learned senior counsel, it is admitted in the impugned Agenda item no.18 itself that the consideration and approval of increase in Authorized Share Capital of the bank would require amendment in Clause V of the MoA. If that is so, as per learned senior counsel, the same would fall within the definition of 'Reserved Matters' for which express written consent of the petitioner is mandatory in the absence whereof, no such Reserved Matter can even be tabled before the Board.

8.7. Reading further the impugned Agenda item no.18, learned senior counsel would submit that yet again the respondent has admitted, that too in bold print that as per the SHA, if any amendment to MoA/AoA or change in its capital structure is proposed, the same would be a Reserved Matter and, therefore, approval of both respondent no.2 and the petitioner was being sought. According to learned senior counsel, a bare reading of the proposed resolution itself indicates that not only the MoA/AoA has to be amended but an approval is also sought for increasing the Authorized Share Capital, both of which would fall within the Reserved Matters as per para (a) and (f) of Schedule 2 of SHA.

8.8. Learned senior counsel would contend that if the consent of the petitioner was not mandated, there would have been no requirement for the respondent no.2 to issue three communications, as noted above, seeking written consent from the petitioner.

8.9. Another relevant contention raised by the petitioner is in respect of the apprehension that if the proposed resolution is passed, it will have a severe financial impact upon the petitioner inasmuch as the share of the petitioner which is at 49% as on date, would fall immediately to 21%. According to learned senior counsel, this appears to be a devious ploy employed by the respondents in order to substantially decrease the shareholding of the petitioner in respondent no.1.

8.10. It was contended that if the Warrants-Series 1 are not acted upon in the manner proposed under the impugned Agenda item no.18, it would neither violate any statutory provision nor any regulation of the Reserve Bank of India (hereinafter referred to as "*RBI*"). In any case, it is submitted that the Warrant - Series 1 are to expire only in the month of October, 2026, and consequently there is no urgency or pressing emergency to pass any such resolution as proposed in the impugned Agenda item no.18 requiring immediate consideration.

8.11. Drawing attention to Annexure-A - Terms and Conditions of Warrants Series-1, learned senior counsel would emphatically contend that the opening para itself clearly specified the terms and conditions of the SHA would prevail over those contained in the terms of Warrants Series-1, in case of any conflict. Meaning thereby, that Clauses 6.11(d), Clause 8 and Schedule 2 to the SHA would prevail over any of the terms and conditions contained in Annexure-A Terms and Conditions of Warrants - Series 1. Moreover, Clause 3 of the SHA respecting transfers of Warrants clearly specified that such transfers were subject to both the AoA and SHA. Also, Clause 4.2(b) of the SHA too stipulated the similar condition.

8.12. Learned senior counsel would thus contend that so far as interim orders under Section 9 of the Act as sought by the petitioner is concerned, the aforesaid facts would cumulatively establish *prima facie* strong case in favour of the petitioner for grant of prayer (a) of the petition.

CONTENTIONS OF RESPONDENT NO.1:-

9. Mr. Sandeep Sethi, learned senior counsel appears for respondent no.1 and 2 and vehemently refuted the submissions made on behalf of the petitioner. He submits as under and made the following submissions:

9.1. At the outset, Mr. Sethi, learned senior counsel categorically submitted that the issuance of warrants and conversion of the same to fully paid Compulsorily Convertible Preference Share (hereinafter referred to as "*CCPS*") is not a Reserved matter falling within Clause 8 or Schedule 2 of the SHA. He would submit that the Warrant - Series 1 had already been duly approved and issued and it is only conversion/issuance of CCPS which is being tabled and decided by way of a resolution in the impugned Agenda item no.18 by the Board. The question according to Mr. Sethi is to increase the share value of such warrants.

9.2. Referring to the impugned Agenda item no.18, learned senior counsel would contend that the 90 Crore warrants, which have already been issued in the year 2021 are due for conversion into CCPS by 31.10.2026 for which the respondent no.1 would need adequate Authorised Share Capital to issue the requisite number of CCPS. Learned senior counsel would also contend that it is proposed to increase the Authorised Share Capital from Rs.4000 Crores to Rs.4900 Crores, for which purpose a consequential amendment in the existing capital Clause V of MoA would be required. He states that having regard to the fact that the warrants were issued way back in the year 2021 and are due for conversion by 31.10.2026 the proposed resolution is necessary to be considered and passed by the Board.

9.3. In support of the aforesaid submissions, learned senior counsel invited attention to Clause 4.2 of Annexure-A Terms and Conditions of Warrants - Series 1 to submit that the time period for conversion of the Warrant - Series 1 to CCPS as per the said Clause is 60 months from the date of the allotment, failing which the said Warrant - Series would lapse and any amount paid towards them would stand forfeited by the company. In order to allay the fear of petitioner, learned senior counsel would submit that conversion of Warrant - Series 1 to CCPS would not confer any voting rights to such holders of CCPS. In the same context, learned senior counsel also pointed out to Clause 4.4 (g) of Annexure-A Terms and Conditions of Warrants - Series 1 to submit that the said Clause specifies that the CCPS holder would not be entitled to any voting rights.

9.4. Contrary to the submission of the petitioner that the resolution said to be passed in respect of Clause V of the MoA would fall within the purview of 'Reserved Matter', learned senior counsel invited attention to Clause 5 of the SHA respecting "Initial Capital Contribution and Additional Fund Raising", particularly Clause 5.1 (a) & (b) of the SHA. According to learned senior counsel, the action sought to be undertaken falls within the purview of Clause 5.1 of the SHA and thus, does not fall within the 'Reserved matters' under

Schedule 2 of the SHA. The distinction is sought to be demonstrated by learned senior counsel by referring to Clause 5.2 of the SHA which, in contradistinction to Clause 5.1(a) & (b) of the SHA specifically refers to the additional capital being subject to Clause 8 of the SHA which refers to 'Reserved Matters'. Thus, learned senior counsel would forcefully contend that the action proposed under the proposed resolution purely falls within the realm of Clause 5.1(a) & (b) of the SHA wherein there is no proscription of it being a Reserved Matter. Accordingly, learned senior counsel would submit that the contention of the petitioner on this score is a bogey and ought to be rejected.

9.5. Learned senior counsel further clarified the aforesaid submission that Clause 5.1(a) of the SHA is in respect of Equity Share while Clause 5.1(b) of the SHA is in respect of further capital to be raised by the company which would fall within the definition of "Initial Investment". Such matters, as per the said Clause of the SHA are not Reserved Matters and it is only the additional capital beyond the initial investment that would be subject to Clause 8 (Reserved Matters) of SHA. Thus, there is no question of the actions proposed to be undertaken by virtue of the proposed resolution being prohibited by Clauses 6.11(d), Clause 8 or Schedule 2 to the SHA.

