



EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Registered Office: 4th Floor, Phase II, Spencer Plaza No. 769, Mount Road, Anna Salai, Chennai
600002 Tel: 044-4299 5000; Fax: 044-4299 5050

E-mail: cs@equitasbank.com Website: www.equitasbank.com

**MEETING OF THE UNSECURED CREDITORS OF EQUITAS SMALL FINANCE BANK
LIMITED**

*(Convened pursuant to the Order dated July 22, 2022 passed by the Hon'ble National
Company Law
Tribunal, Division Bench II, Chennai)*

Day	Tuesday
Date	September 06, 2022
Time	10.30 AM (IST)
Venue/Mode	Through video Conferencing or Other Audio-Visual Means in terms of the Order delivered by the Hon'ble National Company Law Tribunal, Division Bench II, Chennai, on July 22, 2022.

Details of Remote E-Voting:

Commencing on	Saturday, 03 rd September, 2022, at 9:00 A.M. (IST)
Ending on	Monday, 05 th September, 2022, at 5:00 P.M. (IST)

Chairperson of the Meeting	Mr. N.P. Vijay Kumar Flat 3B, Shruti Apartment, 2nd Main Road, Gandhinagar, Adyar, Chennai-600020 npvijaycs@gmail.com
Scrutinizer for the Meeting	Ms. Alpa Jain 39/1 Melpadi Muthu Street Nungambakkam Chennai - 600034 Email- fcsalpajain@gmail.com

Documents available at the website <https://ir.equitasbank.com/exchange-filings/>

Sl. No.	Contents
1	Notice of the Meeting of the Unsecured Creditors of Equitas Small Finance Bank Limited convened pursuant to the order dated July 22, 2022 passed by the Hon'ble National Company Law Tribunal, Division Bench II, Chennai (" NCLT ").
2	Explanatory Statement under Sections 230(3), 232(1), 232(2), 102 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
3	Scheme of amalgamation between Equitas Holdings Limited, Equitas Small Finance Bank Limited and their respective shareholders and Unsecured creditors, under Sections 230-232 of the Companies Act, 2013, enclosed as Annexure 1 .
4	Valuation Report dated March 21, 2022, issued by M/s BDO Valuation Advisory LLP, for Equitas Small Finance Bank Ltd and Equitas Holdings Limited enclosed as Annexure 2 .
5	Certificate dated March 21, 2022, issued by M/s. T R Chadha & Co LLP, Chartered Accountants and M/s. Varma & Varma, Chartered Accountants, to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, enclosed as Annexure 3 .
6	Fairness Opinion dated March 21, 2022 issued by IIFL securities, to Equitas Small Finance Bank Limited, enclosed as Annexure 4 .
7	Observation Letters dated June 10, 2022 issued by BSE Limited and National Stock Exchange of India Limited to Equitas Small Finance Bank Limited, enclosed as Annexure 5A and Annexure 5B , respectively.
8	Report adopted by the Board of Directors of Equitas Holdings Limited and Equitas Small Finance Bank Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as Annexure 6A and Annexure 6B respectively.
9	Complaints Report dated June 08, 2022 submitted to BSE Limited and Complaints Report dated May 05, 2022 submitted to National Stock Exchange of India Limited, by Equitas Small Finance Bank Limited enclosed as Annexure 7A and Annexure 7B respectively.

Sl. No.	Contents
10	Pre-scheme and post-scheme shareholding pattern of Equitas Holdings Limited and Equitas Small Finance Bank Limited, enclosed as Annexure 8 .
11	<p>Unaudited financial statements along with the limited review report of the statutory auditors of Equitas Holdings Limited and Equitas Small Finance Bank Limited as on December 31, 2021, enclosed as Annexure 9A and 9B respectively.</p> <p>The Audited Financial Statements as on March 31, 2021 and as on March 31, 2022 of both Equitas Holdings Limited and Equitas Small Finance Bank Limited are available on their website respectively.</p>
12	Copy of the Compliance Report certified by the Company Secretary, Chief Financial Officer and the Managing Director of Equitas Small Finance Bank limited, confirming the compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards, enclosed as Annexure 10 .
13	Copy of Order dated July 22, 2022, issued by Hon'ble National Company Law Tribunal, Division Bench II, Chennai, with regard to Scheme of Amalgamation between Equitas Holdings Limited, Equitas Small Finance Bank Limited and their respective shareholders, under Sections 230-232 of the Companies Act, 2013, enclosed as Annexure 11 .
14	Copy of Form GNL-1 along with its Payment Challan filed by Equitas Small Finance Bank Limited with the Registrar of Companies enclosed as Annexure 12

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH II, CHENNAI,
CA (CAA) No.54/CHE/2022**

In the matter of the Companies Act, 2013

**In the matter of Application under Sections 230 - 232 and other relevant provisions of
the Companies Act, 2013 read with the Companies (Compromises, Arrangements, and
Amalgamations) Rules, 2016**

AND

**In the matter of Scheme of Amalgamation between Equitas Holdings Limited and Equitas
Small Finance Bank Limited and their respective Shareholders.**

BETWEEN

Equitas Holdings Limited, a public listed company incorporated under the Companies Act, 1956
having CIN L65100TN2007PLC064069, having its Registered Office at 410A, 4th Floor, Spencer Plaza,
Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

.....Transferor/Transferor Company

AND

Equitas Small Finance Bank Limited, a public listed company incorporated under the Companies
Act, 1956 having CIN L65191TN1993PLC025280, and its Registered Office at 4th Floor, Phase II,
Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.

.....Transferee/Transferee Company

FORM NO. CAA2

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF EQUITAS
SMALL FINANCE BANK LIMITED**

To
The Unsecured Creditors of
Equitas Small Finance Bank Limited Chennai

NOTICE is hereby given that by an order dated July 22, 2022 ("**Order**"), the Hon'ble National Company Law Tribunal, Division Bench II at Chennai ("**NCLT**") has directed that a meeting of the Unsecured creditors of Equitas Small Finance Bank Limited be convened, to consider, and if thought fit, to approve, with or without modifications(s) the Scheme of Amalgamation between Equitas Holdings Limited ("**Transferor Company**") and Equitas Small Finance Bank Limited ("**Transferee Company**") and their respective shareholders ("**Scheme**").

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Transferee Company is being convened on **Tuesday, the 06th day of September, 2022 at 10:30 AM. (IST)** through video conferencing or other audio visual means ("**VC/OAVM**" and such meeting, the "**Meeting**"), without the physical presence of the unsecured creditors by following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No.2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as "**MCA Circulars**"), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (collectively referred to as the "**SEBI Circulars**") to consider and if thought fit, to pass, with or without modifications(s), the following resolution under Sections 230-232 of the Companies Act, 2013 ("**Act**") and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modification(s) thereof for the time being in force) ("**Rules**"):

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made under the Companies Act, 2013 as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities and Exchange Board of India

(as amended) read with the observation letters issued by BSE Limited and National Stock Exchange of India Limited both dated June 10, 2022, and relevant provisions of other applicable laws, the Memorandum of Association and the Articles of Association of Equitas Small Finance Bank Limited, and subject to the approval of the National Company Law Tribunal and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunal, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the National Company Law Tribunal, or by any regulatory or other authorities or tribunal, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of Equitas Small Finance Bank Limited (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board of Directors or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the scheme of arrangement between Equitas Holdings Limited, a public listed company, having its Registered Office at 410A, 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002 and Equitas small Finance Bank Limited , a Public listed company, having its Registered Office at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002, and their respective Shareholders ("**Scheme**"), enclosed with this notice, be and is hereby approved with or without modification and for conditions, if any, which may be required and / or imposed and / or permitted by the National Company Law Tribunal, while sanctioning the Scheme and / or by any government authority.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/ or permitted by the National Company Law Tribunal while sanctioning the Scheme, or by any governmental authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, Reserve Bank of India, Securities and Exchange Board of India, the National Company Law Tribunal, NSE, BSE and/or any other authority, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

The Hon'ble Tribunal has appointed Mr. N.P. Vijay Kumar to be Chairperson for the Meeting. The Tribunal has also appointed Ms. Alpa Jain, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof.

