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

Judgment reserved on : 1 September 2026
Judgment pronounced on : 05 November 2026

\# **CNR No. DLHC010385462026**

\+ FAO(OS) (COMM) 221/2026, CM APPL. 55533/2026 & CM APPL. 55534/2026

UNITY SMALL FINANCE BANK .....Appellant

Through: Mr Mukul Rohtagi, Sr. Adv. with Mr. Sanjay Gupta, Mr Ateev Mathur and Ms. Jagriti Ahuja, Advs.

versus

RESILIENT INNOVATIONS
PVT LTD AND ORS .....Respondents

Through: Mr. Gopal Subramanium and Mr. Amit Sibal, Sr. Advocates with Mr. Mohit Goel, Mr. Anuj Berry, Mr. Sidhant Goel, Ms. Aishna Jain, Mr. Ishaan Pratap Singh, Mr. Pawan Bhushan, Mr. Shashwat Mukherjee, Mr. Suradish Vatts, Mr. Siddhant Juyal, Ms. Ramyani Sood, Mr. Darpan Sachdeva, Advs. for R-1
Mr. Sandeep Sethi, Sr. Adv. with Mr Ajay Monga and Mr. Amol Sharma, Advs.for R-2
Mr. Raj Shekhar Rao Sr Adv. with Mr. Ashish Agarwal and Mr. Nalin Dhingra Adv. for R-3

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE VINOD KUMAR

JUDGMENT

% 05.11.2026

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C. HARI SHANKAR, J.

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A. A Prefatory Note

1. The appellant Unity Small Finance Bank[1] challenges judgment dated 24 July 2026, whereby a learned Single Judge has issued notice in OMP (I) (Comm) 293/2026, filed by Resilient Innovations Pvt Ltd[2], Respondent 1 herein, under Section 9 of the Arbitration and Conciliation Act, 1996[3], returnable on 28 October 2026, and has, in the meanwhile, restrained Unity from tabling, considering, deliberating or approving the Resolution proposed in Agenda Item 18, proposed to be tabled in the next Board meeting of Unity which was, scheduled for 25 July 2026.

2. The impugned order is, therefore, purely *ad interim* in nature.

3. We, therefore, suggested to learned Counsel for Unity that, as the learned Single Judge is yet to render a final view in OMP (I) (Comm) 293/2026, we could, instead of providing our views in the matter, advance the hearing before the learned Single Judge with a

[1] "Unity" hereinafter
[2] "Resilient" hereinafter
[3] "the 1996 Act" hereinafter

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request to finally decide the OMP on a date to be fixed by us, uninfluenced by the impugned judgment.

4. Our suggestion did not, however, find favour with Unity or with Respondent 2 Centrum Financial Services Ltd[4], though Resilient was agreeable to it.

5. We, therefore, heard arguments on the merits of the impugned decision of the learned Single Judge, and proceed to provide our view thereon.

6. The principal *dramatis personae* are, therefore, Unity, Resilient and Centrum.

B. The *lis*

7. Though facially complex, the controversy is, in essence, simple.

8. The dispute turns round Clauses 5.2, 6.11(d) and 8 of a Share Holders Agreement[5] dated 26 October 2021, to which Unity, Resilient and Centrum are privy, which reads thus:

> "5.2 In case of requirement of additional capital for the operation of the Company beyond the Initial Investment, further Securities may be issued by the Company subject to provisions of the Business Plans and Clause 8 (Reserved Matters). Any issue of Securities to Persons other than the Promoter or RIPL and/or their respective Affiliates shall require the consent of Centrum and RIPL."

[4] "Centrum" hereinafter
[5] "SHA" hereinafter

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"6.11 **Quorum**

(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)."

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"8. *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."

(Emphasis supplied)

9. Resilient has approached this Court, by way of OMP (I) (Comm) 293/2026, seeking an interdiction against Unity tabling, for consideration in its next Board meeting, Agenda Item 18, which read, to the extent relevant, thus:

"**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.**

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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/- (Rupees Two Thousand Nine Hundred Fifty Three Crore Thirty Nine Lakh Ninety Thousand Three Hundred and Sixty Only) divided into 70,49,01,960 (Seventy Crore Forty Nine Lakh One Thousand Nine Hundred and Sixty Only) Equity Shares of Rs. 10/- each and 224,84,97,076 (Two Hundred and Twenty Four Crore Eighty Four Lakh Ninety Seven Thousand and Seventy Six) Preference Shares of Rs. 10/- each.

Considering the above, the Bank is required to increase its Authorised Share Capital to enable further issuance of CCPS[6] as well as Equity share.

Thus, it is proposed to increase the Authorised Capital of the Bank from 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 to 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. The Board may discuss and recommend any other amount as shall be deemed fit by the Board.

The proposed increase in Authorized Share Capital would require consequential amendment to the existing Capital Clause V of the Memorandum of Association of the Bank. Thus, the Board is requested to approve the following amendment:

> *V. The Authorised Share Capital of the Bank is Rs. 4900,00,00,000/- (Rupees Four Thousand Nine Hundr ed 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*

[6] Compulsorily Convertible Preference Shares

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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 at tac h 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.

The Board may note that as per the Shareholders Agreement dated October 26, 2021, executed between Unity Small Finance Bank Limited ('the Bank'), Centrum Financial Services Limited ('CFSL')
and Resilient Innovations Private Limited ('RIPL'), any amendment to MOA / AOA or change in its capital structure of the Bank is a Reserved Matter. Thus, approval of both RIPL and CFSL is being sought by the Bank. However, the Board may note that issuance of Warrants was duly approved by all stakeholders of the Bank and amendment to the Authorised Capital is just a consequent procedural requirement.

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The Board is requested to discuss the above and pass the following resolutions with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 179, 13 , 61 and other applicable provisions, if any, of the Companies Act, 2013 read together with the rules made thereunder *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force)*, Section 49C and all other applicable provisions of the Banking Regulation Act, 1949 *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force),* the rules, circulars and guidelines issued by the Reserve Bank of India (hereinafter referred to as "**RBI**") from time to time, and subject to receipt of no objection by the RBI and/ or such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from any statutory and regulatory authority(ies), and subject to approval of the members of the Bank, approval of the Board be and is hereby accorded to increase the Authorized Share Capital of the Bank from Rs.

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4000,00,00,000/- (Rupees Four Thousand Crore Only) divided into 170,00,00,000 (One Hundred and Seventy Crore) Equity shares of Rs. 10/- each and 230,00,00,000 (Two Hundred and Thirty Crore) Preference shares of Rs. 10/- each to 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 by the creation of additional 90,00,00,000 (Ninety Crore) Preference Shares of Rs. 10/- each and to alter the Clause V of the Memorandum of Association of the Bank relating to Capital by substituting with the following Clause V:

> 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.*"
>
> (Underscoring supplied)

10. In view of the fact that Clause 6.11(d) of the SHA specifically proscribes the very *taking up for discussion,* by the Board, of any Reserved Matter, and in view of the fact that the subject matter of Agenda Item 18 is a Reserved Matter, the learned Single Judge has,

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ad interim, restrained Agenda Item 18 from being tabled before the Board in its next meeting.

11. Unity claims to be aggrieved. Ergo this appeal, under Section 37(1)(b) of the 1996 Act.

C. Our View

12. There is obviously no ground, whatsoever, for us to interfere with the impugned judgment of the learned Single Judge.