9.6. Learned senior counsel also referred to RBI letter dated 18.06.2021 granting in-principle approval to establish a Small Finance Bank (SFB) particularly to para 2(i)(c), to submit that the respondent no.1 is obliged to dilute the promoters initial shareholding to 40% or below of paid up voting equity share capital within a period of not more than eight years from the date of commencement of business and the shareholding of petitioner which is "Person Acting in Concert" was to be brought down to 10% of paid up voting equity share capital within a maximum period of eight years. He further invited the attention of this Court to a letter dated 12.10.2021 of the RBI granting final approval where too, the same clauses have been repeated. Learned senior counsel referred to para 6 of the said letter to state that the RBI also mandated that Warrants of Rs.900 Crore shall be issued at par to the promoter/respondent no.3 and person acting in concert/petitioner for capital infusion within third and fifth year from the date of commencement of the operations of the bank. According to learned senior counsel, it is in compliance of this mandate/requirement of the approval granted by the RBI, that the respondent had issued the impugned Agenda item no.18.

9.7. Learned senior counsel handed over the Bench the Minutes of the of the Extra-Ordinary General Meeting (EOGM) dated 22.10.2021 to submit that the resolution to approve issuance of Warrants was passed as far back as in the year 2021 and it is these very Warrants that are now being sought to be converted into CCPS. Learned senior counsel would contend that the petitioner too was part of the EOGM and had never objected to such resolution. He also would contend that the said EOGM has not been challenged either in the past or in the present petition. Thus, now to contend that conversion of Warrant - Series 1 to CCPS would be matters covered under the 'Reserved Matters' is completely false and contrary to the documents on the record of respondent no.1. (The EOGM and Board Resolution dated 22.10.2021 are taken on record).

9.8. Drawing reference to the letter dated 26.10.2021 particularly to para 3, Learned senior counsel would contend that the petitioner was fully aware that the Warrants which were issued earlier have also been transferred to as many as 181 individuals who are third parties. Handing over the list of 181 entities including individuals, learned senior counsel would contend that even these transfers have not been challenged nor have these persons/entities arrayed as party-respondent to the present petition the list of 'Details of Warrant Holders as on June 30, 2026', handed over to the Bench are taken on record.

9.9. Learned senior counsel would contend that in any case the proposed resolution causes no prejudice to the petitioner by because the respondent no.2 is transferring a part of its 51% shares. Moreover, learned senior counsel submitted that even if the resolution is passed by the Board in its meeting to be held on 25.07.2026, it will take almost 90 days to get the necessary approvals from RBI. If that be so, learned senior counsel would contend that there is no urgency as falsely portrayed by the petitioner requiring this Court to pass any interim order restraining the meeting of the Board on 25.07.2026.

9.10. Handing over a letter dated 10.06.2024 purported to be a 'Mutual Waiver Letter' executed between the petitioner and respondent no.2, learned senior counsel would contend that in terms of para 4 of the said letter neither of the parties were required to obtain consent before proceeding with the third party transfers and had mutually waived the rights and obligations to follow the requirements under Clause 12.1 and 12.4 of the SHA in connection with the third party transfer. According to learned senior counsel, this letter clearly pointed out to the fact that the petitioner is well aware of the issuance of Warrant-Series 1 and the legal requirements and obligations of their conversion into CCPS within 60 months as stipulated in Annexure-A Terms and Conditions of Warrants - Series 1. Thus, the submission that these are Reserved Matters is a bogey requiring rejection.

9.11. In sum and substance, learned senior counsel would contend that (i) the petitioner wants to block an issue which was consented to; (ii) Warrants fall within the scope of initial investment under Clause 5.1 (a)&(b) of the SHA and thus would not constitute "Reserved Matters"; (iii) the conduct of the petitioner is barred by doctrine of estoppel and acquiescence; (iv) petitioner has consented and acted upon the aforesaid issues as far back as in the year 2021, therefore, barred by doctrine of laches; (v) a large number of transferees have not been made parties whose interests are at stake; (vi) having regard to the above, the prayer for restraining the Board from meeting on 25.07.2026 would not be in public interest; (vii) the non compliance of obligations under the RBI letter dated 12.10.2021 granting approval would result in penalties under Section 47A and Section 22 of the Banking Regulation Act, 1949.

9.12. Learned senior counsel reiterated and reaffirmed that the conversion of Warrant-Series 1 into CCPS would not impact petitioner's shareholdings of 49% as the CCPS holder possesses no voting rights. Thus, in view of the aforesaid submissions and contentions, learned senior counsel would pray that the present petition be dismissed and/or in the alternative respondent be permitted to file their reply and no ad-interim injunction be passed in the meantime.

CONTENTIONS ON BEHALF OF RESPONDENT NO.3:-

10. Mr. Rajshekhar Rao, learned senior counsel, appearing for respondent no.3 adopts the arguments addressed by Mr. Sandeep Sethi, learned senior counsel. In addition to the arguments addressed by Mr. Sandeep Sethi, Mr. Rajshekhar Rao would submit as under:

10.1. Mr. Rao, learned senior counsel would submit that respondent no.3 forms part of the promoter group entity of respondent no.2 and is also the warrant holder being the transferee of certain Warrant - Series 1. At the outset and as a preliminary objection, learned senior counsel would submit that while respondent no.3 has been arrayed as a party respondent, the petitioner has not arrayed other transferees as party to the present petition whose interest would be adversely impacted in case of any orders passed by this Court and as such, the petition suffers from non-joinder of necessary parties.

10.2. Referring to the Deed of Undertaking dated 28.10.2022, learned senior counsel stated that the said deed is supplemental to the SHA dated 26.10.2021 and have direct financial interest in the proposed resolutions which are to be tabled and passed by the Board in its meeting to be held on 25.07.2026. In that, being a warrant holder, the conversion to CCPS is a vital right provided by the SHA as also the Annexure-A Terms and Conditions of Warrants - Series 1 according to which, the time period specified of 60 months for such conversion would get over by 30.10.2026. In other words, if the Warrants - Series 1 are not converted to CCPS on or before such stipulated date, such warrants would simply lapse and get forfeited to the account of respondent no.1 causing enormous financial losses to respondent no.3 and all such Warrants - Series 1 holders to the extent of Rs.900 crores. Thus, according to him, such proposed meeting and proposed resolution ought not to be injuncted by this Court.