In accordance with the Order and the provisions of (i) Section 108 and other applicable provisions of the Act; (ii) Rule 20 of the Companies (Management and Administration) Rules, 2014; (iii) Rule 6(3) (xi) of the Rules; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"); and (v) Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (as amended from time to time) on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by the Securities and Exchange Board of India, as amended from time to time ("SEBI Scheme Circular") the Transferee Company has provided remote e-voting facility so as to enable the Unsecured Creditors to consider and approve the Scheme by way of passing the aforesaid resolution.

Accordingly, voting by the Unsecured Creditors of the Transferee Company to the Scheme shall be carried out (a) through remote e-voting prior to the Meeting during the period commencing from Saturday, 03rd September 2022 at 9.00 a.m. and ending at 5.00 p.m. on Monday, 05th September, 2022 or (b) through e-voting facility made available during the Meeting through VC/ OAVM. If you opt for remote e-voting, you will nevertheless be entitled to attend and participate in the Meeting but you will not be entitled to vote again during the Meeting through VC/ OAVM.

Since the Meeting is being held through VC/ OAVM, the requirement of physical presence of the Unsecured Creditors does not arise. However, in pursuance of Sections 112 and 113 of the Act, authorised representatives of the corporate Unsecured Creditors may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/ OAVM facility and e-voting during the Meeting provided an authority letter/ power of attorney by the Board of Directors or a certified copy of the resolution passed by its Board of Directors or other governing body authorizing such representative to attend and vote at the Meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at with a copy marked to NSDL and to the Transferee Company at cs@equitasbank.com not later than 48 (forty-eight) hours before the time scheduled for holding the Meeting. Such corporate Unsecured Creditors are requested to refer to the "Notes" for further details.

The above Scheme, if approved by the Unsecured Creditors, will be subject to the subsequent approval of the NCLT. The results of the Meeting shall be announced by the Chairperson or the person authorised by the Chairperson of the Meeting within such time as the NCLT has prescribed under its said Order dated 22nd July 2022, and the same, in compliance with the aforesaid Order, shall be displayed on the website of the Transferee Company <https://ir.equitasbank.com/exchange-filings/> website of both the stock exchanges viz. National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com

The copy of the Scheme, Explanatory Statement under Sections 230(3), 232(1), 232(2), 102 and other applicable provisions of the Act read with Rule 6 of the Rules, and annexures as stated in the index are enclosed herewith. In terms of the Order, the notice of this Meeting, together with the documents accompanying the same, is being sent by electronic mode to those Unsecured Creditors of the Transferee Company to the e-mail addresses available with the Transferee Company. A copy

of this Notice and the accompanying documents will also be hosted on the website of the Transferee Company at <https://ir.equitasbank.com/exchange-filings/> and will also be available on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com

The Transferee Company will furnish a copy of the Scheme along with a copy of the Explanatory Statement within 1 (One) working day of any requisition of the Scheme being made by any unsecured creditor, to the Transferee Company by e-mail at cs@equitasbank.com. The Scheme and the Explanatory Statement along with the enclosures as indicated in the index, can be obtained on any day except Saturday, Sunday and public holidays, free of charge at the registered office of the Transferee Company at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered as approved by the Unsecured Creditors only if the Scheme is approved by a majority of them representing 3/4th (three-fourth) in value of the Unsecured Creditors of the Transferee Company, who vote through remote e-voting facility made available prior to the Meeting and e-voting facility made available during the Meeting through VC/ OAVM.

By Order of the NCLT, Chennai

Date: 3rd August , 2022

Place: Chennai

N.P. Vijay Kumar

Chairperson Appointed for the Meeting

4th Floor, Phase II,
Spencer Plaza, No. 769,
Mount Road, Anna Salai, Chennai - 600 002. ("**Registered Office**")

CIN: L65191TN1993PLC025280 Notes:

NOTES

1. Only Unsecured Creditors of the Transferee Company as on May 31, 2022 may attend (either in person or by Authorised Representative) the said Meeting of the Unsecured Creditors of the Transferee Company, being conducted through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**") and vote at the Meeting.
2. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the order pronounced on July 22 2022, in Company Scheme Application No. CA(CAA) No.54/CHE/2022 ("**Order**"), passed by the Hon'ble National Company Law Tribunal, Division Bench II, Chennai ("**NCLT**"), the meeting of the Unsecured Creditors of the Transferee Company ("**Meeting**") is being convened on Tuesday, the 06th day of September, 2022 at 10.30 AM through VC/ OAVM without the physical presence of the Unsecured Creditors , as per applicable procedure (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as "**MCA Circulars**"), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (collectively referred as "**SEBI Circulars**") for the purpose of considering, and if thought fit, approving the scheme of amalgamation proposed to be made between the Transferee Company, the Transferor Company and their respective shareholders, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**" and such scheme, the "**Scheme**"). In accordance with the MCA Circulars, provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Meeting is being held through VC/ OAVM. As per the Order and MCA Circulars, since the meeting is held through VC/OAVM, the venue of the Meeting is not relevant.
3. Participation of Unsecured Creditors through VC/OAVM will be reckoned for the purpose of quorum for the Meeting as per the order and Section 103 of the Act. Further, in terms of the Order in case the required quorum of 75 Unsecured Creditors for the Meeting is not present at the commencement of the Meeting, the meeting shall be adjourned by 30 (thirty) minutes, and, thereafter, the persons present and voting shall be deemed to constitute the quorum.
4. The Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Rules, in respect of the business set out in the Notice, is annexed hereto.
5. In compliance with Section 108 and other applicable provisions of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Rule 6(3)(xi) of the Rules, Regulation 44 of the SEBI LODR Regulations, Paragraph 9 of the SEBI Scheme Circular and SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 as amended from time to time, the Transferee Company has provided a facility to its Unsecured Creditors to exercise

their votes electronically through the electronic voting ("e-voting") facility provided by NSDL.

6. Unsecured Creditors who have cast their votes by remote e-voting prior to the Meeting may participate in the Meeting but shall not be entitled to cast their votes again. The instructions for remote e- voting by Unsecured Creditors is provided in the e-voting section, which forms part of this Notice.
7. In terms of the Order, Ms. Alpa Jain has been appointed as the Scrutinizer to scrutinize the remote e-voting as well as the e-voting process at the Meeting, in a fair and transparent manner. The Scrutinizer shall submit a consolidated report on votes cast to the Chairperson of the Meeting or to the person so authorised by Chairperson as per applicable rules The scrutinizer's decision on the validity of the votes cast electronically shall be final.
8. Unsecured Creditors as on cut-off date, i.e., 31st May, 2022, may cast their votes electronically. Unsecured Creditors will not be allowed to vote again on any resolution on which his vote has already been cast.
9. Once the vote on a resolution is cast by the Unsecured Creditor either through remote e-voting or at the Meeting, he/she shall not be allowed to change it subsequently.
10. The facility for e-voting at the Meeting will also be made available. Unsecured Creditors present at the meeting through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e- voting system during the Meeting.
11. The results of the remote e-voting and e-voting at the Meeting shall be declared within such time as per the subject NCLT Order, which will be published on the website of the Transferee Company, and on the websites of the stock exchanges, where the equity shares of the Transferee Company are listed.
12. In terms of the Order, the notice of this Meeting, together with the documents accompanying the same, is being sent by electronic mode to those Unsecured Creditors of the Transferee Company whose e-mail addresses are registered with the Transferee Company/ the relevant depository participant(s).
13. We urge Unsecured Creditors to support our commitment to environmental protection by choosing to receive the Transferee Company's communication through email.
14. Unsecured Creditors may also note that the Notice of the Meeting will also be available on the Transferee Company's website, <https://ir.equitasbank.com/exchange-filings/websites> of the stock exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively
15. In accordance with the Order, the Notice convening the aforesaid Meeting will be published through advertisement in Business Standard in English language and in Makkal Kural in tamil and in Dainik Jagran in Hindi language, indicating the day, date, time and link of the Meeting being held though VC/ OAVM and stating that the copies of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 - 232 of the Act shall be provided

free of charge at the registered office of the Transferee Company.