C.I Breach of Clause 6.11(d) read with 8 of the SHA

13. Clause 6.11(d) of the SHA clearly proscribes the very taking up for discussion of any Reserved Matter by the Board of Unity, without the written consent from Centrum and Resilient in terms of Clause 8. It is admitted, in Agenda Item 18, that the subject matter of the Agenda Item was a Reserved Matter. Again, admittedly, no consent was granted by Resilient to the tabling of Agenda Item 18 before the Board, despite three communications having been addressed by Unity to Resilient, seeking written consent, on 23 October 2025, 1 May 2026 and 8 July 2026. These communications also manifested the requirement of written consent of Resilient, before Agenda Item 18 was tabled. Resilient refused to grant such consent.

14. In these circumstances, the learned Single Judge had, to our mind, in fact no option before him, but to interdict the tabling of Agenda Item 18 before the Board of Unity.

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15. The learned Single Judge has also expressed his chagrin at the fact that, despite the subject matter of Agenda Item 18 being admittedly a Reserved Matter, as was recognised even in the wordings of Agenda Item 18 itself, as well as in the three letters dated 23 October 2025, 1 May 2026 and 8 July 2026, Unity was seeking to contend to the contrary before the Court.

16. We echo the chagrin.

17. Neither before the learned Single Judge, nor before us, has Unity been able to adduce any sustainable submission to wish away the express admission, in Agenda Item 18, that the subject matter of the Agenda Item was a Reserved Matter, which necessitated prior written consent of Resilient before it was placed before the Board.

18. In so far as the letters dated 23 October 2025, 1 May 2026 and 8 July 2026 are concerned, Unity has merely sought to underplay the further admission, in these letters, of the subject matter of Agenda Item 18 as being a Reserved Matter, as an "inadvertent error".

19. It is obvious that such a submission cannot be countenanced, least of all in an appeal against a discretionary *ad interim* order of the learned Single Judge.

20. The fact that the subject matter of Agenda Item 18 was a "Reserved Matter" thus standing admitted, the Agenda Item could not be permitted to be tabled for consideration by the Board of Unity

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without the prior written consent of Resilient. Said consent having been expressly refused, the learned Single Judge cannot be said to be in error in interdicting tabling of Agenda Item 18 as an *ad interim* measure.

C.II Breach of Clause 5.2 of the SHA

21. It is admitted by Unity, both in the present appeal as well as in the written submissions filed before us, that carrying out the Resolution envisaged in Agenda Item 18 would require increase, by Unity, of its authorised share capital. Para E.2 of the written submissions filed by Unity expressly acknowledges this fact, thus:

> "E.2 For conversion of warrants into CCPS it was necessary for the Appellant to increase its authorised share capital."

22. Clause 5.2 of the SHA is categorical on two aspects; firstly, that induction of additional capital into Unity is "subject to provisions of the Business Plans *and Clause 8 (Reserved Matters)*" and, secondly, that any issue of securities to third parties would "require the consent of Centrum *and Resilient*".

23. The proposal to table Agenda Item 18 before the Board of Unity, for consideration, therefore, additionally infracted Clause 5.2 of the SHA, having been taken without the prior consent of Resilient.

24. The impugned judgment of the learned Single Judge is, therefore, unexceptionable.

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25. We would, somewhat later this judgment, be adverting to the law regarding the scope of interference, under Section 37 of the Arbitration and Conciliation Act, 1996, with interim orders passed under Section 9 of the 1996 Act. Suffice it, here, to state that, within those restrictive parameters, no case for interference with the impugned judgment of the learned Single Judge is made out.

D. Cited Clauses of the SHA and the Memorandum of Association[7] of Unity

26. Though, as noted earlier, the scope of the dispute before us is limited, in the interests of completeness, we may reproduce, hereunder, the clauses of the SHA to which our attention was invited during the course of arguments:

> "1. **DEFINITIONS AND INTERPRETATION**
>
> **1.1 Definitions**
>
> In this Agreement, the following capitalized terms not otherwise defined in the body of this Agreement, wherever used (including the recitals) shall have the meanings given hereunder:
>
> *****
>
> "**Securities"** shall have the meaning ascribed to it under the Act and in the case of the Company, shall specifically include the Shares and the Warrants;
>
> *****
>
> **"Warrants"** shall mean warrants issued by the Company, from time to time in accordance with the provisions of this Agreement and Applicable Law.
>
> *****

[7] "MOA" hereinafter

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3. THE COMPANY AND THE RELATIONSHIP BETWEEN THE SHAREHOLDERS

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3.4 Each Shareholder hereby respectively agrees with and undertakes to the other to procure that: (a) every person for the time being representing it; and (b) every person appointed as a Director of the Company in terms of this Agreement, will exercise any power to vote or cause the power to vote to be exercised, at any meeting of the Board or Shareholders, as the case may be, so as to enable the approval of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with and otherwise to give full effect to this Agreement, the Memorandum and Articles and provisions of Applicable Laws.

3.5 Each Party agrees with the other that:

(a) it shall act in good faith towards the other;

(b) it will do all things necessary or reasonably desirable to give effect to the spirit and intention of this Agreement; and

(c) the affairs of the Company shall be managed in accordance with and subject to: (i) the Memorandum and Articles of the Company, (ii) this Agreement; (iii) the provisions of Applicable Laws; and (iv) the Business Plan.

*****

5. INITIAL CAPITAL CONTRIBUTION AND ADDITIONAL FUND RAISING

5.1 The capital requirements of the Company shall be met through the initial equity infusion by Centrum and RIPL in accordance with the following (the “Initial Investment”):”

(a) Obligation to subscribe to Equity Shares

On or prior to the Effective Date, Centrum and RIPL (collectively) shall have infused a minimum capital of INR 1100,00,00,000 (Indian Rupees Eleven Hundred Crore) in the Company in the ratio of 51:49.”

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(b) Obligation to bring further capital

Further capital shall be raised by the Company in the manner as set out below and in relation to the same, the Company shall issue warrants or such other securities/instruments in consideration thereof as may be permitted under applicable Laws:

(i) An aggregate capital of INR 900,00,00,000 (Indian Rupees Nine Hundred Crore), as and when required to be infused in line with the Business Plan of the Company, but in any case within 5 (five) years from the date of commencement of business by the Company; and

(ii) An aggregate capital of INR 1,000,00,00,000 (Indian Rupees One Thousand Crore), as and when required to be infused in line with the Business Plan of the Company, but in any case within 8 (eight) years from the date of commencement of business by the Company; "

5.2 *In case of requirement of additional capital for the operation of the Company beyond the Initial Investment, further Securities may be issued by the Company subject to provisions of the Business Plans and Clause 8 (Reserved Matters). Any issue of Securities to Persons other than the Promoter or RIPL and/or their respective Affiliates shall require the consent of Centrum and RIPL.*

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6.11 **Quorum**

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(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).*

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8. *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*."

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12.1 **Restrictions on Transfer**

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(a) Lock-in

Subject to any internal restructuring within the Company (including but not limited to buy-back or for establishment of non-operative financial holding company done (if required) in accordance with Applicable Laws, *Centrum and RIPL shall not for a period of 5 (five years from the date of commencement of business by the Company, directly or indirectly, Transfer any Securities held by it in the Company such that its shareholding will fall below 40% (forty parent) of the total paid up voting equity share capital of the Company without the prior written approval of Centrum or RIPL, as the case may be.*

(b) General Restrictions on Transfer of Securities

(i) No Shareholder shall Transfer or attempt to Transfer any Securities, except as expressly permitted under Clause 12 (Lock-In/Transfer of Securities/Transfer Restrictions) of this Agreement or otherwise as agreed to in writing by Centrum and RIPL.

(ii) The Company and Shareholders agree that the Transfer restrictions in this Agreement and in the Articles,

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shall not be capable of being avoided by the holding of Securities of the Company indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Securities of the Company. Any transfer, issuance or other disposal of any Securities of the Company (or other interest) resulting in any change in the Control, of Centrum or of RIPL shall be treated as being a Transfer of the Securities held by the relevant Shareholder, and the provisions of this Agreement in respect of the Transfer of Securities shall accordingly apply.