10.3. In addition and in support of the aforesaid contention, learned senior counsel would submit that respondent no.3 being a promoter has invested a sum of Rs.300 crores in Warrants - Series 1 which, if not converted to CCPS or stalled for any reason whatsoever, shall cause irreparable and irrecoverable financial loss to respondent no.3. Referring to Clause 2.2 and Clause 3 of the Annexure-A Terms and Conditions of Warrants - Series 1, learned senior counsel would contend that the transfer of warrants was not only in the knowledge of the petitioner but no objection to such transfer was ever raised or lodged by the petitioner. He would contend that the transfer of warrants under Clause 3.1 having already been processed to third parties would be deemed to have been approved by the Board as stipulated in Clause 3.1(a). He would contend that in terms of Clause 3.1(b), the warrants holders like the respondent no.3 have already executed the deed of adherence/deed of undertaking as required under the said Clause. He would contend that such transfers were processed absolutely under the Depositories Act, 1996 as stipulated in Clause 3.3 of Annexure-A i.e., Terms and Conditions of Warrants - Series 1. Referring to Clause 4.2 of Annexure-A i.e., Terms and Conditions of Warrants - Series 1, learned senior counsel contended that the Warrant Exercise Period stipulated therein is 60 months from the date of allotment which is to expire on 30.10.2026, and failure to exercise such right of conversion before the stipulated period would render the Warrants Series-1 to lapse and cease to be valid and the amounts paid towards such warrants would stand forfeited by respondent no.1. This would clearly lead to great financial losses to each of such warrant holders of Warrants Series-1.

10.4. Reiterating the stand taken by Mr. Sandeep Sethi, learned senior counsel referred to sub para (g) of para 4.4 of Annexure A i.e., Terms and Conditions of Warrants Series-1 to submit that mere conversion of Warrants Series-1 to CCPS would not impact or cause any prejudice to the petitioner inasmuch as such holders of CCPS are not entitled to any voting rights whatsoever. Thus, according to learned senior counsel, the contention that the proposed resolution in the impugned Agenda item no.18 would severely impact the petitioner's interest is absolutely false and frivolous.

10.5. Learned senior counsel referred to para 26 and para 35 of the petition to demonstrate the incongruity in the stand taken by the petitioner. He would contend that while in para 26, the petitioner sought to demonstrate that the petitioner had refused approval for increase in the Authorized Share Capital since, according to it, the approval for such increase constituted a 'Reserved Matter' which requires express consent of the petitioner whereas, according to learned senior counsel, in para 35, it is stated that the petitioner's terms of warrants were amended to permit their exercise at the end of 5th and 8th years from the commencement of business by respondent no.1 and these deviations were orally communicated to RBI. Meaning thereby, for the similar issues, the petitioner had taken contradictory stands as to what would constitute Reserved Matters and that in so far as issues pertaining to warrants are concerned, no such express consent was required.

10.6. Learned senior counsel referred to and relied upon Section 22(3) particularly sub-clauses (a), (b) and (c) of the Banking Regulation Act, 1949, to contend that the submission of the petitioner that there would be no penal consequences for violation of any of the terms of the approval granted by RBI *vide* the approval letter dated 12.10.2021 is absolutely incorrect and contrary to the said provisions. He would submit that the license has been issued to respondent no.1 to conduct its banking business in India under the provisions of Section 22 of the Banking Regulation Act, 1949 and as such, any violation of the conditions laid down in the final approval letter dated 12.10.2021 would visit the respondent no.1 with penalties proposed under Section 47A of the Banking Regulation Act, 1949. The aforesaid argument has been put forth by the learned senior counsel only to support the contention that the proposed action for tabling and passing the proposed resolution under the impugned Agenda item no.18 is purely within the four corners of the requirements of RBI's approval as also in tune with the SHA and the terms and Conditions of Annexure A i.e., Terms and Conditions of Warrants Series - 1.

CONTENTIONS IN REJOINDER ON BEHALF OF PETITIONER:-

11. While reiterating and reaffirming the submissions made in the opening arguments for the petitioner, Mr. Amit Sibal, learned senior counsel rejoins as under:-

11.1. Referring to the three letters dated 23.10.2025, 01.05.2026 and 08.07.2026, learned senior counsel would contend that once the respondent themselves have admitted that the issue in impugned Agenda item no.18 is a reserved matter requiring written consent of the petitioner, the respondents are estopped from submitting to the contrary.

11.2. Learned senior counsel contends that the respondents have conflated the issue about compliances necessary to be completed by respondent no.1 in terms of the RBI approval with the issue in the impugned Agenda item no.18. He would contend that the issue of warrants and the consent of the petitioner in respect of such warrants which were approved in the year 2021 is not a consent which is required for amendment of the MOA or the capital structure of respondent no.1. Thus, these are two different issues which are not interrelated.

11.3. So far as the emphasis laid by the respondent to Clause V of the Annexure to the In-principle Approval Letter of RBI dated 18.06.2021 is concerned, learned senior counsel would contend that no letter or any communication in regard to the compliance or non-compliance of any of the conditions stipulated in the said letter has at all been issued by the RBI nor has any such document been shown to this Court. In any case, learned senior counsel would contend that the SHA was executed and entered into after the approval was granted by the RBI. Furthermore, he would contend that all the documents including the SHA are already furnished to the RBI.

11.4. He vociferously contended that warrants by themselves are securities as defined in the SHA and hence any increase or change in the share capital would also fall within "reserved matters". Thus, no such matter can be tabled, deliberated or discussed or approved by the Board unless a written consent is obtained by the respondents from the petitioner.

11.5. He vehemently contended that CCPS is treated as equity share capital and thus the moment Rs.900 Crores of additional equity capital is converted to CCPS, the shareholding of the petitioner would be diluted from 49% to 21% which will be in direct contravention of the SHA and would result in increasing the shareholding of respondent nos.2 and 3. He would also contend that though the respondents assure that the voting rights of the petitioner will not be affected, however, insists that the shareholding of the petitioner would definitely plummet drastically to 21% reducing the stakes of the petitioner in respondent no.1 to its detriment. According to learned senior counsel, it is clear that the respondent nos.2 and 3 appear to be moving towards the aforesaid reduction in the shareholding of the petitioner.

ANALYSIS AND CONCLUSION:-

12. It must be borne in mind that the present petition is one under section 9 of the Act and thus the Court at this stage, where the petitioner is seeking *ad-interim* injunction, is only required to assess whether the conditions for a *prima facie* case are made out or not. The Court is neither bound nor expected to delve deep into facts of the case which may be ascertained once the reply is filed by the respondents.