16. Further, details to be included in terms of the Rules, the Act and the SEBI Scheme Circular, are included in the Explanatory Statement.

PROCEDURE FOR REMOTE E-VOTING AND ATTENDING THE MEETING THROUGH VC/ OAVM

Instructions:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. **Your Login id and password details casting your vote electronically and for attending the Meeting of Unsecured Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above** or the first time the system will ask to reset your password
5. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
6. Now, you will have to click on “Login” button.
7. After you click on the “Login” button, Home page of e-Voting will open.
8. You will be able to see the EVEN no. of the company.
9. Click on “EVEN” of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on “Submit” and also “Confirm” when prompted.
12. Upon confirmation, the message “Vote cast successfully” will be displayed.
13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
15. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact on email id evoting@nsdl.co.in

The instructions for Unsecured Creditors for e-voting on the day of the Unsecured Creditors Meeting are as under:

- 1) The procedure for e-Voting on the day of the Unsecured Creditor Meeting is same as the instructions mentioned above for remote e-voting.
- 2) Only those Creditors, who will be present in the Unsecured Creditors meeting through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Creditors Meeting.

Instructions for Unsecured Creditors for attending the Unsecured Creditors Meeting through VC/ OAVM are as under:

Unsecured Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditors may access the same at <https://www.evoting.nsdl.com> under shareholder / member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member login where the EVEN of Company will be displayed.

The Results declared along with the Scrutinizer's Report shall be placed on the Transferee Company's website <https://ir.equitasbank.com/exchange-filings/> and on the website of the NSDL as per applicable rules and shall also be communicated to the stock exchanges where the Transferee Company's shares are listed and also displayed on the notice board at the registered office of the Transferee Company.

By Order of NCLT, Chennai

Date: 3rd August , 2022
Place: Chennai

N.P. Vijay Kumar
Chairperson Appointed for the Meeting

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH II, CHENNAI, CA
(CAA) No.54/CHE/2022
In the matter of the Companies Act, 2013**

**In the matter of Application under Sections 230 - 232 and other relevant provisions of
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BETWEEN

Equitas Holdings Limited, a public listed company incorporated under the Companies Act, 1956
having CIN L65100TN2007PLC064069, having its Registered Office at 410A, 4th Floor, Spencer Plaza,
Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

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Act, 1956 having CIN L65191TN1993PLC025280, and its Registered Office at 4th Floor, Phase II,
Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002.

.....Transferee/Transferee Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF EQUITAS SMALL FINANCE BANK LIMITED

1. This explanatory statement is being furnished pursuant to Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 ("**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**") and such explanatory statement, the "**Explanatory Statement**").
2. This Explanatory Statement is a statement accompanying the notice convening the meeting of the Unsecured Creditors of the Transferee Company (*as defined hereinafter*), pursuant to an order dated July 22 2022, passed by the Division Bench II, Chennai of the National Company Law Tribunal ("**NCLT**") in the abovementioned company Scheme application No. CA (CAA) No.54/CHE/2022 ("**Order**"). The meeting of the Unsecured Creditors of Equitas Small Finance Bank Limited is scheduled to be held on Tuesday, 06th day of September, 2022 at 10.30 AM, through video conferencing or other audio-visual means ("**VC/ OAVM**" and such meeting, the "**Meeting**") to consider, and if thought fit, to approve, with or without modification(s), the scheme of amalgamation between Equitas Holdings Limited ("**Transferor Company**") and Equitas Small Finance Bank Limited ("**Transferee Company**") and their respective shareholders and creditors pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("**Act**" and such scheme, the "**Scheme**"). Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme.
3. The proposed Scheme was placed before the Committee of Independent Directors ('**CoID**') and audit committee ("**Audit Committee**") of the Transferee Company at its Meeting held on March 21, 2022. On the basis of its evaluation and independent judgment and consideration of the Valuation Report dated March 21, 2022 submitted by BDO Valuation Advisory LLP, Chartered Accountants ("**Valuation Report**") and the Fairness Opinion dated March 21 2022, issued by IIFL Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**"), the CoID and Audit Committee approved and recommended the Scheme to the board of directors ("**Board of Directors** ") of the Transferee Company.
4. The Board of Directors of the Transferee Company, at their Meeting held on March 21 2022, considered the Valuation Report, the Fairness Opinion and the independent recommendations of the CoID & Audit Committee and on the basis of their independent judgment, approved the Scheme, subject, *inter-alia* to the approval of the Unsecured Creditors of the Transferee Company.
5. The Scheme, *inter-alia*, provides for the amalgamation of the Transferor Company with the Transferee Company and the dissolution of the Transferor Company without winding up and

cancellation of the equity shares held by the Transferor Company in the Transferee Company. A copy of the Scheme, setting out the terms and conditions of the amalgamation of the Transferor Company with the Transferee Company, and which has been, *inter-alia* approved by the Audit Committee and the Board of Directors of the Transferee Company at their respective meetings held on March 21, 2022 is enclosed as **Annexure 1**.

6. In terms of the Order, the quorum for the Meeting shall be 75 number of the Unsecured creditors. As the Meeting is being held by VC/ OAVM (in terms of the Order), in accordance with the MCA Circulars, unsecured creditors are not required to be physically present at the Meeting venue. In case the quorum as noted above for the Meeting is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes, and, thereafter, the Unsecured Creditors present and voting shall be deemed to constitute the quorum. Further, in terms of the Order, the NCLT, has appointed Mr. N.P. Vijay Kumar as the Chairperson of the Meeting. The NCLT has also appointed Ms. Alpa Jain, as the Scrutinizer for the Meeting, including for any adjournment(s), if any thereof.
7. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered as approved by the Unsecured Creditors only if the Scheme is approved by a majority of persons representing 3/4th (three-fourth) in value of the Unsecured Creditors of the Transferee Company, who votes through remote e-voting facility made available prior to, and e-voting facility made available during the Meeting through VC/ OAVM.
8. **Details as per Rule 6(3) of the Rules:**

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

Please refer to paragraph no. 2 of this Explanatory Statement for date of the Order and the date, time and venue of the Meeting.

(ii) **Details of the Transferee Company and the Transferor Company: check details**

Sl. No.	Particulars	Transferee Company	Transferor Company
1	Corporate Identification Number	L65191TN1993PLC025280	L65100TN2007PLC064069
2	Permanent Account Number	AAACV2544H	AAACU9126C
3	Date of Incorporation	21 st June, 1993	22 nd of June, 2007
4	Type of Company	Public Listed Company	Public Listed Company

5	Registered office address and e-mail address	Equitas Small Finance Bank Limited, 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600 002 cs@equitasbank.com	Equitas Holdings Limited 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002 secretarial@equitas.in
6	Name of the Stock Exchange(s) where securities of Company(ies) are	i. BSE Limited; and National Stock Exchange of India Limited	i. BSE Limited; and National Stock Exchange of

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

Summary of the main business carried on by the Transferee Company and the main objects as per the Memorandum of Association:

(A) The Transferee Company is primarily engaged in the business of Banking. The Transferee Company offers a variety of Banking products to its customers.