(iii) Any purported Transfer (including upon invocation of an Encumbrance) which is not in accordance with this Agreement shall be null and void ab initio. And the Company shall not register such Transfer and shall reject any such Transfer made or attempted suo moto without necessity of decision of the Board or order of any Governmental Authority. Any Transfer or attempted or purported Transfer of Securities of the Company by any Shareholder in contravention of the provisions of this Agreement shall constitute a Material Concern under this Agreement.

(iv) The provisions of this Clause 12 (Lock-In/ Transfer of Securities/Transfer Restrictions) shall not apply to any Transfer of Securities by a Shareholder required in order to comply with Applicable Law (including, but not limited to, any order/ directions passed by a Governmental Authority).

(c) Third Party Transfer

(i) Subject to Clauses 12.1(b)(i) (General Restrictions on Transfer of Securities) no Shareholder shall Transfer its Securities in the Company to any Person except without receipt of the prior written consent of RIPL and Centrum, as may be applicable, which consent shall be given at mutually acceptable terms.

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12.4 All Shareholders and proposed transferee of Securities of the Company shall, at all times, comply with the fit and proper requirements issued by the RBI, from time to time and as a condition to acquisition of the said Securities, execute a deed of adherence or deed of undertaking, as may be decided by Centrum and RIPL for such proposed transferee substantially in the form as set out in Part A or Part B, as applicable, of Schedule 3. The deed of adherence and deed of undertaking may be subject to such other

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modifications as may be required by Centrum and RIPL. Provided that where such proposed transferee is a Controlled Person or on a cumulative basis acquires more than 4.99% (four point nine nine porcent) of the total paid up equity voting capital of the Company, then such proposed transferee shall execute a deed of adherence substantially in the format as set out in Part A of Schedule 3, with such modifications as may be agreed to by Centrum and RIPL.

*****

17. **DISPUTE RESOLUTION**

17.1 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, termination or performance or a Material Concern in accordance with Clause 10.2(c) (each a "Dispute") shall, so far as is possible, be settled amicably between the Parties.

17.2 If after a period of 30 (thirty) Business Days from a Party notifying the other of the existence of a Dispute, the Parties have failed to reach an amicable settlement, each Party will designate senior management personnel to meet in person to resolve the Dispute within an additional period of 30 (thirty) Business Days. If after such additional period, the Dispute has not been resolved, then such Dispute shall (at the request of either Party serving a written notice to that effect on the other (the "Dispute Notice")) be referred to and finally resolved by arbitration administered by the (Indian) Arbitration and Conciliation Act, 1996 ("Arbitration Act") for the time being in force, which Arbitration Act is deemed to be incorporated by reference in this Clause 17 (Dispute Resolution).

17.3 The seat and place of the arbitration shall be New Delhi. The language of the arbitration shall be English.

*****

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,

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profit sharing arrangement and/or exclusive supply / distribution arrangements (other than is the Ordinary Course of Business);

(c) Any acquisition or purchase of any undertaking, businesses, companies, body corporate, 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."

27. Clause V of the MOA, which Agenda Item 18 proposes to amend, read thus:

"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

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alter the share capital of the Company and to divide/consolidate the shares in Signature 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."

E. Facts

28. Though we were taken through a wide range of facts, we intend, while capturing all the aspects which were argued, to concentrate on those facets which are relevant to the issue at hand.

29. Unity, Resilient and Centrum executed, among themselves, the SHA on 26 October 2021. Resilient and Centrum held 49% and 51% shareholding, respectively, in Unity.

30. Purportedly in compliance with a letter dated 18 June 2021, whereby final approval was granted by the Reserve Bank of India to Unity to carry out banking activities, warrants were issued by Unity in 2021, for sale to third parties, proposing conversion of equity shareholding of Unity into Compulsorily Convertible Preference Shares[8]. These warrants were transferred to 181 third party individuals in 2021. On the basis of these warrants, the holders/transferees thereof were entitled to become shareholders in Unity. By an Extraordinary

[8] "CCPSs" hereinafter

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General Body Meeting[9] held on 22 October 2021, warrants were issued, to the tune of ₹ 90 crores, for conversion of equity shareholding of Unity into CCPSs. As per the conditions contained in the letter dated 18 June 2021 from the RBI to Centrum, the shareholding of Centrum, which was in excess of 40%, was to be diluted to below 40% within eight years from the date of commencement of business by Unity. This period of eight years is scheduled to expire on 31 October 2026. Within the same period, para 2(i)(c) of the letter dated 18 June 2021, also required holding of the shareholding of the Resilient to be reduced to 10% of the paid up voting equity share capital. Para 2(i)(c) of the letter dated 18 June 2021 read thus:

> "2. We, hereby, convey our 'in-principle' approval to Centrum Financial Services Limited (CFSL) for setting up a small finance bank (SFB), along with Resilient Innovations Private Limited (RIPL), which is treated as 'person acting in concert' with CFSL. The validity of this 'in-principle' approval is 120 days from the date of granting 'in-principle' approval i.e. 120 days from the date of this letter. The promoting entity may apply to RBI in case more time is required for setting-up the bank due to reasons beyond its control. The 'in-principle' approval is subject to conditions as detailed in the **Annex** to this letter. However, due to the proposed amalgamation of the PMC bank with the small finance bank, if and when the applicant is issued a SFB license, the following additional conditions shall also be applicable:
>
> > (i) The promoting entity shall be required to ensure compliance with the SFB Guidelines - 2019 issued by Reserve Bank of India (RBI) from the date of commencement of business as a SFB with following relaxations/exemptions-
> >
> > *****
> >
> > (c) The promoter's initial shareholding, in excess of 40 per cent shall be diluted to 40 per cent

[9] "EOGM" hereinafter

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> or below (or as amended by RBI from time to time) of paid-up voting equity share capital of the proposed SFB within a period of not more than **eight years** from the date of commencement of business by the proposed SFB. The shareholding of RIPL, the 'person acting in concert' and non-promoter, shall be brought down to 10 per cent (or as amended by RBI from time to time) of paid-up voting equity share capital within maximum of **eight years** from the date of commencement of business by proposed SFB. (This relaxation may be read with stipulation relating to lock-in requirement on promoter's holding during first five years as mentioned in para 8 of Annex to this letter)"

31. It is not disputed that compliance with para 2(i)(c) of the letter dated 18 June 2021 from RBI to Centrum would result in dilution of the shareholding of Resilient in Unity from 40% to 21%.

32. JBCG Advisory Services Pvt. Ltd[10], Respondent 3 herein, is also a transferee of warrants issued by the Unity in 2021 and has executed the deed of undertaking as required by Clause 3.2 of Annexure A to the warrants, setting out their terms and conditions, which read thus:

> 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."

33. It is significant that Clause 3.2 of Annexure-A to the warrants acknowledges that the warrants constitute "securities".

[10] "JBCG" hereinafter

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34. On 23 October 2025, 1 May 2026 and 8 July 2026, Unity addressed the following emails to, inter alia, Resilient and Centrum:

> E-mail dated 23 October 2025
>
> "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 Nove1nber 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.

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Thanks & regards,

E-mail dated 1 May 2025

"**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 ("RJPL "), and Unity Small Finance Bank Limited ("the Bank"), the aforementioned reserved matter require written consent from RJPL 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 I Unity Small Finance Bank Limited Centrum House, CST Road, Vidyanagari Marg, Mumbai – 400098 +91 9867029555 I 022- 42159000

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archana.goyal@unitybank.co.in”

E-mail dated 8 July 2026

“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.rafnishl 958@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. JOI- 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

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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.