13. Before adverting and alluding to the facts submitted by both the parties, it would be appropriate to cull out and bear in mind the definitions of core words coupled with the Clauses of the SHA and other related documents. It may also be relevant to consider the definitions of certain core words defined in Section 2(8) Companies Act, 2013, as " *"authorised capital" or "nominal capital" means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company*". Such relevant aspects are extracted hereunder:

"DATED OCTOBER 26, 2021

SHAREHOLDERS'AGREEMENT
AMONGST
CENTRUM FINANCIAL SERVICES LIMITED
AND
RESILIENT INNOVATIONS PRIVATE LIMITED
AND
UNITY SMALL FINANCE BANK LIMITED

xxxx xxxx xxxx

6.11 Quorum:

(a) xxx xxx

(b) xxx xxx

(c) xxx xxx

(d) It being understood and agreed by the Company and Shareholders that no Reserved Matters shall in any event be taken up for discussion or approved by the Directors at the Initial Board Meeting and/ or Adjourned Board Meeting or otherwise, without a written consent from the Centrum and RIPL in accordance with Clause 8 (Reserved Matters).

xxxx xxxx xxxx

8. RESERVED MATTERS

Notwithstanding anything contained in this Agreement or the Memorandum and Articles, the Company shall not take any decisions or action in respect of the Reserved Matters (whether through the Board, Committee, Shareholders, employees or officers of the Company), unless such action or decision has been approved (by way of an affirmative vote or prior written consent) by at least 1 (one) representative from each of Centrum and RIPL. In order to facilitate the process of the Board, prior to taking up for decision or action any Reserved Matter or any action connected with it, the Company shall send a written communication, together with all available supporting documents and proposed resolution, to Centrum and RIPL requesting their consent to the same. Once Centrum and RIPL have Consented to the Reserved Matter, the same shall be taken up at the meeting of the Board, Committee or Shareholders, as may be applicable, in the Ordinary Course of Business of the Company.

xxxx xxxx xxxx

SCHEDULE 2

RESERVED MATTERS

(a) ***Any amendments to the Memorandum and/ or Articles of the Company that affects the rights of the Shareholders****;*

(b) Any merger, demerger, divestment or sale of the Company, its subsidiaries (if any), its undertakings or its business, other corporate restructuring including by way of a scheme of amalgamation, arrangement/ compromise/ reorganization, slump sale, consolidation, partnership, joint venture, strategic alliance, profit sharing arrangement and/or exclusive supply/ distribution arrangements (other than in the Ordinary Course of Business);

(c) Any acquisition or purchase of any undertaking, businesses, companies, body corporates, by the Company;

(d) Any disposal or sale of assets of the Company in excess of Rs. 100 Crore (Rupees One Hundred Crore only) annually or which is not in the Ordinary Course of Business;

(e) Creation of any charge or lien on the assets of the Company other than those created in the Ordinary Course of Business;

(f) ***Any change in its capital structure, including through new issue of Shares or Securities of the Company, buy back, reduction in share capital, rights issue, bonus issue, stock/ share split, employee stock options, etc. or any amendment of rights, concessions, terms or restrictions relating to a security of the Company****;*

(g) Approval of the Business Plan; any amendments to the Business Plan and the approval or ratification of any departure or deviation from the same;

(h) Any reorganization of the Company's capital or otherwise commencement of any proceedings relating to voluntary winding up;

(i) Undertaking an initial public offering or listing of any Securities of the Company; and

(j) Any action that may alter the rights, privileges, entitlements and preferences of Centrum and/ or RIPL, as holders of Securities."

..

*"****Annexure A***

<u>Terms and Conditions of Warrants – Series 1</u>

Issue of up to 90,05,50,000 (ninety crores, five lakhs and fifty thousand only) Warrants – Series 1, on rights basis, under the provisions of Section 62(1)(a) of the Companies Act, 2013 read with rules issued thereunder was *authorized pursuant to resolutions of the Board of Directors dated October 22, 2021. The Warrants – Series 1 are to be issued at the Warrant Issue Price i.e. at a price of Re. 0.01 (one paisa) per Warrant – Series 1 (fully paid –up). Terms used herein, and not defined, shall have the same meaning as set out in the Shareholders' Agreement (as defined below). In the event of any conflict between the terms of the Warrants – Series 1 and the Shareholders Agreement, the Shareholders Agreement shall prevail. The following are the terms and conditions of the Warrants – Series 1 (the "**Warrant Conditions**") applicable to the Warrants – Series 1:*

1. Status

The Warrants – Series 1 constitute contractual obligations of the Company in terms of the Warrant Conditions.

2. Form, Denomination

2.1 Form

*(a) The allotment of Warrants – Series 1 shall only be in dematerialized form (i.e., not in the form of physical certificates, but be fungible and be represented by the statement issued through the electronic mode). The Company has made depository arrangements with National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**", and together with NSDL, the "**Depositories**") for the issue of Warrants – Series 1 in dematerialised form. The Series 1 Warrant Holders will hold the Warrants – Series 1 in dematerialised form and deal with the same in accordance with the provisions of the Depositories Act, 1996 and the rules as notified by the Depositories from time to time.*

*(b) The Warrants – Series 1 are subject to the rules, regulations, directions and notifications of the Reserve Bank of India ("**RBI**"); provisions of the Companies Act, 2013 and the rules thereunder; the memorandum of association and articles of association of the Company; and to the extent applicable, provisions of the regulations of Securities and Exchange Board of India ("**SEBI**"). In addition, the Warrant – Series 1 shall also be subject to applicable laws, guidelines, notifications and regulations issued from time to time by the Government of India, SEBI, RBI and/or other authorities.*

2.2 Denomination

Each Warrant – Series 1 is exchangeable for 1 (one) Compulsorily Convertible Preference Share only at the Warrant Exercise Price.

3 Transfers of Warrants

3.1 Transfer of Warrants.

(a) Transfer of Warrants may be effected after seeking prior approval by the Board of Directors or any Committee of the Board, subject to Articles of Association and Shareholders Agreement.

*(b) In addition to the terms of the Warrant – Series 1, Series 1 Warrant Holders will need to comply with the terms of the shareholders agreement proposed to be executed by two founding shareholders (CFSL and RIPL) (hereinafter defined as ("**Shareholders Agreement**")). The Series 1 Warrant Holders (including any person subsequently acquiring the Warrant – Series 1) shall execute such deed of adherence and/ or deed of undertaking as may be required by the Company in accordance with the provisions of the Shareholders Agreement.*

(c) Warrants will be subject to the Shareholders Agreement in force at the time of proposed transfer of Warrants.

3.2 *Securities as defined under the Shareholders' Agreement includes Warrants – Series 1. Accordingly, the Warrant – Series 1 are transferable, subject to the approval of the Board of Directors or any Committee of the Board, the Shareholders Agreement and Articles of Association. The Series 1 Warrant Holder shall adhere to the terms of the Shareholders' Agreement and shall execute a Deed of Adherence or Deed of Undertaking, as may be required by the Company, to this effect subject to and in accordance with the provisions of the Shareholders' Agreement.*

3.3 *Transfers of Warrant – Series 1 shall be effected only through the Depository(ies) through which such Warrant – Series 1 to be transferred are held, in accordance with the provisions of the Depositories Act, 1996, rules as notified by the Depositories from time to time and other Applicable Law.*

3.4 Title

*(a) The person for the time being appearing in the register of beneficial owners of a Depository will have the title as the Series 1 Warrant Holder, and shall be treated so for all purposes by the Company, the Depositories and all other persons dealing with such person as the holder thereof and as its absolute owner for all purposes (whether or not it is overdue) and regardless of any notice of ownership, trust or any interest in it. In these Warrant Conditions, "**Series 1 Warrant Holder**" means the person in whose name a Warrant – Series 1 is registered.*

(b) The Company shall maintain at its Registered Office (or such other place as permitted by law) a register of warrant holders (the "**Register of Warrant holders**"). The Register of Warrant holders maintained by a Depository for Warrant – Series 1 in dematerialised form shall be deemed to be a Register of Warrant holders for the purposes of this Warrant Condition 3.4(b).