(B) The main objects of the Transferee Company as stated in its Memorandum of Association have been set out herein below:

- 1) *To carry on the business of banking that is to say to accept, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw able by cheque, draft, order or otherwise, in any part of India or outside India.*
- 2) *In addition to the business of banking to carry on the business of:*
 - (a) *borrowing, raising or taking up of money;*
 - (b) *lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security of movable or immovable properties, bills of exchange, hundies, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or negotiable or not;*
 - (c) *drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;*

- (d) granting and issuing of letters of credits, travellers' cheques and circular notes;*
 - (e) buying, selling and dealing in bullion and specie;*
 - (f) buying and selling of and dealing in foreign exchange including foreign bank notes;*
 - (g) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;*
 - (h) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others;*
 - (i) negotiating of loans and advances;*
 - (j) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;*
 - (k) providing of safe deposit vaults;*
 - (l) Collecting and transmitting of money and all kinds of securities;*
 - (m) issuing credit cards, debit cards, prepaid instruments, smart card or any similar instruments and extending any other credits;*
 - (n) acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority ("PFRDA"), in connection with the National Pension System of the PFRDA and making payments towards insurance;*
 - (o) carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time ("1949 Act"), and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of 1949 Act specified or may from time to time specify by notification in the Official Gazette or as may be permitted by Reserve Bank of India ("RBI") from time to time as a form of business in which it would be lawful for a small finance banking company to engage.*
- 3) To carry on the business of merchant banking, investment banking, portfolio investment management, wealth management and investment advisors; to form, constitute, promote, act as managing and issuing agents, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and body corporate.*

- 4) *To carry on the business of mutual fund distribution, manage investment pools, syndicates in shares and other securities, to open, operate and maintain demat accounts on behalf of customers and act as share and stock brokers;*
 - 5) *To carry on the business of financing, leasing (operating and financial), hire purchase, all forms of securitization, asset reconstruction or recovery, dealer inventory financing, factoring of receivables, instalment sale and/or deferred sale relating to goods or material, including machinery, plant, equipment, ships, vehicles, aircraft, rolling stock, factories, inventory, debtors, furniture, apparatus, appliances and other movable and immovable property, and to arrange or syndicate leasing, hire purchase, instalment sale or deferred sale businesses*
 - 6) *To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension & employees benefit, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit and other products and to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.*
 - 7) *To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.*
 - 8) *To act as escrow agents and trustees, and issuing and paying agents, including for trust and retention accounts.*
 - 9) *To develop and promote new financing or banking instruments of all kinds whether for the capital market, money market or otherwise and to render all kinds of fee-based financial services.*
- (C) Clause III B (31) of the Memorandum of Association of Transferee Company permits the arrangement envisaged under the Scheme.

Details of change of name, registered office and objects of the Transferee Company during the last five years:

- (A) The Transferee Company was originally incorporated on 21st June, 1993 under the Companies Act, 1956 as "V.A.P Finance Private Limited". The status of the Transferee Company was changed from a private company to a public limited company on 2nd March, 1994. Subsequently, the status was again changed from a public company to a private limited company and a fresh certificate of incorporation was issued dated 30th March, 2011. The name of the Transferee Company was changed to 'Equitas Finance Private

Limited' pursuant to a fresh certificate of incorporation dated 12th August, 2011. The status of Transferee Company was then finally converted into a public limited company and consequently its name was changed to "Equitas Finance Limited" in terms of a revised certificate of incorporation dated 29th September, 2015. Equitas Micro Finance Limited and Equitas Housing Finance Limited were merged into the Transferee Company vide a scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of Judicature at Madras by order dated 6th June, 2016 in Company Petition Nos. 119 to 121 of 2016. The name of the Transferee Company was changed to its current name of "Equitas Small Finance Bank Limited" in terms of a revised certificate of incorporation dated 2nd September, 2016.

- (B) There has been no change in the registered office and objects of the Transferee Company during previous five years.

Details of the capital structure of the Transferee Company including authorised, issued, subscribed and paid up share capital

- (A) The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on date is as under:

Particulars	Amount (in Rs Lakhs)
Authorized Share Capital	
170,00,00,000 equity shares of INR. 10/- each	1,70,000.00
Total	1,70,000.00
Issued, subscribed and paid-up Share Capital	
125,32,28,199 equity shares of INR. 10/- each	1,25,322.81
Total	1,25,322.81

- (B) The expected post-Scheme capital structure of the Transferee Company will be as follows:

Upon the Scheme becoming effective, the authorized capital of the Transferee Company will continue unchanged at Rs. 1700,00,00,000 (Rupees One Thousand Seven Hundred Crores only) comprising of 170,00,00,000 (One Hundred and Seventy Crore) equity shares of Re. 10 (Rupee Ten) each, in accordance with the provisions of the Act and pursuant to the Scheme.

New shares will be issued to the shareholders of the Transferor Company, whose names are registered in the register of members of the Transferor Company on the Record Date, as per the share exchange ratio and accordingly, the issued, subscribed and paid-up share capital of the Transferee Company will be changed to that extent.

Details of the promoters and directors of the Transferee Company along with their addresses:

(C) The details of the Promoters of the Transferee Company as on date are as set forth below:

Name of the Promoter	Equitas Holdings Limited
Address	410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002

(D) The Transferee Company has Ten Directors as on date. The details of Directors are set forth below:

Sl. No.	Directors	Designation	Address
1.	Mr. Arun Ramanathan	Part – time Chairperson and Non- Executive Independent Director	6A, 6th West Cross Street Shenoy Nagar, Chennai 600 030, Tamil Nadu, India
2.	Mr. Vasudevan Pathangi Narasimhan	MD and CEO	Flat 1A, 1st Floor, 2nd Block, Kences Enclave No. 1, Ramakrishna Street, T. Nagar, Chennai 600 017, Tamil Nadu, India
3.	Mr. Arun Kumar Verma	Non-Executive Independent Director	Plot No A/14 Saheed Nagar Bhubaneswar 751 007, Odisha, India
4.	Prof. Narayanaswamy Balakrishnan	Non-Executive Independent Director	Meenakshi, No. 428, 5 th Cross 1st Main, JRD Tata Nagar Bengaluru 560 092, Karnataka, India
5.	Mr. Navin Avinashchander Puri	Non-Executive Independent Director	39 th Floor, 3902, Omkar 1973 Tower T II, Pandurang Budhkar Marg, Near Shani Mandir, Worli, Mumbai 400 018, Maharashtra, India
6.	Mr. Narasimhan Srinivasan	Non-Executive Independent Director	T2 403, Kapil Malhar Baner Road, Baner, Pune 411 045, Maharashtra, India
7.	Mr. Vinod Kumar Sharma	Non-Executive Independent Director	B-804, Park Titanium, Park Street Wakad, Kalewadi Phata, Hinjavadi, Pune 411 057, Maharashtra, India

8.	Mr. Asuri Ramesh Rangan Sholinghur	Non-Executive Independent Director	Old no. 10 new no. 19, Dr. Besant Road, Triplicane, Chennai, Tamil Nadu, 600 005
9.	Prof.Samir Kumar Barua	Non-Executive Independent Director	B-203, Samay Apartment, Azad Society, Near BSNL Office, Ahmedabad - 380015
10.	Ms. Geeta Dutta Goel	Non-Executive Independent Director	293, Sector A Pocket C, Vasant Kunj, New Delhi - 110070

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

74.52% (Seventy-four-point Five two percent) paid-up equity capital of the Transferee Company is held by the Transferor Company and accordingly, the Transferee Company is a Subsidiary of the Transferor Company.

The date of the Board meeting of the Transferee Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Board of the Transferee Company unanimously approved the Scheme at their meeting dated March 21, 2022. Details of the manner in which the directors of the Transferee Company voted at this meeting are as follows:

Sl. No.	Name of the Directors	Voted in favour/ against/ abstain
1.	Mr. Arun Ramanathan	Voted in favour
2.	Mr. Vasudevan Pathangi Narasimhan	Voted in favour
3.	Mr.Arun Kumar Verma	Voted in favour
4.	Prof. Narayanaswamy Balakrishnan	Voted in favour
5.	Mr. Navin Avinashchander Puri	Voted in favour
6.	Mr. Narasimhan Srinivasan	Voted in favour
7.	Mr. Vinod Kumar Sharma	Voted in favour

8.	Mr. Asuri Ramesh Rangan Sholinghur	Voted in favour
9.	Prof.Samir Kumar Barua	Voted in favour
10.	Ms. Geeta Dutta Goel	Voted in favour

No. of secured, Depositors and unsecured creditors of the Transferee Company and the amount due to them as on May 31, 2022 is as under:

Creditors	No. of Creditors	Amount
Unsecured Creditors	5975	Rs. 2607,57,64,218
Secured Creditors	Nil	Nil
Depositors	32,95,081	Rs.19390,44,25,670

- a. None of the Directors, the Key Managerial Personnel (as defined under the Act and Rules formed thereunder) of the Transferee Company and their respective Relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme except to their directorships/shareholding, if any in the Transferee Company and/ or the Transferor Company (as applicable).
- b. The effect of the Scheme on the material interests of the Directors, Key Managerial Personnel and their respective relatives, is not any different from the effect on other shareholders of the Transferee Company. The details of the shareholding of the Directors and Key Managerial Personnel of the Transferee Company as on date of notice is as follows:

Sl. No.	Names and DIN	Designation	No. of shares and %	
			Transferee Company	Transferor Company
1.	Mr. Arun Ramanathan DIN : 00308848	Part – time Chairperson and Non- Executive Independent Director	Nil	Nil
2.	Mr. Vasudevan Pathangi Narasimhan DIN : 01550885	MD and CEO	12,293	35,000
3.	Mr.Arun Kumar Verma DIN :03220124	Non-Executive Independent Director	Nil	Nil

4.	Prof. Narayanaswamy Balakrishnan DIN : 00181842	Non-Executive Independent Director	Nil	Nil
5.	Mr. Navin Avinashchander Puri DIN : 08493643	Non-Executive Independent Director	Nil	Nil
6.	Mr. Narasimhan Srinivasan DIN : 01501260	Non-Executive Independent Director	Nil	Nil
7.	Mr. Vinod Kumar Sharma DIN : 02051084	Non-Executive Independent Director	Nil	Nil
8.	Mr. Asuri Ramesh Rangan Sholinghur DIN : 07586413	Non-Executive Independent Director	Nil	Nil
9	Prof.Samir Kumar Barua DIN : 00211077	Non-Executive Independent Director	Nil	Nil
10	Ms. Geeta Dutta Goel DIN : 02277155	Non- Executive Independent Director	Nil	Nil
11	Mr. N. Sridharan	Chief Financial Officer	173640	105755
12	Mr. N. Ramanathan	Company Secretary	Nil	Nil

Disclosure about the effect of the Scheme on the following persons:

Sl. No	Category of Stakeholder	Effect of the Scheme on Stakeholders
A	Shareholders	<p>Transferee company's shares will be issued to the shareholders of the Transferor Company, whose names are registered in the register of members of the Transferor Company on the Record Date, as per the share exchange ratio.</p> <p>The equity shares of the Transferee Company to be allotted to the members of the Transferor Company shall be allotted in the following manner:</p> <p>"Each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company."</p>
		<p>The shares allotted to shareholders of the Transferor Company by the Transferee Company as set out above shall rank pari-passu in all respects with the existing equity shares of the Transferee Company and shall be listed on BSE Limited and National Stock Exchange of India Limited.</p> <p>The authorised share capital of the Transferee Company will continue unchanged at Rs.1700,00,00,000 (Rupees One Thousand Seven Hundred crores only) comprising of 170,00,00,000 (One Hundred Seventy Crore) equity shares of Rs. 10 (Rupees Ten Only) each, in accordance with the provisions of the Act, pursuant to the Scheme.</p>
		<p>The amalgamation will result in dilution of promoter holding of the Transferee Company, and in turn result in an increase in the public holding of the Transferee Company's shares.</p>

B	Promoters	Promoter of the Transferee company would cease to exist upon effect of the Scheme
C	Non- Promoter Shareholders	Please refer to point (A) above for details regarding the effect on the shareholders.
D	Key Managerial Personnel ("KMPs"), Director(s) and their Relatives	The KMPs of the Transferee Company shall continue as key managerial personnel of the Transferee Company after effectiveness of the Scheme, and as such, there is no such effect of the Scheme on the KMPs or their relatives of Transferee Company The director(s) of the Transferee Company shall continue as director(s) of the Transferee Company after effectiveness of the Scheme, and as such, there is no such effect of the Scheme on the directors or their relatives of Transferee Company.
E	Employees	The Scheme will not have any effect on the employees of the Transferee Company.
F	Creditors	Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its creditors. The interest of the creditors of the Transferee Company shall not be impacted in any manner.
G	Depositors	The Scheme will not have any effect on the Depositors of the Transferee Company.
H	Debenture Holders	The Scheme will not have any effect on the Transferee Company's Debenture Holders
I	Debenture trustee	The Scheme will not have any effect on the Transferee Company's Debenture Trustees.
I	Deposit Trustee	Not Applicable. The Transferee Company does not have any Deposit Trustee.

Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMP), debenture trustee and other stakeholders of the Transferee Company:

As per the table above.

Investigations or proceedings, if any, pending against the Transferee Company under the Act:

No investigation proceedings have been instituted and/ or are pending in relation to the Transferee Company under the Act.

**(iv) Other Particulars of the Transferor Company as per Rule 6(3) of the Rules:
Summary of the main business carried on by the Transferor Company and the main
objects as per the Memorandum of Association:**

(A) The Transferor Company is non-deposit taking Systemically Important Core Investment Company.

(B) The main objects of the Transferor Company as stated in its Memorandum of Association have been set out herein below:

1. *To carry on the business or businesses of investment company/finance company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or body corporates or any other entities including securities of any government or local authority whether perpetual or redeemable whether in India or elsewhere either singly or jointly with any other person(s), body corporate or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner including but not limited to the following:*

i. To acquire any such shares, stocks, debenture, debenture stock, bonds, obligation or securities by original subscription, exchange or otherwise and to subscribe for the same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, body corporate or any other entity or persons in India or elsewhere.

ii. To purchase or acquire, hold, trade and further to dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies either singly or jointly with any other person(s), body corporate carrying out or proposing to carry out any activity in India or in any other part of the world.

iii. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investment made subject to such regulations as may be in force from time to time

iv. To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligation, shares, stocks, and securities, and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into companies.

2. *To carry on the business of holding company and to invest in subsidiary companies, buy, sell, transfer, deal in and dispose of any shares, stocks,*

debentures, bonds, certificates, money market instruments, including securities of any government or local authority whether perpetual or redeemable in accordance with the Guidelines issued by Reserve Bank of India (RBI) for Core Investment Companies, from time to time.

- 3. To give any guarantee in relation to the payment of any debt, debentures, debenture stock, bonds, obligation or securities.*
- 4. To set up and/or continue to have subsidiary companies/corporate bodies, subject to applicable rules and the Guidelines issued by Reserve Bank of India (RBI) or such other Authority, from time to time, for the purpose of*
 - i. Carrying on the business of banking, insurance, asset management, mutual fund, stock broking, infrastructure debt funding, housing finance, primary dealers, leasing, hire purchase, full-fledged money changers, alternative investment funding and other specialized activities pursuant to the Guidelines for Licensing of Small Finance Banks issued by Reserve Bank of India and other regulations as may be prescribed by RBI from time to time or otherwise in and / or outside India with the approval of the Regulators and/or the Authorities concerned.*
 - ii. Carrying on either directly or through subsidiary companies, the following business activities including financing such activities through long term upon such terms and conditions as the company may think fit:*
 - a) Agricultural development which includes land acquisition and development, irrigation, watershed development, crop cultivation, plantation, horticulture, forestry, animal husbandry and allied activities, such as dairy, poultry, fishery, aqua culture and floriculture.*
 - b) Industrial development which includes agro-processing, mining and quarrying, water, power and renewable sources of energy, manufacturing, handicrafts, construction, distribution, transport, and services of all kinds.*
 - c) Market related activities such as marketing of agricultural, poultry, cottage industry, handicraft or other handmade items, fishing, livestock and industrial outputs, providing facilities for storage, trading and transport for inputs and outputs.*
 - d) Housing development such as purchase, construction, extension and modification of buildings and infrastructure facilities for residential, agricultural, commercial or industrial purposes.*
 - e) Providing technology platforms for freight, logistics, carriers and related services which matches demand with supply and use the technology platform to efficiently manage logistics related assets.*

- f) *Creating and managing technology platforms for such other purposes as may be deemed expedient from time to time, for carrying out various types of businesses such as creating market places for sale of goods and services, capacity building etc.*
5. *To carry on and undertake the business of being an intermediary for distribution of financial services and products such as mutual funds, life and general insurance products of other insurance companies, etc. subject to the rules and regulations prescribed by the Insurance Regulatory and Development Authority, Reserve Bank of India, SEBI and such other authorities as may be applicable from time to time.*
 6. *To transact or carry on all kinds of agency business, and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.*
 7. *To Purchase or otherwise acquire, and to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of , and deal with property and rights of all kinds, and in particular, mortgages, debentures, produce, concessions, options, contracts, patents, licenses, stocks, shares, bonds, policies, book debts, business concerns, and undertakings and claims, privileges, and chooses in action of all kinds.*
 8. *To carry on activities of leasing and/or hire-purchase.*