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35. Clearly, therefore, acknowledging the fact that steps to be taken towards compliance with the directives of the RBI would constitute a "Reserved Matter" within the meaning of Clauses 6.11(d) and 8 of the SHA, the written consent of Resilient thereto the was being sought by Unity, *vide* the aforenoted e-mails.

36. By communication dated 5 May 2026 and 9 July 2026, Resilient specifically rejected the proposal of Unity for increasing its authorised share capital and reducing the shareholding of Resilient in the process.

37. Despite the rejection, by Resilient, of Unity's proposal, Unity, on 18 July 2026, circulated an Agenda for meeting of its Board to be convened on 25 July 2026, which included Agenda Item 18 *supra*.

38. Resilient immediately addressed a communication dated 20 July 2026 to Unity objecting to tabling of Agenda Item 18 before the Board on 25 July 2026, specifically asserting that Agenda Item 18 could not be tabled without the prior written consent of Unity as required by Clauses 5.2, 6.11(d) and 8 of the SHA.

39. As the tabling of Agenda Item 18 before the meeting of the Board, scheduled for 25 July 2026, was imminent, and as Clause 17 of the SHA envisages resolution of dispute by arbitration, Resilient has approached this Court by means of OMP (I) (Comm) 293/2026, containing the following prayer clause:

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"In view of the facts and circumstances mentioned hereinabove, it is respectfully prayed that this Hon'ble Court may be pleased to:-

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

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> 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."

F. The impugned judgment

40. By judgment dated 24 July 2026, a learned Single Judge of this Court has issued notice in OMP(I)(Comm) 293/2026 and has granted *ad interim* relief in the following terms:

> "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."

41. The rival submissions of the parties before the learned Single Judge were as under.

F.I Submissions of Resilient

42. Resilient submitted that the word "securities", as defined in Clause 1.1 of the SHA, was to be ascribed the meaning applicable to the expression as defined in the Companies Act 2013. Thus understood, the warrants issued by Unity in 2021 and transferred to third parties, on the basis of which CCPSs could be issued, would also be encompassed within the expression "securities".

43. Resilient predicted its case primarily on Clause 6.11(d) of the SHA. It was pointed out that the Clause proscribed the very taking up

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of reserved matters by the Board of Unity without the prior written consent of Resilient and Centrum in terms of Clause 8 of the SHA.

44. This requirement was reiterated in Clause 8 as well. No item which constituted a "Reserved Matter", within the meaning of the Schedule 2 to the SHA could, therefore, be taken up in a Board Meeting of Unity *sans* such prior written consent.

45. The proposal contained in Agenda Item 18 was, it was submitted, a "Reserved Matter" under Schedule 2 to the SHA, particularly clauses (a) and (f) therein, as it proposed amendments in the MOA of Unity which would affect the rights of the shareholders. It was further pointed out that clause (f) in the Schedule 2 to the SHA embraced any change in the capital structure of Unity, including changes introduced by new issues of shares, securities etc., as falling within the ambit of the expression "Reserved Matter".

46. Thus, it was not permissible to table Agenda Item 18 before the Board of Unity without the prior written consent of Resilient. This position was acknowledged not only in the expressed wordings of Agenda Item 18 but also in the e-mails dated 23 October 2025, 5 May 2026 and 8 July 2026 addressed by Unity to Resilient and Centrum.

47. It was pointed out that Resilient had responded specifically to each of these e-mails, opposing the proposal to table Agenda Item 18 in the meeting of the Board of Unity. Resilient reiterated the fact that Agenda Item 18 specifically envisaged consideration and approval for increase in the authorised share capital of Unity, which would require

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amendments in Clause V of its MOA and would, therefore, constitute a "Reserved Matter" for the purposes of Clauses 6.11(d) and 8 of the SHA.

48. It was also pointed out that passing of the proposed Resolution by the Board would result in reduction of the shareholding in Unity from 49% to 21% which could not be affected without Unity's written consent in terms of Clause 5.2 of the SHA. The entire exercise, submitted Resilient, was in the nature of a devious ploy to substantially decrease Resilient's shareholding in Unity.

49. Resilient, therefore, submitted that a clear *prima facie* case existed to restrain Unity, pending resolution of the dispute by arbitration, from tabling Agenda Item 18 in its Board Meeting.

50. Grant of such an injunction, it was submitted, would not violate any statutory provision or Regulation issued by the RBI.

51. It was also pointed out that Annexure A to the warrants themselves, which contained the terms and conditions thereof, specifically provided that the terms and conditions stipulated in the SHA would prevail over those contained in the warrants in the case of conflict. Clause 3 of the SHA also provided that transfer of the warrants was subject to the Articles of Association of Unity and to the SHA. A similar covenant was to be found in Clause 4.2 (b) of the SHA.

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52. In these circumstances, Resilient submitted that, applying the principles of a *prima facie* case, balance of convenience and irreparable loss, a clear case for grant of interim protection, in exercise of the powers conferred on this Court by Section 9 of the 1996 Act, was made out.

F.II Submissions of Unity

53. Contesting the submissions advanced by Resilient, Unity asserted that issuance of warrants and conversion of warrants to the CCPSs would not constitute a "Reserved Matter" within the meaning of Clause 8 or Schedule 2 to the SHA. The warrants, it was submitted, had already been approved and issued in 2021, and what was being tabled before the Board of Unity was only conversion of the warrants to CCPSs. The intention was to increase the share value of the warrants.

54. Warrants totalling ₹ 90 crores already stood issued consequent to the EOGM meeting of Unity held on 22 October 2021, to which Resilient was a party. Unity submitted that, at that time, Resilient never raised any objection to issuance and transfer of the warrants and did not take any steps towards challenging such issuance or transfer by any means known to law. These warrants were due for conversion into CCPSs by 31 October 2026. For this, however, Unity was in need of adequate authorized share capital, so as to be able to issue the requisite number of CCPSs. It was for this purpose that Unity proposed to increase its authorized share capital from ₹ 4,000 crores to ₹ 4,900 crores, which, in turn, required an amendment in Clause

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(B) of the MOA. As the warrants had been issued in 2021, and were due for conversion into CCPSs on or before 31 October 2026, the resolution to that effect was required to be approved by the Board of Unity.

55. Unity further stressed that Clause 4.2 of the Annexure A to the warrants required the warrants to be converted into CCPSs within 60 months from allotment, failing which they would lapse and the amount paid by the transferees for transfer of the warrants would stand forfeited by Unity. It was further submitted that conversion of the warrants into CCPSs did not result in any prejudice to Resilient, as the CCPSs would not confer any voting rights to the holders thereof, as specified in Clause 4.4(g) of Annexure A to the warrants. For ready reference, Clauses 4.2 and 4.4(g) of the Annexure A to the warrants may be reproduced as under:

> "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."
>
> *****
>
> "4.4 Issue of Compulsorily Convertible Preference Shares

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> 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:
>
> *****
>
> (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."

56. Unity contested the submission of Resilient that Agenda Item 18, and its subject matter, constituted a "Reserved Matter" within the meaning of Clauses 6.11(d) and 8 of the SHA. It was submitted that, in fact, Agenda Item 18, and its subject matter, fell within Clauses 5.1(a) and (b) of the SHA, which did not constitute "Reserved Matters". Unity sought to contend that initial investment was covered by Clauses 5.1(a) and (b) of the SHA and it was only infusion of additional capital beyond the initial investment which would constitute a "Reserved Matter" for the purposes of the SHA.