(c) Title to the Warrant – Series 1 shall pass only by transfer and registration as described in Warrant Condition.

4 Exercise Right, Warrant Exercise Period and Warrant Exercise Price

4.1 Exercise Right

(a) The Series 1 Warrant Holder shall have a right to exchange 1 (one) Warrant – Series 1 for 1 (one) fully paid Compulsorily Convertible Preference Share, at the Warrant Exercise Price, on the terms and conditions of Warrant – Series 1 (the "**Exercise Right**").

(b) The Exercise Right shall be available to all Warrant Holder on date of the call for exercise.

(c) At the time of exercise of the Exercise Right by the Series 1 Warrant Holder, it is essential that the Warrant Exercise Price to the extent specified is paid and accompanied by a written notice from the Series 1 Warrant Holder expressly requesting issue of the Compulsorily Convertible Preference Shares against surrender of the Warrant – Series 1, as per the terms of Warrants.(d) Upon exercise of Exercise Rights in relation to any Warrant – Series 1 and the fulfillment by the Company of all its obligations in respect thereof, the relevant Series 1 Warrant Holder shall have no further rights in respect of such Warrant – Series 1 and the obligations of the Company in respect of the Warrant – Series 1 shall be extinguished.

4.2 Warrant Exercise Period

(a) The Exercise Right may be exercised by the Series 1 Warrant Holder, at its option and in line with the provisions of the Shareholders Agreement (read with such deed of adherence/ deed of undertaking executed by the Series 1 Warrant Holder), at any time during normal business hours before expiry of 60 (sixty) months from the date of the Allotment, and in no event thereafter ("Warrant Exercise Period").

(b) *Any Warrant – Series 1 which has not been exercised on or before expiry of 60 (sixty) months from the date of the allotment, will lapse and cease to be valid and any amounts paid towards them to date will stand forfeited by the Company.*

4.3 Warrant Exercise Price

Rs. 10 (Rupees Ten) per Warrant – Series 1.

*Each Warrant – Series 1, when exercised, shall entitle the Series 1 Warrant Holder to subscribe for a fully-paid up Compulsorily Convertible Preference Share of Face value Rs. 10 (Rupees Ten) ("**Warrant Exercise Price**").*

4.4 Issue of Compulsorily Convertible Preference Shares

Pursuant to Clause 4.3 above, the Compulsorily Convertible Preference Shares to be issued upon exercise of the Warrant – Series 1, shall be issued and subscribed to in accordance with the provisions of Applicable Laws and shall carry the following terms and conditions:

(a) *The face value of each Compulsorily Convertible Preference Share shall be Rs. 10 (Rupees Ten). However, the Compulsorily Convertible Preference Shares shall not carry any coupon.*

(b) *Each Compulsorily Convertible Preference Share shall convert into 1 Equity Share, having the face value of Rs. 10, upon the earlier of (i) occurrence of an initial public offering of the Equity Shares of the Company; (ii) expiry of 8 (eight) years from the date of commencement of business by the Company; (iii) before the equity share capital and share premium of the Company, on a fully diluted basis, excluding any warrants that may be issued as part of the Depositors Settlement Plan of PMC Bank, exceeds INR 3,005 crore.*

(c) *The Equity Shares issued upon conversion of the Compulsorily Convertible Preference Shares shall be issued in accordance with the provisions of Applicable Laws and upon due surrender of the dematerialised shares held by the holder of Compulsorily Convertible Preference Shares to the Company.*

(d) *The Equity Share issued as above shall rank pari passu in all respects with the then existing ordinary Equity Shares of the Company and shall carry such rights and be subject to* *such terms and conditions as may be applicable to the then existing Equity Shares of the Company.*

(e) *Each Compulsorily Convertible Preference Share shall be issued in dematerialised form. Transfers of Compulsorily Convertible Preference Shares shall be effected only through the Depository(ies) through which such Compulsorily Convertible Preference Shares to be transferred are held, in accordance with the provisions of the Depositories Act, 1996, rules as notified by the Depositories from time to time and other Applicable Law.*

(f) *Securities as defined under the Shareholders' Agreement shall include the Compulsorily Convertible Preference Shares issued in exchange for the Warrants – Series 1. Accordingly, the Compulsorily Convertible Preference Shares shall be transferable, subject to the terms of the Shareholders Agreement and Articles of Association. The holder of Compulsorily Convertible Preference Shares shall adhere to the terms of the Shareholders' Agreement and shall execute a Deed of Adherence or Deed of Undertaking, as required by the Company, to this effect subject to and in accordance with the provisions of the Shareholders' Agreement.*

(g) *The holders Compulsorily Convertible Preference Shares shall not be entitled to any voting rights, except in relation to matters that directly affect the terms of Compulsorily Convertible Preference Shares. Further, the Warrants – Series 1 by itself does not provide to the Holder any right of shareholders of the Company, including voting right.*

5 ***Representations and Warranties of Series 1 Warrant Holders***

Each Series 1 Warrant Holder shall represent and warrant to the Company at all times it holds Warrants Series – 1 that:

(a) *it is a validly and legally existing entity and is duly incorporated under the laws of the country of its incorporation and has all necessary corporate power, authority and capacity to carry on its business;*

(b) *it has the legal right and full power and authority and has taken all necessary corporate actions to subscribe to the Warrant – Series 1;*

(c) *it has complied with the applicable Laws with respect to its investment in the Company and is eligible to hold Securities of the Company and that it has obtained the necessary Consents required in relation thereto;*

(d) *all investments in the Company shall:*

(i) *be made from genuine, bona fide and verifiable sources*

(ii) *made in a transparent and authorized manner;*

(iii) *in accordance with the provisions of Applicable Laws; and*

(iv) *not attract domestic and international legal prohibitions against money laundering and related offences as applicable.*

(e) *the subscription of the Warrant – Series 1 on terms and conditions as set out herein shall be in compliance with the law applicable to it and all necessary filings/ approvals in this regard have been made and, to the extent necessary, shall be made from time to time by it.*

(f) *the subscription of Warrants – Series 1 by it will not result in a breach of, entitle a third party to exercise any right under, relieve a third party from any liability or obligation under, or give rise to or increase any of its liability or obligation under any: (i) agreement or other document (including its own memorandum of association and articles of association), the benefit of which it is entitled to or by which it is bound; (ii) Consents and approvals required to enable it to carry on its business as it is presently carried on; (iii) underlying order, decree, judgment, award or decision of any court, tribunal, arbitrator, mediator or Governmental Authority or other competent authority or agency to which it is entitled or by which it is bound;*

(g) *there is no litigation, pending or, threatened against it, preventing it from subscribing to the Warrants – Series 1 or performing its obligations hereunder; and*

(h) *the information submitted by the Series 1 Warrant Holders to the Company in relation to its business activities, and its technical and financial capabilities is true, correct and accurate and not misleading in all material respects.*

6 Rights of Series 1 Warrant Holders

6.1 *The Holders shall have no other rights or privileges except as expressly provided in these Warrant Conditions.*

6.2 *The Warrants – Series 1 by itself does not provide to the Holder any right of shareholders of the Company, including voting right.*

6.3 On exercise of the Warrants – Series 1 and subsequent allotment of Compulsorily Convertible Preference Shares, the Holders shall enjoy the rights and privileges of Compulsorily Convertible Preference Shareholders and not of Holder of Warrants – Series 1.