Clause III B (24) of the Memorandum of Association of Transferor Company permits the arrangement envisaged under the Scheme. Details of change of name, registered office and objects of the Transferor Company during the last five years:

- (A) There has been no change in the name, registered office and objects of the Transferor Company during the last five years.

c. Details of the capital structure of the Transferor Company including authorised, issued, subscribed and paid up share capital

- (A) The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on date is as under:

Particulars	Amount (Rs in Lakhs)
Authorized Share Capital	
44,00,00,000 equity shares of INR. 10/- each	44,000.00
1,00,00,000 compulsorily convertible preference shares of INR 10/- each	1,000.00
Total	45,000.00

Issued, subscribed and paid-up share capital	
34,17,90,115 equity shares of INR. 10/- each	34,179.01
Total	34,179.01

(B) The expected post-Scheme capital structure of the Transferor Company will be as follows:

The Scheme shall result in the amalgamation of the Transferor Company into the Transferee Company and dissolution of the Transferor Company without winding up and the consequent issuance of equity shares by the Transferee Company to the shareholders of Transferor Company. As such, pursuant to the Scheme, Transferor Company shall cease to exist.

d. **Details of the promoters and directors of the Transferor Company along with their addresses:**

(A) The details of the promoters of the Transferor Company as on date are as set forth below:

Name of the Promoter	Nil
Address	Nil

(B) The Transferor Company has 8 (Eight) Directors as on date. The details of Directors are set forth below:

Sl. No.	Name of the Director and DIN	Designation	Address
1.	NAMBI IYENGAR RANGACHARY DIN :00054437	Chairman Non-Executive Non-Independent Director	C - 101, B Wing RNS Santhi Nivas, Near RNS Motors Bangalore, Tumkur Road, Yesvanthpur, Bangalore, 560022
2.	BHASKAR SRINIVASAN DIN : 00010000	Non-Executive Non-Independent Director	Flat 2a Suvasini Apts, No.7 Janaki Avenue Abiramapuram, Chennai, 600018
3.	ARUN RAMANATHAN DIN : 00308848	Non-Executive Independent Director	6A, 6th West Cross Street, Shenoy Nagar, Chennai 600 030 Tamil Nadu, India
4.	VISWANATHA PRASAD SUBBARAMAN DIN : 00574928	Non-Executive Independent Director	8-2-596/5/B/1/D, 3rd floor, Opp Karvy Building Road No:10, Banjara Hills, Hyderabad- 500034, Telengana

5.	JAYSHREE ASHWINKUMAR VYAS DIN : 00584392	Non-Executive Independent Director	No.1, Sunview Apartment, Opp. Purnanand Ashram, Navrangpura, Ahmedabad- 380 014
6.	JAYARAMAN CHANDRASEKARAN DIN : 01118392	Non-Executive Independent Director	Old no.31,New no.8, Desika Road,Mylapore,Chennai 600004
7.	RAJARAMAN PAPAGUDI VENKATACHALAM DIN : 01658641	Non-Executive Independent Director	R 202, Atrium Apartment, No 22, Kalakshetra Road, Chennai 600 041 Tamil Nadu, India.
8.	JOHN ALEX DIN : 08584415	ED & CEO	5-12-4, ARIHANT APARTMENTS KOYAMBEDU CHENNAI - 600107

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

Transferor Company is the promoter of the Transferee Company, and owns 74.52% (Seventy-four-point two nine percent) of the paid-up equity share capital of the Transferee Company.

- f. **The date of the Board meeting of the Transferor Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution**

The Board of Directors of the Transferor Company had unanimously approved the Scheme at their meeting dated March, 21 2022. Details of the manner in which the directors of the Transferor Company voted at this meeting are as follows:

Sl. No.	Name of the Directors	Voted in favour/ against/ abstain
1.	NAMBI IYENGAR RANGACHARY	Voted in favour
2.	BHASKAR SRINIVASAN	Voted in favour
3.	ARUN RAMANATHAN	Voted in favour
4.	VISWANATHA PRASAD SUBBARAMAN	Voted in favour
5.	JAYSHREE ASHWINKUMAR VYAS	Voted in favour
6.	JAYARAMAN CHANDRASEKARAN	Voted in favour
7.	RAJARAMAN PAPAGUDI VENKATACHALAM	Voted in favour
8.	JOHN ALEX	Voted in favour

No. of unsecured creditors, secured and Depositors and of the Transferee Company and the amount due to them as on May 31, 2022 is as under:

Creditors	No of Creditors	Amount due
Unsecured Creditors	03	Rs. 16,97,760
Secured Creditors	Nil	Nil

- g. None of the Directors, the Key Managerial Personnel (as defined under the Act and Rules formed thereunder) of the Transferor Company and their respective Relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme except to their directorships/shareholding, if any in the Transferor Company and/ or the Transferor Company (as applicable).
- h. The effect of the Scheme on the material interests of the Directors, Key Managerial Personnel and their respective relatives, is not any different from the effect on other shareholders of the Transferor Company. The details of the shareholding of the directors and Key Managerial Personnel of the Transferor Company as on date of notice is as follows:

Sl. No.	Name and DIN	Designation	No. of shares and %	
			Transferor Company	Transferee Company
1.	NAMBI IYENGAR RANGACHARY (00054437)	Chairman & Non Independent Director	Nil	Nil
2.	BHASKAR SRINIVASAN (00010000)	Independent Director	14,05,000	5,850
3.	ARUN RAMANATHAN (00308848)	Independent Director	Nil	Nil
4.	VISWANATHA PRASAD SUBBARAMAN (00574928)	Non-executive Director	Nil	Nil
5	JAYSHREE ASHWINKUMAR VYAS (00584392)	Non-executive Director	Nil	Nil
6	JAYARAMAN CHANDRASEKARAN (01118392)	Non-executive Director	Nil	Nil
7	RAJARAMAN PAPAGUDI VENKATACHALAM (01658641)	Non-executive Director	Nil	
8	JOHN ALEX (08584415)	ED & CEO	3,315	93,664

9	SRIMATHY RAGHUNATHAN	Chief Financial Officer	1323	6751
10	DEEPTI R	Company Secretary	Nil	1,279

a. **Disclosure about the effect of the Scheme on the following persons:**

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
A	Shareholders	<p>New shares will be issued to the shareholders of the Transferor Company, whose names are registered in the register of members of the Transferor Company on the Record Date, as per the share exchange ratio.</p> <p>The equity shares of the Transferee Company to be allotted to the members of the Transferor Company shall be allotted in the following manner:</p> <p>“Each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company.”</p> <p>The shares allotted to shareholders of the Transferor Company by the Transferee Company as set out above shall rank pari- passu in all respects with the existing equity shares of the Transferee Company and shall be listed on BSE Limited and National Stock Exchange of India Limited. The Shares held by the Transferor Company in the Transferee Company will stand cancelled pursuant to the Scheme.</p> <p>Upon the effectiveness of the Scheme, the (Transferor Company) Equitas Holdings Limited shall be amalgamated with Equitas Small Finance Bank Limited (Transferee Company) Company.</p>
B	Promoters	Not Applicable. The Transferor Company does not have any Promoter.