57. Failure to convert the warrants to CCPSs on or before 31 October 2026, it was sought to be contended, would result in catastrophic consequences. Especial reliance was placed by Unity on the letter dated 18 June 2021 from RBI to Centrum, which required the dilution of Centrum's initial shareholding to below 40% and reduction of the shareholding of Resilient to below 10% to be effected within 8 years of commencement of business, which would expire on 31 October 2026. Agenda Item 18 had been issued only in compliance

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with the mandate of the RBI.

58. In the event of failure to comply with the requirements in para 2(i)(c) of the letter dated 18 June 2021, the amounts invested by the transferees of the warrants would stand forfeited, which would result in serious financial repercussions. Reliance was also placed by Unity on a letter dated 10 June 2024 between Resilient and Centrum, whereby, according to Unity, the obligations contained in Clauses 12.1 and 12.4 of the SHA were waived by mutual consent, and neither party was required to obtain consent before third party transfers of the warrants.

59. Unity, therefore, sought to contend that Resilient was, by means of the OMP, seeking to block an issue to which it had already lent its consent. It was further submitted that Unity was not entitled to maintain its claim even on application of the principles of estoppel and acquiescence. The prayer of Unity to interdict the tabling of Agenda Item 18 would also not be in public interest. It was further submitted that the transferees of the warrants had not been made parties, who would be affected by the grant of relief sought by the parties and had not been made parties in the OMP.

60. For all these reasons, Unity submitted that the prayers of Resilient deserve to be rejected and prayed accordingly.

F.III <u>Submissions of Centrum</u>

61. Centrum advanced separate submissions before the learned

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Single Judge. Centrum claimed that it was also a warrant holder to whom warrants had been transferred in 2021 for conversion of the equity shareholding of Unity into CCPSs. Centrum had also executed the required Deed of Undertaking on 28 October 2022.

62. In such circumstances, Centrum submitted that conversion of the warrants to the CCPSs was a vital right of the warrant holder under the SHA as well as under Annexure A to the warrants themselves. Failing to ensure such conversion before 31 October 2026 would result in lapsing of the warrants and enormous financial loss to the warrant holders.

63. Centrum further submitted, relying on Clause 3.1 of Annexure A to the warrants, that, transfer of the warrants to third parties having already been processed, the approval of the Board of Unity, thereto, had to be deemed to have been granted, as provided in Clause 3.1(a). It was for this reason that warrant holders, such as Centrum, had already executed Deeds of Undertaking as required by Clause 3.1(b) of Annexure A to the warrants. Following this, the transfers were being processed absolutely in terms of the Depositories Act, 1996, as required by Clause 3.3 of Annexure A to the warrants.

64. Centrum further placed reliance on Section 22(3)(a), (b) and (c) of the Banking Regulation Act, 1949[11], as the license to conduct banking business had been issued by RBI to Unity in terms of Section 22 thereof. Any violation of the conditions imposed by the RBI in its letter dated 12 October 2021 while granting final approval to Unity to

[11] "the BRA" hereinafter

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conduct banking business in India would, therefore, render Unity liable to penalty under Section 47A of the 1949 Act. Centrum further echoed Unity's submission that the OMP filed by Resilient was devoid of merit and prayed for its dismissal.

F.IV Submissions of Resilient in Rejoinder

65. In rejoinder, Resilient once again reiterated its reliance on the letters dated 23 October 2025, 1 May 2026 and 8 July 2026 from Unity to Resilient and Centrum. It was submitted that once Unity had admitted, in the said letters, that the subject matter of Agenda Item 18 constituted a "Reserved Matter", which needed the written consent of Resilient, it was estopped from arguing to the contrary.

66. Resilient further submitted that Unity had conflated the aspect of compliance with the conditions imposed by the RBI in its letter dated 18 June 2021 while issuing approval to Unity to carry out banking business with the aspect of whether Agenda Item 18 could be tabled without prior written consent of Resilient.

67. It was further submitted that the consent given in 2021 was not for an amendment of the MOA or the capital structure of Unity and could not, therefore, estop Resilient from maintaining its OMP. In any event, submitted Resilient, the SHA was executed after the approval letters dated 18 June 2021 and 12 October 2021 from RBI.

68. Resilient finally contended that there was no dispute about the fact that CCPSs constituted equity share capital of Unity. Conversion

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of ₹ 100 crores worth of additional equity capital of Unity to CCPSs would result in reduction of the shareholding of Resilient from 49% to 21%, which would be in direct contravention of the SHA, and would also result in proportionate increase of the shareholding of Centrum and JBCG.

69. Resilient, therefore, reiterated its prayers in the OMP.

F.V Analysis by the learned Single Judge

70. In arriving at the conclusion to issue notice on the OMP and grant an *ad interim* relief as noticed earlier, the learned Single Judge has reasoned thus:

> (i) The expression "securities", as defined in Clause 12.4 of the SHA specifically included, within its ambit, warrants.
>
> (ii) Clauses (a) and (f) in Schedule 2 to the SHA specifically included any amendment to the MOA or the AOA, which could affect the rights of the shareholders or change the capital structure of Unity, either through issue of new shares or securities or by reduction in share capital, or any amendment of the rights, concessions, terms or restrictions relating to the securities of Unity.
>
> (iii) Clause 6.11(d) of the SHA specifically proscribed taking up, for consideration or approval, any Reserved Matter, by the Board of Unity, without prior written consent from Resilient

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and Centrum. The clause brooked of no ambiguity and was mandatory in terms.

(iv) Clause 8 of the SHA commenced with a non-obstante clause and, therefore, prevailed over all remaining clauses of the SHA.

(v) Unity was, therefore, completely proscribed from any decision or action in respect of Reserved Matters unless approved by affirmative vote or prior written consent, by Resilient as well as Centrum. For this purpose, before taking any decision or action on a Reserved Matter, Unity was required to send a written communication with the relevant material to Resilient and Centrum, seeking for their consent. It was only after consent was received that the Reserved Matter could be taken up for any decision or action by the Board of Unity.

(vi) Annexure A to the warrants provided that the SHA would prevail over the terms of the warrants. Clause 3.1(e) in Annexure A specifically stated that the warrants were subject to the SHA in force at the time of the proposed transfer of the warrants. This rendered the transfer of warrants subject to Clauses 6.11(d), 8 and Schedule 2 of the SHA.

(vii) Similar wordings were to be found in Clause 8 of the SHA, which read thus:

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"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."

(viii) If, therefore, the subject matter of Agenda Item 18 was a "Reserved Matter" within the meaning of Clauses 6.11(d), 8 of the SHA read with Schedule 2 thereto, it could not have been tabled without prior written consent of Resilient. Specifically, as Resilient had refused consent, the said Agenda Item could not be allowed to be tabled.

(ix) The learned Single Judge, thereafter, goes into detail whether the subject matter of Agenda Item 18 constituted a "Reserved Matter" within the meaning of the SHA.

(x) The very title of Agenda Item 18 indicated that it was intended to increase the authorized share capital of Unity and involved amendment of Clause V of the MOA and seeking prior RBI approval therefor. The reason for Agenda Item 18

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was not, therefore, in dispute.

(xi) The Agenda Item itself stated that Unity was required to increase its authorized share capital to enable further issuance of CCPSs and equity shares.

(xii) As per the SHA, any amendment to the MOA or the AOA of Unity, or change in its capital structure, was a "Reserved Matter". It was for this reason that Unity wrote repeatedly to Resilient and Centrum, seeking their approval for tabling of Agenda Item 18 in the Board meeting.