6.4 The Holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by the Company from time to time, until such time that the Warrants – Series 1 and/ or CCPS are exchanged for the Equity Shares and the Equity Shares so allotted, in accordance with these Warrant Conditions.

*7 **Miscellaneous***

7.1 Fractional Entitlement

In case of any fractional entitlement arising out of issue or conversion of the Warrant – Series 1, the Board will make suitable arrangements to deal with such fractions and the decision of the Board shall be final and binding on all shareholders and warrant holders.

7.2 Governing law and jurisdiction

The Warrants – Series 1 are governed by, and shall be construed in accordance with, the laws of India and any dispute arising out of or in connection with the Warrants – Series 1 shall be subject to the exclusive jurisdiction of courts at New Delhi.

7.3 Amendment

Any amendment or modification of these terms of issue of Warrants – Series 1 shall be subject to the approval of the Board and require consent of 51% (fifty one percent) of the Warrant – Series 1 Holders.

7.4 Severability

If any provision of these Warrant Conditions are determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provisions or the applicable part of such of such provisions and the remaining part of such provision and all other provisions of these Warrant Conditions shall continue to remain in full force and effect."

14. The overall and purposive interpretation of the aforesaid definitions and clauses of the SHA coupled with the terms and conditions specified in

Annexure A i.e., Terms and Conditions of Warrants Series-1 impel this Court to *prima facie* form the following opinion:

14.1. The Warrants Series-1 issued by respondent no.1 clearly fall within the definition of the word "Securities". "Warrants" itself mean warrant issued by the respondent no.1 from time to time in accordance with the provisions of SHA and the applicable law.

14.2. "Reserved Matters" have been defined as matters listed in Schedule 2 of the SHA. Schedule 2 of the SHA, particularly, paras (a) and (f) appear to be germane to the issue at hand. The said paragraphs clearly postulate that any amendments to the MoA or the AoA which might affect the right of the shareholders; and any change in the capital structure of respondent no.1, including through new issue of shares or securities, buy back, reduction in share capital, rights issue etc., or any amendment of rights, concessions, terms or restrictions relating to a security of respondent no.1, would cumulatively fall within the domain of "*Reserved Matters*".

14.3. Clause 6.11(d) of SHA manifestly delineates that parties were *ad idem* that no Reserved Matter shall, in any event, be taken up for discussion or approval by the Board without a written consent from both, the petitioner and respondent no.2. There is a clear reference to Clause 8 of the SHA which specifically governs 'Reserved Matters'. Clause 6.11(d) of the SHA brooks no ambiguity as to the intention of the parties that no issue pertaining to the Reserved Matters would be taken up for discussion or approval unless it is preceded by a written consent of both the parties. The word "and" employed between "Centrum" and "RIPL" makes the clause mandatory for both parties to give their respective consent in writing. It can therefore be safely presumed that consent of one of the parties would not be enough to overcome the stipulation in Clause 6.11(d) of SHA.

14.4. Clause 8 of the SHA commences with the words "*notwithstanding*" implying thereby that the said clause is *non obstante*. Pithily put, it would override the remaining clauses of the SHA. Respondent no.1 is completely proscribed from taking any <u>decision or action</u> in respect of 'Reserved Matters' unless such action or decision has been approved (by way of an affirmative vote or prior written consent) by at least one representative from each of respondent no.2 <u>and</u> the petitioner. It is made more clear from Clause 8 of the SHA that respondent no.1 has been provided the opportunity to, prior to taking decision or action on any 'Reserved Matter' or any action connected with it, send a written communication with all the relevant materials to respondent no.2 <u>and</u> the petitioner requesting their consent and it is only and only after such consent is received that such Reserved Matter could possibly be taken up for decision or action. Thus, having regard to the language employed coupled with the fact that Clause 8 is *non obstante*, the prohibition stipulated therein is clear and complete. Of course, such rigours are applicable only if such an issue falls within the purview of 'Reserved Matters'.

[emphasis supplied]

14.5. It must be noted that the Annexure - A i.e., Terms and Conditions of Warrants - Series 1 containing the terms and conditions of Warrant Series-1, clearly stipulates, *inter alia,* that "*In the event of any conflict between the terms of the Warrants Series-1 and the Shareholders Agreement, the Shareholders Agreement shall prevail*". There is no ambiguity as to the effect and impact the SHA would have over Annexure A - Terms and Conditions of Warrants - Series 1. The aforesaid observation is reiterated, if sub-clause (c) of Clause 3.1 respecting "Transfer of Warrants", taken into consideration. The said sub-clause clearly stipulates that Warrants would be subject to the SHA in force at the time of proposed transfer of Warrants. In other words, the transfer of Warrants is subject to Clause 6.11(d), Clause 8 and Schedule 2 to the SHA. Similar are the wordings contained in Clause 3.2 of Warrant Series-1. Thus, the net effect of the aforesaid Clauses would, *prima facie,* be that the terms and conditions specified in the SHA will override the other documents placed on record or referred to by the respondents.

15. Having regard to the aforesaid, it would be apposite to now consider whether the issue covered/mentioned in the impugned Agenda item no.18 are "*reserved matters*".

15.1. A perusal of the title of the impugned Agenda item no.18 as extracted hereinabove in no uncertain terms makes it apparent that what was to be tabled for discussion, consideration and approval of the Board was increase in Authorized Share Capital of the Bank and the amendment in Clause V of the MoA and to seek prior approval from RBI in that regard. There is no dispute as to the reason for which the proposed resolution under impugned Agenda item no.18 was mooted.

15.2. After having alluded to the background as to why the proposed resolution was required to be considered and approved, the Agenda claims that respondent no.1 was required to increase its Authorised Share Capital to enable further issuance of CCPS as well as equity share. Consequent upon the discussion, it was noted that the proposed increase in Authorised Share Capital would require consequential amendment to the existing Capital Clause V of the MoA of respondent no.1.

15.3. Significantly, it was also noted that as per the SHA dated 26.10.2021, any amendment to MoA/AoA or change in its capital structure is a 'Reserved Matter' and that approval of both RIPL (petitioner) and CFSL (respondent no.2) was being sought by the respondent no.1.