C	Non- Promoter Shareholders	Please refer to point (A) above for details regarding the effect on the shareholders.
D	Key Managerial Personnel (“ KMPs ”), Director(s) and their Relatives	<p>The directors and key managerial personnel of the Transferor Company and their respective relatives do not have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding in the Transferor Company and/ or the Transferee Company, as specified above.</p> <p>Further, the directors of the Transferor Company shall cease to hold the post of directorship after dissolution of the Transferor Company upon effectiveness of the Scheme, without having any adverse effect on them.</p>
E	Employees	<p>On the Scheme becoming effective, all the employees of Transferor Company, including the KMPs who are in employment as on the Effective Date (as defined in the Scheme) shall become and shall be deemed to have become the employees of the Transferee Company, without any interruption or break of service and on terms and conditions no less favorable than those applicable to them with reference to their employment in Transferor Company on the Effective Date (as defined in the Scheme).</p> <p>In the circumstances, the rights of the staff and employees of the Transferor Company would in no way be affected by the Scheme.</p>
F	Creditors	<p>Upon effectiveness of the Scheme, all liabilities of Transferor Company shall, without any requirement of any further act, instrument or deed, be transferred to, and vested in, or be deemed to be transferred to, and vested in, the Transferee Company so as to become from the effectiveness of the Scheme, the liabilities of the Transferor Company and the Transferee Company undertakes to meet, discharge and satisfy the same.</p> <p>Under the Scheme, there is no arrangement with the creditors of the Transferor Company. Upon effectiveness of the Scheme and as provided in the Scheme, the creditors of the Transferor Company shall become the creditors of the Transferee Company. No</p>

		compromise is offered under the Scheme to any of the creditors of Transferor Company. The liability of the creditors of Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of Transferor Company would in no way be affected by the Scheme.
G	Depositors	Not Applicable. The Transferor Company does not have any Depositors.
H	Debenture holders, Debenture trustee	Not Applicable. The Transferor Company does not have any Debenture holders & trustees
I	Deposit Trustee	Not Applicable. The Transferor Company does not have any Deposit Trustee.

Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMP), debenture trustee and other stakeholders of the Transferor Company

As per the table above.

Investigations or proceedings, if any, pending against the Transferor Company under the Act:

- (a) No investigation proceedings have been instituted and/ or are pending in relation to the Transferor Company under the Act.

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

(i) Relationship between the Transferor Company and the Transferee Company:

The Transferor Company is the promoter of the Transferee Company, and owns 74.52% (Seventy- four-point five two percent) of the paid-up equity share capital of the Transferee Company. However, in terms of the Scheme, upon effectiveness of the Scheme, all equity shares of the Transferee Company held by the Transferor Company (directly and/or through nominees) shall stand cancelled without any further application, act or deed immediately following the issuance of shares by the Transferee Company to the other shareholders of the Transferor Company, pursuant to the Scheme. Mr. Arun Ramanathan, Independent Director of the Transferor Company is the Chairperson of the Transferee Company and hence he is the only common Director in both the Companies.

(ii) Appointed Date, Effective Date, Record Date and Share Exchange Ratio for the Scheme:

Appointed Date: means the Effective Date or such other date as determined by the Board of ESFBL to comply with the approvals/ directions from the Appropriate Authority or such other date as NCLT may direct.

Effective Date: means the last of the dates on which the authenticated copy or certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by EHL or ESFBL. Any reference in the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".

Record Date: means the date fixed by the ESFBL Board for the purpose of determining the date as of which, according to the records of the depository and register of members of EHL, the shareholders of EHL who shall be eligible for receiving the ESFBL Shares in accordance with the Scheme.

Share Exchange Ratio: Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the Record Date, each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company.

(iii) Summary of the Valuation Report and the Fairness Opinion:

- (a) The Valuation Report dated March 21, 2022 was issued by BDO valuation Advisory LLP, Registered valuer (appointed by the Transferee Company), describing inter-alia the computation of and the methodology adopted by them in arriving at the Share Exchange Ratio.

- (a) The valuers have considered the Market Price Method ("MP") and Comparable Companies Method ("CCM") for determining the relative value of the shares of the Transferee Company and considered the Market Price Method ("MP") and Summation Method ("SM") Transferor Company in order to arrive at the Share Exchange Ratio for the Scheme.
- (b) However, considering the nature of the transactions contemplated in the Scheme, the valuers have considered the Market Price, Comparable Companies - P/BV multiple and Comparable Transactions - P/BV multiple, to arrive at the value per equity share of the Transferee Company and for Transferor Company in addition to the Market price method, value of the underlying assets was considered using the Summation method.
- (c) After considering the relevant factors and circumstances as mentioned in the Valuation Report, the valuer had recommended the Share Exchange Ratio for the amalgamation of the Transferee Company and Transferor Company as under:
- "231 (Two Thirty One Only) equity shares of ESFBL of INR 10 each fully paid up for 100 (One Hundred Only) equity shares of EHL of INR 10 each fully paid up."*
- (d) The Share Exchange Ratio has been approved by the Board of Directors, Audit Committee and CoID of both the Transferee Company as well as the Transferor Company at their respective meetings held on March 21, 2022. The Valuation report is annexed as **Annexure 2**.
- (e) A Fairness Opinion dated March 21, 2022 was issued by IIFL securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the Share Exchange Ratio from a financial point of view. It is annexed as **Annexure 4**.

(iv) Details of capital restructuring:

Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the register of members of the Transferor Company on the Record Date, equity shares of face value of Rs. 10 (Rupees ten only) each credited as fully paid up of the Transferee Company in the following ratio: 231 (Two hundred and thirty One) equity shares of the face value of Rs. 10 (Rupees ten only) each of the Transferee Company for every 100 (one hundred) equity shares of Rs. 10 (Rupees ten only) each of the Transferor Company credited as fully paid-up.

(v) Details of debt restructuring:

There is no debt restructuring of the Transferor Company or the Transferee Company being undertaken pursuant to the Scheme.

(vi) Summary of Accounting Treatment:

Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in its books of accounts, in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. Please refer to Clause 14 of the Scheme for additional details in this regard.

(vii) Rationale and benefits of the Scheme, as perceived by the Board of the Transferee Company:

As part of the conditions laid down in the small finance bank license referenced License No. MUM: 119 dated June 30, 2016 issued by the RBI and the Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated November 27, 2014, the RBI had directed that

- The equity shares of ESFBL should be listed on recognized stock exchange(s) in India within a time period of 3 (three) years from the date the net worth of ESFBL reaches INR 500 crores (i.e., by September 04, 2019, since ESFBL commenced banking operations with a net worth of more than INR 500 crores); and
- If the promoter of ESFBL, i.e., EHL holds more than 40% (forty percent) of equity shares in ESFBL, then EHL should reduce its stake in ESFBL to 40% (forty percent) within a period of 5 (five) years from the date of commencement of business of the bank (i.e., up to September 04, 2021).
- The directive of the RBI as mentioned above was complied by ESFBL by way of Initial Public Offering and shares were listed on the Stock Exchanges on 2 November 2020.
- This Scheme seeks to achieve compliance with the directive of the RBI as mentioned above by EHL in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, the shareholders of EHL or any other stakeholders.
- Further, as per the SFB Licensing Guidelines read with RBI Clarification, a promoter can exit from the Small Finance Bank after completing the lock-in period of five years with the approval from RBI and subject to applicable SEBI Regulations.
- The Scheme is expected to provide the following benefits to EHL, ESFBL and their respective shareholders:
- Achieve satisfaction and compliance of the conditions laid down by RBI in relation to the shareholding of ESFBL thereby ensuring continuity of the business of ESFBL which is also in accordance with the SFB Licensing Guidelines read with RBI Clarification .
- Providing all the public shareholders of EHL with direct shareholding in ESFBL thereby helping them to unlock value to their investments in the business of ESFBL, which is currently held through EHL. Consequently, the shareholders of EHL can take independent decisions with respect to their holdings in ESFBL without being constrained to hold an investment in EHL to be able to derive value of benefit from ESFBL's business.
- The Scheme also ensures that there is no dilution of value to public shareholders of EHL

in the process of amalgamation in accordance with this Scheme.

- There is no likelihood that the interests of any shareholder, depositor or creditor or employee of either EHL or ESFBL would be prejudiced as a result of the Scheme. The Scheme will not impose any additional burden on the members of EHL or ESFBL. The Scheme is not in any manner prejudicial or against public interest and would, on the contrary, serve the interest of all shareholders, depositors, creditors and stakeholders given that the Scheme ensures compliance of the conditions prescribed by RBI required for continued banking operations.