(xiii) Agenda Item 18 itself admitted that, for its implementation, amendment of the MOA of Unity, and change in its capital structure, was required, and that this constituted a "Reserved Matter". In view of the plain admission, in Agenda Item 18 itself, that its subject matter constituted a "Reserved Matter", it was not open either to Unity or to Centrum to contend to the contrary. Unity acknowledged this position by writing to Resilient on 23 October 2025, 1 May 2026 and 8 July 2026, seeking the consent of Resilient for discussion and approval of the proposed resolution contained in Agenda Item 18.

(xiv) In that view of the matter, the contention of Unity before the Court, that Agenda Item 18 did not constitute a "Reserved Matter", was contrary to its own course of conduct.

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(xv) In response to the communications from Unity, Resilient had, in writing, specifically refused to give consent for tabling of Agenda Item 18.

(xvi) Unity and Centrum, however, also sought to contend that the subject matter of Agenda Item 18 related to action to be taken post approval thereof, which was relatable to Clause 5.1(a) and (b) of the SHA, and not to Clause 5.2 thereof, and was not, therefore, a "Reserved Matter". This submission was unsustainable. Agenda Item 18 did not cover action to be taken after decision on the issues mentioned therein, but specifically dealt with tabling of the proposal to alter the share capital of Unity and take action which was clearly covered within the definition of "Reserved Matter". It was also admitted that, for such action to be taken, the MOA/AOA of Unity would have to be amended. As such, the subject matter of Agenda Item 18 clearly fell within the ambit of the expression "Reserved Matter" as envisaged in Clauses 6.11(d) and 8 and Schedule 2 to the SHA.

(xvii) It was necessary therefore, for Unity and Centrum to comply with the mandate of SHA and the procedure envisaged therein.

(xviii) Resilient had approached the Court, apprehending drastic reduction of its shareholding in Unity from 49% to 21% if the amendment of Clause V of the MOA was permitted to take place. This apprehension was required to be considered

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and addressed before Agenda Item 18 was tabled before the Board. This clearly indicated that the requirement of prior written consent of Resilient and Centrum before tabling of said Agenda Item was not a mere formality, but was mandatory.

(xix) Clause V was an integral part of the MOA. Any amendment of Clause V had, therefore, to be by way of a Board resolution, which mandated prior consent of all majority shareholders, which included Resilient.

(xx) In view of the express covenants and terms of the SHA, the argument of public interest, advanced by Unity, was unappealing.

(xxi) In these circumstances, it was clear that there was a *prima facie* case in favour of Resilient. On a construction and interpretation of the various clauses of the SHA, Clause V of the MOA and Annexure-A to the warrants, the balance of convenience was also in favour of the Resilient. In the event of Agenda Item 18 being permitted to be tabled before the Board, Unity was liable to suffer irreparable loss.

71. In these circumstances, the learned Single Judge expressed the opinion that a case for restraining Unity from tabling or considering the resolution envisaged in Agenda Item 18 was made out, and ordered accordingly.

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72. The impugned judgment permits the meeting of the Board of Unity to continue in respect of Agenda Items other than Agenda Item 18.

G. Rival Submissions before us

G.I Submissions of Mr. Mukul Rohatgi for Unity

73. Mr. Rohatgi submits that Unity was working under a license issued to it by the RBI in terms of Section 22(1)[12] of the BRA and that, therefore, the RBI was empowered to issue directions to Unity under Section 35-A(1)[13] thereof, which would be statutorily binding on Unity. He submits that Unity had suppressed the directions issued by the RBI in 2021. The learned Single Judge, submits Mr. Rohatgi, could not have injuncted compliance with Section 35-A(1) of the BRA.

74. Unfortunately, submits Mr. Rohatgi, the learned Single Judge provided no time to Resilient to bring the necessary documents and information on record. Agenda Item 18 was issued on 18 July 2026,

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[12] **22. Licensing of banking companies**.—
(1) Save as hereinafter provided, no company shall carry on banking business in India unless it holds a licence issued in that behalf by the Reserve Bank and any such licence may be issued subject to such conditions as the Reserve Bank may think fit to impose.

[13] **35-A. Power of the Reserve Bank to give directions**.—
(1) Where the Reserve Bank is satisfied that—
(*a*) in the [public interest]; or
(*aa*) in the interest of banking policy; or
(*b*) to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company; or
(*c*) to secure the proper management of any banking company generally;
it is necessary to issue directions to banking companies generally or to any banking company in particular, it may, from time to time, issue such directions as it deems fit, and the banking companies or the banking company, as the case may be, shall be bound to comply with such directions.

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arguments were heard by the learned Single Judge on 21 July 2026, orders were reserved by him on 23 July 2026, and pronounced on 24 July 2026, a day before the meeting of the Board of Unity.

75. Mr. Rohatgi submits that there was no justification or necessity for the learned Single Judge to injunct the holding of the Board meeting. He specifically cites the judgment of a Division Bench of this Court, authored, incidentally, by one of us (C. Hari Shankar J.) in ***Jai Kumar Arya v. Chhaya Devi***[14], relying on paras 133 to 135, 145, 151, 152 to 154, 157, 159 and 160 thereof.

76. Mr. Rohatgi further submits that the RBI had specifically directed that the reference to "Reserved Matters" was to be removed from the AOA of Unity, and that it was duly removed as far back as in 2021. This fact, too, he submits, was concealed by Unity in its OMP. The SHA, he submits, cannot override the AOA. He cites paras 261 to 266 of the judgment of the Supreme Court in ***Vodafone International Holdings BV v. Union of India***[15]. Mr. Rohatgi further places reliance on Article 142 of the AOA of Unity, which read thus:

> **OVERRIDING EFFECT**
>
> 142.
>
> (1) All actions under these Articles shall be carried on in abidance with Applicable Law. Further, the Company shall do all such things as are permitted by Applicable Law, including but not limited to, the Guidelines, the Act, the Banking Act, the RBI Act, and any other applicable regulation enacted or amendment made to existing laws or judicial decisions, made from time to time.

[14] **2017 SCC OnLine Del 11436**
[15] **(2012) 6 SCC 613**

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> (2) In case of any inconsistency between the provisions of these Articles and the Act, the provisions of the Act will prevail.
>
> (3) The provisions of the Act shall apply to the Company except in so far as the said provisions are inconsistent with the provisions of the Banking Act or the Guidelines. In case of any inconsistency between the provisions of the Act and Banking Act or the Guidelines, the provisions of Banking Act or the Guidelines, as the case may be, will prevail.

77. Agenda Item 18, submits Mr. Rohatgi, did not constitute a "Reserved Matter", within the meaning of the SHA. The reference, to the contrary, in the letter is addressed by Resilient to Unity, which were written by a Company Secretary, he submits, was by mistake. Without prejudice, Mr. Rohatgi relies on Clauses 3.5(c), 5.1 and 5.2 of the SHA to submit that the initial capital infusion of ₹ 900 crore was not subject to Clause 8, and only additional capital, beyond the initial investment, was so subject.

78. Mr. Rohatgi also placed reliance on a Mutual Waiver Letter dated 10 June 2024 executed between Resilient and Centrum, whereby they agreed to transfer the securities, including warrants, held by them in Unity to any third person for a consideration of up to ₹ 750 crores each. The requirement of taking of written consent of Resilient before issuing the warrants, it is submitted, stands novated by this communication.

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79. Mr. Rohatgi has also cited, in support of his submissions, paras 47 to 49 of ***Gujarat Bottling Co. Ltd v. Coca-Cola Co.***[16] and para 6 and 100 of ***LIC v. Escorts Ltd***[17].