15.4. It is intriguing to note that the impugned Agenda item no.18 itself admits that the amendment to MoA and/or change in the capital structure of respondent no.1 is a Reserved Matter and yet, it is contended on behalf of the respondents that the issues raised therein are not Reserved Matters.

15.5. If the respondents are to be believed that the issues and the proposed resolution covered under impugned Agenda item no.18 is in fact not a Reserved Matter, it is bewildering to note as to why the respondent no.1 would send three communications dated 23.10.2025, 01.05.2026 and 08.07.2026 seeking consent from the petitioner for tabling and discussing and approval of the proposed resolution mentioned in the impugned Agenda item no.18. The conduct of respondent no.1 is contrary to the contentions placed before this Court on behalf of the respondents. It is settled that documentary evidence shall exclude oral evidence. In other words, a document containing certain admissions cannot now be set at naught by mere oral submissions.

15.6. It is undisputed that as against all the aforesaid three communications dated 23.10.2025, 01.05.2026 and 08.07.2026, the petitioner had, in written, refused to grant any consent whatsoever. Thus, it cannot be assumed that any consent was in fact obtained or that no consent was required.

16. An argument was predicated on Clause 5.1(a) and (b) of the SHA to submit that the action proposed to be taken post approval of the proposed resolution covered in impugned Agenda item no.18 squarely falls within the realm of aforesaid Clauses and not Clause 5.2 which in contradistinction to Clause 5.1, exclusively refers to Reserved Matters. Thus, it was contended that since there was no such reference to Reserved Matters in Clause 5.1, the actions which could have been undertaken as per Clause 5.1(a) and 5.1(b) did not require any prior consent or any consent at all.

17. At the first blush, the argument appears to be attractive and plausible. However, on a closer scrutiny, the said contention cannot be acceded to. It is not the action which is proposed to be undertaken post the decision on issues covered by impugned Agenda item no.18, but the very fact that for such action to be undertaken, the amendment of the MoA/AoA would be necessarily required to be completed before any such action can be initiated. Thus, it appears that amendment of MoA/AoA would be necessitated which clearly falls within the Reserved Matters requiring written consent of both, the petitioner and respondent no.2. Therefore, the submission is without any merit and is not accepted.

18. A lot of arguments and submissions were based on documents like the in principle approval letter dated 18.06.2021 and final approval dated 12.10.2021 issued by the RBI, to contend that the action proposed to be undertaken post the approval of the resolution covered in impugned Agenda item no.18, were in fact in terms and in alignment with the

requirement stipulated in the aforesaid approval letters issued by the RBI. It was also contended that in case there is any violation of such stipulations, the respondents may face penal consequences covered under the provisions of Section 47A of the Banking Regulation Act, 1949. While the said issue and contention may be required to be considered after a detailed reply is filed by the respondents, however, at this stage, having regard to the urgency what with the meeting scheduled to be held on 25.07.2026, this Court is of the opinion that the mandatory clauses under the SHA ought to be lawfully processed and completed by the respondents. If the SHA stipulates a particular procedure prescribed for amendment of the MoA/AoA or to the capital structure of the respondent no.1, the respondent ought to adhere strictly to that procedure or none at all.

19. It is also to be borne in mind that the petitioner apprehends that the conversion of Warrant Series-1 to CCPS would drastically reduce the shareholding pattern of the petitioner from 49% to 21% as a result of amendment of Clause V of the MoA. The said issue needs to be considered before any such proposed resolution covered under impugned Agenda item no.18 can be tabled before the Board for its decision, in terms of the SHA. It, *prima facie,* appears that obtaining prior written consent of both, the petitioner as also respondent no.2, is not a mere formality but a mandatory and indelible clause of the SHA executed between the parties.

20. It is observed that Clause V forms an integral part of the MoA of the Company, which is a constitutive and fundamental document governing the affairs of the company. Any amendment to the said Clause, if sought to be effected through a Board resolution, mandates prior consent of all majority shareholders. The petitioner, being one of the majority shareholders, is a necessary and indispensable party for the grant of such consent. Hence, in

the absence of the petitioner's consent, any resolution purporting to amend Clause V of the MoA would be contrary to law and unsustainable.

21. Arguments were also addressed on public interest suffering on account of a series of large number of warrants being issued worth Rs.900 crores. The same does not appeal to this Court for the reason that a stipulation which is found to be necessary and mandatory needs to be followed in letter and spirit before any action proposing amendment to the MoA/AoA and/or to convert the Warrants - Series 1 to CCPS is undertaken. This Court is fortified in its aforesaid opinion in view of the undisputed fact that the respondent no.1 itself sought written consent from the petitioner on three different occasions in the recent past. Thus, the element of public interest being involved can only be considered once the parties to the SHA are on the same page.

22. In order to substantiate the aforesaid view, it is deemed apposite to extract the three communications dated 23.10.2025, 01.05.2026 and 08.07.2026 hereunder:

" DOCUMENT - 18

Fwd: Approval for increase in Authorised Capital in order to meet the Licencing condition of RBI

---------- Forwarded message ---------
*From: **Archana Goyal** <archana.goyal@unitybank.co.in>*
Date: Thu, 23 Oct 2025 at 7:34 PM
Subject: Approval for increase in Authorised Capital in order to meet the Licencing condition of RBI
To: legal_support@bharatpe.com <legal_support@bharatpe.com>, ggc@centrum.co.in <ggc@centrum.co.in>
Cc: Ranjan Ghosh <r.ghosh@unitybank.co.in>, Rahul Chopra <rahul.chopra@unitybank.co.in>, Aanchal Aggarwal <aanchal.aggarwal@bharatpe.com>, Sumeet Singh <sumeet@bharatpe.com>

INTERNAL

Dear Sir/Madam,

We propose to place the following matter for approval at the Board meeting of USFB scheduled to be held on November 1, 2025:

1. To consider and approve Increase in Authorised Share Capital of the Bank and consequent amendment in clause V of Memorandum of Association and seek prior approval from RBI in this Connection.

Draft Agenda note on the said matter is enclosed herewith for your reference.

Pursuant to the Shareholders' Agreement dated October 26, 2021 ("SHA"), your affirmative consent is requested for placing the aforesaid Agenda before the Board for discussion/approval.

Please let us know if you have any questions or queries in this connection.

Thanks & regards,

"DOCUMENT - 19

Fwd: Approval for placing a Reserved matter at the Board meeting to be held in May 9, 2026.
9 messages

---------- Forwarded message ---------
*From: **Archana Goyal** <archana.goyal@unitybank.co.in>*
Date: Fri, 1 May 2026 at 4:54 PM
Subject: Approval for placing a Reserved matter at the Board meeting to be held in May 9, 2026.
To: Nalin Negi <nalin@bharatpe.com>
Cc: Ranjan Ghosh <r.ghosh@unitybank.co.in>

INTERNAL
Dear Nalin,

We propose to place the following matter for approval at the Board meeting scheduled to be held on May 09, 2026:

1. To consider and approve Increase in Authorised Share Capital of the Bank and consequent amendment in clause V of Memorandum of Association and seek prior approval from RBI in this Connection.