G.II Submissions of Mr. Gopal Subramanium, for Resilient

80. Responding to the submissions of Mr. Rohatgi, Mr. Gopal Subramanium once again referred us to the three requests by Unity to Resilient to accede to the tabling of Agenda Item 18. He submits that Unity's plea that the reference to the Agenda Item 18 as a "Reserved Matter", in the said communications, was an inadvertent error, can obviously not be accepted. Inasmuch as Agenda Item 18, and is subject matter, fell within the ambit of the expression "Reserved Matter", within the meaning of Clause 8 of the SHA, Mr. Subramanium submits that it could not have been tabled without the prior written consent of Unity and Centrum. Clause 8, he points out, commences with a nonobstante clause and, therefore, also supersedes the AOA. In case the Resolution proposed by Agenda Item 18 is passed by the Board of Unity, Mr Subramanium submits that the share capital of Resilient would stand reduced from 49% to 21%, rendering the arbitration itself academic.

81. Mr. Subramanium further points out that, in a bid to resolve the controversy, a notice under Section 21 of the 1996 Act stands issued by Resilient on 11 August 2026, but that there is no response from Unity.

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[16] **(1995) 5 SCC 545**
[17] **(1986) 1 SCC 264**

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82. With respect to the mutual waiver letter dated 10 June 2024, Mr. Subramanium submits that the true facts have not been disclosed to this Court. Two days after the said letter was written, he points out that, by letter dated 12 June 2024, Resilient and Centrum engaged Rothschild & Co. Pvt Ltd[18] as their financial advisory with third parties for transfer of shareholdings. They, therefore, executed an Addendum to the Mutual Waiver Letter dated 19 June 2024, permitting third-party transfer of shareholdings only through Rothschild. In any event, submits Mr. Subramanium, the Mutual Waiver Letter, as well as the Addendum thereto, were subject to the SHA. He further points out that, by letter dated 26 August 2025, Resilient communicated that the mandate of Rothschild had expired and that, therefore, the Mutual Waiver Letter and the Addendum thereto had ceased to be in force.

83. The contention that the clause relating to "Reserved Matters" stands deleted from the AOA, consequent to the directions issued by the RBI, submits Mr. Subramanium, is in the nature of a sham defence. No such contention was urged before the learned Single Judge. In any event, submits Mr. Subramanium, the letter dated 28 September 2021 of the RBI merely directed deletion of Articles 169 and 170 from the AOA and did not specifically issue any direction with regard to the "Reserved Matters" Clause in the SHA. He points out, in this regard, that the SHA, which was issued thereafter, was specifically to the RBI for approval, and that the RBI did not notice or point out any infirmity in the "Reserved Matters" Clause. Relying on

[18] "Rothschild" hereinafter

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paras 261 to 268 of the judgment of the Supreme Court in ***Vodafone***, Mr. Subramanium submits that an affirmative covenant in the SHA would be enforceable even in the absence of any parallel covenant in the AOA.

84. Mr. Subramanium further submits that implementation of the impugned judgment of the learned Single Judge would not breach any directive of the RBI. He submits that Clause 5.1 of the SHA is not applicable. No capital infusion for the 2026-2027 Financial Year has been planned even in the Business Plan of Unity for that year. He has specifically drawn attention to the wordings of Clause 5.1 (b) of the SHA. He further points out that Clause 4.2 of the Terms and Conditions of the Warrants are in line with the provisions of the SHA.

85. For all these reasons, submits Mr. Subramanium, no case for interference, by this Court, with the judgment of the learned Single Judge, can be said to exist.

H. Scope of interference

86. The impugned order of the learned Single Judge is fundamentally discretionary in nature. The scope of interference, in appeal, with discretionary orders passed in commercial matters, stands thus explained by the Supreme Court in ***Wander Ltd v. Antox India Pvt Ltd***[19]:

[19] **1990 Supp SCC 727**

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> "14. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in ***Printers (Mysore) Private Ltd. v. Pothan Joseph***[20]:
>
> > "... These principles are well established, but as has been observed by Viscount Simon in ***Charles Osenton & Co. v. Jhanaton***[21] '...the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established, and any difficulty that arises is due only to the application of well settled principles in an individual case'." "

87. As a Court exercising appellate jurisdiction over the exercise of discretion by the learned Single Judge, we, therefore, would interfere only if the exercise of discretion is arbitrary, capricious or perverse, or ignores the settled principles relating to grant of interim injunctions. We have to regard the appeal as an appeal on principle. Our jurisdiction is, therefore, limited to determining whether the learned Single Judge has erred on principle, and does not extend to undertaking a virgin exercise into the facts and assessing, for ourselves, whether we would have decided as the learned Single

[20] **AIR 1960 SC 1156**
[21] **1942 AC 130**

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Judge has. To employ a cliché, we are not to substitute our view for the view of the learned Single Judge, even if we are of the opinion that our view is more appropriate or apposite.

I. Applying the above principle

88. We have already indicated, towards the commencement of this judgment, brief reasons for our decision not to interfere with the judgment of the learned Single Judge, which would be reiterated somewhat later. Prior thereto, we proceed to deal with the submissions of Mr. Rohatgi, seeking setting aside of the impugned judgment, *seriatim*.

I.1 Re. contention that impugned judgment was rendered in haste

89. Mr. Rohatgi expressed his unhappiness at the fact that the learned Single Judge had not granted any opportunity to the appellant to place its stand in writing, and has passed the impugned judgment in haste. We do not agree. The power of the learned Single Judge to pass *ex parte ad interim* directions cannot be disputed. The impugned judgment has been rendered after hearing both sides. Inasmuch as the meeting of the Board of Unity was to take place on 25 July 2026, the learned Single Judge was clearly justified in passing the impugned order prior thereto.

90. We, in fact, find the submission of Mr. Rohatgi surprising as we had ourselves suggested that the learned Single Judge could be directed to dispose of the OMP on an early date to be fixed by us. Mr.

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Rohatgi, on instructions, was unable to concede to this suggestion. It cannot, therefore, lie in the mouth of Unity to contend that the learned Single Judge acted in haste.

I.2 Re. Contention that learned Single Judge could not have injuncted the holding of a Board Meeting

91. Mr. Rohatgi further submitted that the learned Single Judge could not have injuncted the holding of a meeting of the Board of Unity. The learned Single Judge has not, in fact, done so. The impugned judgment merely restrains the tabling of Agenda Item 18, in view of the fact that its subject matter was a "Reserved Matter" within the meaning of Clause 8 of the SHA. Again, the power of the learned Single Judge to do so can hardly be gainsaid.

I.3 Re. Deletion of "Reserved Matters" from the AOA of Unity, pursuant to the directive of the RBI - Clause 8 of SHA prevails over the AOA in view of *non obstante clause*

92. Considerable emphasis was placed, by Mr. Rohatgi, on the letters from the RBI, calling for deletion, from the AOA of Unity, of the clause dealing with "Reserved Matters". Mr. Subramanium has correctly countered the submission by pointing out that the deletion, or otherwise, from the AOA, of "Reserved Matters", did not in any manner affect Clause 8 or Schedule 2 to the SHA.

93. Moreover, Clause 8 commences with a *non obstante* clause, by operation of which Clause 8 would take precedence over the AOA and MOA of Unity. The existence, or otherwise, of the clause

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pertaining to "Reserved Matters" in the AOA is, therefore, entirely insignificant.

94. We also find substance and Mr. Subramanium's submission that the SHA, which was executed after the communication dated 28 September 2021 from the RBI, was itself sent to the RBI for approval, and that the RBI did not express any reservation with respect to any covenant of the SHA, including Clause 8 of the existence, therein, of "Reserved Matters". The RBI itself having not found anything untoward or objectionable in the SHA, Unity cannot seek to escape the rigour of Clause 8 or Schedule 2 to the SHA by referring to the directives of the RBI.

I.4 Whether subject matter of Agenda Item 8 constituted "Reserved Matter" within the meaning of the SHA

95. Mr. Rohatgi further submitted that the subject matter of Agenda Item 18 was not, in fact, a "Reserved Matter", and that the reference, to the contrary, in the communications dated 23 October 2025, 1 May 2026 and 8 July 2026, from Unity to Resilient, was in the nature of an inadvertent error.

96. These communications not only acknowledge the fact that the subject matter of Agenda Item 18 was a "Reserved Matter", they also affirmatively seek the consent of Resilient for tabling the Agenda Item before the Board of Unity. The express consent, sought in these e-mail, may be reproduced for ready reference:

e-mail dated 23 October 2025

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"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."

(Emphasis supplied)

e-mail dated 1 May 2026

"We propose to place the following matter for approval at the Board meeting 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 Ltd ("CFSL"), Resilient Innovations Private Limited ("RIPL") and Unity Small Finance Bank Ltd ("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."

(Emphasis supplied)

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97. The plea of the admission, by Unity, in the aforesaid communications to Resilient, that the subject matter of Agenda Item 18 was a "Reserved Matter" having been an inadvertent error cannot be raised in the present appeal, the scope of which is limited. In any event, even on merits, the submission does not commend itself to acceptance, as the communications from Unity specifically sought the approval and concurrence of Resilient for Agenda Item 18, as it constituted a "Reserved Matter". Mr. Rohatgi's submission to the contrary merits rejection even on this sole ground.

98. Agenda Item 18 itself identified its subject matter as a "Reserved Matter", which required prior consent of Resilient. Unity cannot be heard to argue to the contrary

99. That apart, when one refers to the various subjects which constitute "Reserved Matters" as defined in Schedule 2 to the SHA, it is clear that Agenda Item 18 in fact pertained to a "Reserved Matter". As was correctly submitted by Mr. Subramanium, the subject matter of Agenda Item 18 squarely falls within clause (f) in Schedule 2, which encompasses any change in the capital structure of Unity, including, inter alia, by new issue of shares. Agenda Item 18 clearly proposed change of the capital structure of Unity and throwing open shareholding with third parties, with a reduction in the shareholding of Resilient. We cannot, therefore, accept Mr. Rohatgi's submission that the subject matter of Agenda Item 18 was not a "Reserved Matter" as envisaged by the SHA.

I.5 Re. submission that SHA could not override the AOA

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100. Mr. Rohatgi submitted, with emphasis, that the SHA could not override the provisions of the AOA. This submission is obviously not available to Unity, as a signatory to the SHA, Clause 8 of which commences with a *non obstante* clause, according it pre-eminence over the provisions of the AOA.

101. In any event, the submissions of Resilient, as accepted by the learned Single Judge, do not result in according of any predominance to the SHA over the AOA. The AOA, if amended in terms of the directive of the RBI, but not contain any clause pertaining to "Reserved Matters". It does not, therefore, contain any clause which is contrary to Clause 8 of the SHA. In enforcing Clause 8, therefore, no provision of the AOA would be infracted.

I.6 Re. ***Jai Kumar Arya***

102. Mr. Rohatgi also placed reliance on various paragraphs from the judgment of the Division Bench of this Court authored by one of us (C. Hari Shankar J.) in ***Jai Kumar Arya***. We have already noted, in para 76 *supra*, the various passages from ***Jai Kumar Arya*** on which Mr. Rohatgi places reliance. None of the passages is of any particular significance to the controversy before us, and we do not deem it necessary to burden this judgment by referring individually to the said paragraphs. The conclusion in para 160 of ***Jai Kumar Arya***, which Mr. Rohatgi especially emphasised, read thus:

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> "160. The position, in law, that (i) there is no obligation to disclose the reasons for removing a person from Directorship of a Company prior to the EGM where such proposal is to be considered, (ii) no injunction, of the decision to hold such EGM, can be granted by the court, and (iii) the said reasons are immune from judicial review, stands reinforced by this decision."

The reliance, placed by Mr. Rohatgi, on this decision, underscores the hazards in relying on a judicial pronouncement agnostic of the issue which was before the Court. The Division Bench was seized with the correctness, or otherwise, of the order passed by a learned Single Judge, restraining the defendants before him from acting upon a notice dated 8 July 2017, and the resolutions passed in the meeting of the Board of Directors of Prabhat Zarda Factory Pvt. Ltd. convened on 26 August 2017. This Court held that, as there was no obligation to disclose the reasons for removing a person from Directorship of a Company prior to the EGM where the proposal was to be considered, the holding of the EGM could not have been injuncted by the Court. Unity, in our view, cannot seek to rely on the observation that the Court ought not to have injuncted the holding of the EGM in isolation, as though it is an absolute proposition. ***Jai Kumar Arya*** is, therefore, clearly distinguishable.

I.7 Re. contention that Clause 5.1 of SHA applied, and not Clause 5.2

103. We also express our inability to agree with Mr. Rohatgi in his submission that Agenda Item 18 attracted Clause 5.1, and not Clause 5.2 of the SHA. As has been pointed out by Mr. Subramanium, Clause 5.1 deals with infusion of aggregate capital of ₹ 900 crores in line

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with the Business Plan of Unity. No such plea has been advanced before the learned Single Judge.

104. On the other hand, Clause 5.2 squarely covers investment of additional capital for the operation of Unity beyond initial investment. Agenda Item 18 clearly envisaged such induction, by throwing open shareholding to third parties. This specific eventuality is also contemplated by Clause 5.2 in its further stipulation that issue of Securities to persons other than the promoter or Resilient would require the consent of both Centrum and Resilient.

105. We, therefore, are constrained to reject Mr. Rohatgi's submission that Agenda Item 18 attracted Clause 5.1 of the SHA.

I.8 Re. contention that the injunction granted by the impugned judgment violates the directives of the RBI

106. This contention, as advanced by Unity, is predicated on the premise that, as per the directives of the RBI, the warrants were required to be enforced and that the learned Single Judge has effectively blocked their enforcement.

107. The contention is obviously misplaced. The learned Single Judge has not interdicted enforcement of the warrants, but has merely directed, effectively, that their enforcement had to be in terms of Clause 8 of the SHA. No directive of the RBI stands breached thereby.

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I.9 The Sequitur

108. Having thus addressed the various submissions advanced by Mr. Rohatgi, we can do no better, towards endorsing the findings of the learned Single Judge, than reiterate them. The matter, as we see it, is elementary. Clause 8 of the SHA specifically proscribes the taking of any decision *or action* with respect to a Reserved Matter, within the meaning of Schedule 2 to the SHA, without the prior written consent of Resilient and Centrum. That the subject matter of Agenda Item 18 is a "Reserved Matter" is apparent, as it directly attracts clause (f) in the list of Reserved Matters as enumerated in Schedule 2 to the SHA. The fact that Agenda Item 18 involves a "Reserved Matter", and required the prior written consent of Resilient is also expressly acknowledged, in writing, in Agenda Item 18 itself, as well as in various communications addressed by Unity to Resilient, expressly seeking such consent. Unity is clearly aware of this position, which is why it seeks to wish away these communications by referring to them as having been issued in "inadvertent error". That, quite clearly, is merely an argument of desperation, and nothing more.

109. In, therefore, interdicting the tabling of Agenda Item 18, absent any written consent from Resilient therefor, the learned Single Judge has merely conformed to the rigour of Clause 8 of the SHA, which Unity, unsuccessfully, has tried to escape.

110. Other aspects argued by Unity, though addressed by us hereinabove, are actually tangential to the issue at hand.

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J. Conclusion

111. We, therefore, find no cause to interfere with the impugned judgment of the learned Single Judge.

112. The appeal is dismissed.

C. HARI SHANKAR, J.

VINOD KUMAR, J.

November 05, 2026

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