A note on the said matter is enclosed.

Pursuant to the Shareholders' Agreement dated October 26, 2021 ("SHA") executed between Centrum Financial Services Limited ("CFSL"), Resilient Innovations Private Limited ("RIPL"), and Unity Small Finance Bank Limited ("the Bank"), the aforementioned reserved matter require written *consent from RIPL and CFSL before being placed before the Board for discussion/ approval.*

We kindly request you to share your consent in this regard.

Please let us know if you have any questions or queries.

Thanks & regards,

Archana Goyal

Company Secretary & Head of Sustainability| Unity Small Finance Bank Limited
Centrum House, CST Road, Vidyanagari Marg, Mumbai - 400098
+91 9867029555 | 022- 42159000
archana.goyal@unitybank.co.in"

"DOCUMENT – 16

Fwd: Proposal for Increase in Authorised Share Capital of Unity Bank

Aanchal Aggarwal <aanchal.aggarwal@bharatpe.com>

Wed, Jul 8, 2026 at 7:11 PM

To: Transaction Legal <transaction.legal@bharatpe.com>
---------- Forwarded message ---------
From: Nalin Negi <nalin@bharatpe.com>
Date: Wed, 8 Jul 2026 at 7:10 PM
Subject: Fwd: Proposal for Increase in Authorised Share Capital of Unity Bank
To: Sumeet Singh <sumeet@bharatpe.com>, Aanchal Aggarwal <aanchal.aggarwal@bharatpe.com>, Rajnish Kumar <Kumar.rajnish1958@gmail.com>

---------- Forwarded message ---------
From: Ranjan Ghosh <r.ghosh@unitybank.co.in>
Date: Wed, 8 Jul 2026 at 7:08 PM
Subject: Fwd: Proposal for Increase in Authorised Share Capital of Unity Bank
To: Nalin Negi <nalin@bharatpe.com>

Hi Nalin,

As discussed, we need to increase the Authorised Share Capital of the Bank in order to facilitate the conversion of existing warrants.

Current Authorised Share Capital:

The present Authorised Capital of the Bank is Rs. 4000,00,00,000/- (Rupees Four Thousand Crore Only) divided into 170,00,00,000 (One Hundred and

Seventy Crore) Equity share of Rs. 10/- each and 230,00,00,000 (Two Hundred and Thirty Crore) Preference share of Rs. 10/- each.

Further, the present paid -up capital of the Bank is Rs. 2953,39,90,360 /- divided into 70,49,01,960 Equity Shares of Rs. 10/- each (issued to Centrum / Bharat Pe) and 224,84,97,076 Preference Shares of Rs. 10/- each (issued to institutional depositors as per scheme of PMC)

Proposed Authorised Share Capital:

It is proposed to increase the Preference shares by 50 Crores. Thus, the revised Authorised Capital will be Rs. 4500,00,00,000/- (Rupees Four Thousand Five Hundred Crore Only) divided into 170,00,00,000 (One Hundred and Seventy Crore) Equity share of Rs. 10/- each and 280,00,00,000 (Two Hundred and Eighty Crore) Preference Shares of Rs. 10/- each.

The proposal involves an increase only in the Preference Share Capital as warrants which have been subscribed already have to mandatorily convert into CCPS as per scheme (we have kept a buffer). There is sufficient headroom available under the existing Equity Authorised Capital (Rs. 1,700 Crore – Rs. 705 Crore = Rs. 995 Crore) to facilitate any future rights issue or preferential allotment of equity shares.

Since the entire process will take close to 3 months, (see below) we intend to place this matter at the ensuing board meeting. We need to do this right away as we will be in a difficult spot when subscribed warrants are due for conversion to CCPS in Oct26. Please note that raising the Preference capital limit does not impact the discussion between shareholders on future capital structure.

The proposed process flow and indicative timelines are set out below:

Sr. No.	*Process flow*	*Timelines*
1	*Approval by the Board for Increase in Authorised Capital*	*July 25, 2026*
2	*Submission of Application to RBI for approval of Increase in Authorised Capital and obtaining NOC*	*July 28, 2026*
3	*RBI Approval*	*2 months (September 30, 2026)*
4	*Approval of the Board through Circulation for convening EGM*	*Within 3 days of RBI approval*

5	*Convening of Extra Ordinary General Meeting at shorter notice for member's approval*	*Within 7 days from the approval by Board by giving Shorter Notice.*
6	*Filing of e-form SH-7 and MGT-14 for the approval of such Increase*	*Forms will be filed within 3 days from the approval of members, the approval from the Registrar of Companies (ROC) will be received on the same day of filing as these are STP forms.*

23. From the aforesaid, it is clear as crystal that the respondents themselves are in no doubt that a written consent of the petitioner is necessary and mandatory in respect of issues which fall within the ambit of "Reserved Matters". Thus, in such circumstances, it is well nigh difficult for this Court to accede to the arguments of the respondents.

24. Mr. Amit Sibal, learned senior counsel for the petitioner fairly conceded that the reference to impugned Agenda item no.20 is a typographical error and it is only the impugned Agenda item no.18 which is being assailed herein.

25. It is observed that the petitioner has been able to establish a *prima facie* strong case in its favour as against the respondents. The balance of convenience is tilted in favour of the petitioner as formed upon construction and interpretation of the relevant Clauses of the SHA, Clause V of the MoA, as well the Annexure A - Terms and Conditions of the Warrants - Series 1. This Court is of the considered opinion that, at this stage, the petitioner is also likely to suffer irreparable loss in case the respondents are not restrained from tabling and taking up for deliberations

and approval of the proposed resolution covered in the impugned Agenda item no.18.

26. Having regard to the overall circumstances of the case, the respondents are restrained from tabling, considering, deliberating or approving any proposed resolution contained in the impugned Agenda item no.18. It is made clear that the meeting scheduled to be held on 25.07.2026 may continue, however, only in respect of items other than impugned Agenda item no.18.

27. Issue notice. Notice is accepted by Mr. Sanjay Gupta, learned counsel for respondent nos.1 & 2 and Mr. Ateev Mathur, learned counsel for respondent no.3.

28. Let the reply be filed by the respondents within four weeks from date. Rejoinder thereto be filed within four weeks thereafter.

29. List on before the Joint Registrar (Judicial) on 18.09.2026 for completion of pleadings.

30. List before the Court on 28.10.2026.

31. *Dasti,* to the parties, under the signatures of the Court Master.

TUSHAR RAO GEDELA
(JUDGE)

JULY 24, 2026
Sumit/yrj/kct/rl