The Amalgamation shall take place with effect from the Appointed Date (as defined hereinafter) in accordance with Section 2(1B) of the Income-tax Act, 1961. If any provisions of the Scheme are found to be inconsistent with Section 2(1B) of the Income-tax Act, 1961, including as a result of an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act, 1961.

- (viii) The pre-Scheme and post-Scheme shareholding patterns of the Transferee Company is enclosed as **Annexure 8**.
- (xi) Details of availability of the following documents for obtaining extracts from or making or obtaining copies:

The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors of the Transferee Company at its Registered Office at 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002 between 10.00 A.M. to 4.00 P.M. on any working day up to the date of the Meeting:

- (A) Certified copy of the order passed by the Division Bench II, Chennai of the NCLT dated July 22, 2022 directing the Transferee Company to convene the meetings of un-secured creditors and Equity shareholders and Depositors of the Transferee Company, respectively;
- (B) Copy of the Scheme of Amalgamation;
- (C) Copies of the Memorandum of Association and Articles of Association of the Transferee Company and Transferor Company;
- (D) Copies of the audited financial statements of the Transferee Company and the Transferor Company as on March 31, 2022, and unaudited financial statements along with limited review report of the Statutory Auditors of the Transferee Company and the Transferor Company as on December 31, 2021 (or June 30, 2022), as well as Limited Review Report and unaudited consolidated financial statements of the Transferee Company as on December 31, 2021

Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme:

- (A) The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited. The Transferee Company had received observation letters regarding the Scheme from the National Stock Exchange of India Limited and from BSE Limited on June 10, 2022 including the observations of SEBI. In terms of the observation letters, BSE Limited and National Stock Exchange of India Limited conveyed their no adverse observations/no objection to the Scheme. Copies of the observation letters dated June 10, 2022 as received from the National Stock Exchange of India Limited and BSE Limited are enclosed as **Annexure 5A and Annexure 5B** respectively.
- (B) The Transferee Company being a Banking Company, is regulated by the Reserve Bank of India as well and accordingly, it has obtained the in-principle approval of the RBI on May 06, 2022.
- (C) The Transferor Company has approached the National Company Law Tribunal, Chennai Bench to seek necessary orders for convening the meetings of its unsecured creditors, depositors and the equity shareholders for approval of the Scheme. A joint application for the Scheme was filed by the Transferor and Transferee Company with the Chennai Bench of the NCLT on June 20, 2022, and the Division Bench II, Chennai of the NCLT has given directions to convene the meetings of the Transferee and Transferor Company vide the Order pronounced on July 22, 2022.
- (D) The Scheme is subject to approval by the requisite majority of the shareholders, Un -secured creditors and Depositors (as may be applicable) of the Transferor Company and the Transferee Company in terms of the applicable provisions of the Act and the Rules.
- (E) The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- (i) **Salient features of the Scheme:**

The salient features of the Scheme are extracted below. The capitalized terms used herein below, shall have the meaning ascribed to such terms in the Scheme:

Definitions

Appointed Date: *means the Effective Date or such other date as determined by the Board of ESFBL to comply with the approvals/ directions from the Appropriate Authority or such other date as NCLT may direct.*

Effective Date: *means the last of the dates on which the authenticated copy or certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by EHL or ESFBL. Any reference in the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".*

Record Date: means the date fixed by the ESFBL Board for the purpose of determining the date as of which, according to the records of the depository and register of members of EHL, the shareholders of EHL who shall be eligible for receiving the ESFBL Shares in accordance with the Scheme.

Undertaking: shall mean and include the whole of the undertaking of the Transferor Company on the Appointed Date, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations together with all present and future liabilities (including contingent liabilities) relating to the Transferor Company and all the assets, properties, rights, titles and benefits, whether movable or immovable, which shall be subject to clause 4.1 (m), real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, permits, quotas, approvals, registrations, accreditations to trade and industrial bodies, incentives, municipal permissions, regulatory permissions, consents or power of every kind, nature and description whatsoever in connection with the operating or relating to the Transferor Company, copyrights, patents, trade names, trademarks and other rights (including rights under any contracts, government contracts, memoranda of understanding etc.) and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, domain names, industrial designs, trade secrets, technical know-how or intellectual property rights of any nature and any other intangibles, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, turnover tax, CENVAT credit, service tax, Goods and Service tax etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

CONSIDERATION

10.1 Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme:

each of the equity shareholders of the Transferor Company as on the Record Date, without any further application or deed, shall be allotted 231 (Two Hundred and Thirty One) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company.

The above ratio in which the ESFBL Shares will be issued to the equity shareholders of the Transferor Company is herein after referred to as the "Share Exchange Ratio"

10.2 In applying the Share Exchange Ratio, no fractional ESFBL Shares may be issued by ESFBL, and any such fraction shall, in the sole discretion of the ESFB Board be:

- (a) consolidated into whole numbers of shares, and such consolidated shares be issued and allotted to a trustee appointed by ESFBL in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the Record Date Shareholders in proportion to their fractional entitlements; or*
- (b) rounded off to the nearest whole number and the number of ESFBL Shares to be issued to the Record Date Shareholder being based on such rounded off number; or*
- (c) dealt with in such other manner as the ESFBL Board may deem fit, including by implementing a combination of any of the foregoing, with a view to protecting the best interests of the Record Date Shareholders while minimizing the complexities of implementing the Scheme.*

10.3 The ESFBL Shares shall be issued to the shareholders of the Transferor Company in the following manner:

- (a) in dematerialised form to those shareholders who hold shares in dematerialised form in the Transferor Company into the account in which the shares of Transferor Company are held.*
- (b) in physical form to those shareholders who hold shares in physical form in the Transferor Company.*

Provided that if for any reason the Transferee Company is unable to issue the shares to the shareholders of the Transferor Company as described above, the ESFBL Shares shall be transferred by the Transferee Company to the Unclaimed Share Suspense Account of ESFBL or such other process will be adopted in compliance with the applicable regulatory requirements and the shareholders may claim the same by following the procedure as prescribed by ESFBL from time to time.

10.4 Joint shareholders shall not be treated as separate shareholders but shall be jointly eligible to receive the ESFBL Shares.

10.5 The ESFBL Board shall, if and to the extent required, apply for and obtain any

approvals from Appropriate Authority and undertake necessary compliance for the issue of the ESFBL Shares to the Record Date Shareholders pursuant to Clause 9.1 and Clause 9.4 of the Scheme.

10.6 ESFBL shall, if and to the extent required, apply for and obtain any approvals from the Appropriate Authorities including the RBI, for the issuance of ESFBL Shares to non-resident equity shareholders of EHL, if any, in terms of the Foreign Investment Regulations.

10.7 EHL shall comply with the relevant and applicable rules and regulations including the provisions of FEMA to enable ESFBL to issue ESFBL Shares to the non-resident equity shareholders of EHL. Without prejudice to the generality of the foregoing, and notwithstanding anything contained in this Scheme, ESFBL shall not be required to issue any ESFBL Shares:

- (a) to a Record Date Shareholder who is a foreign portfolio investor singly, and to all Record Date Shareholders who are foreign portfolio investors collectively;*
- (b) to a Record Date Shareholder who is a non-resident Indian singly, and to all Record Date Shareholders who are non-resident Indians collectively, whether on a repatriation or on a non-repatriation basis; or*
- (c) to a Record Date Shareholder who is a person resident outside India, singly and to all Record Date Shareholders who are persons resident outside India collectively;*

in each case, in excess of applicable limits prescribed under Foreign Investment Regulations. For the purposes of this Scheme, the terms "foreign portfolio investor", "non-resident Indian" and "person resident outside India", shall have the meaning ascribed to them under Foreign Investment Regulations. For the avoidance of doubt, ESFBL shall not be required to apply to the Government of India to permit any increase in the foreign investment limit applicable to private sector banks over and above the sectoral cap (as of the Record Date) up to which foreign investment under the automatic route is permitted under the Foreign Investment Regulations.

10.8 With respect to any ESFBL Shares that is unable to be issued by ESFBL due to Applicable Laws (including, without limitation, on account of non-receipt of approvals of an Appropriate Authority as required under Applicable Laws) or any regulations or otherwise, the issuance of such ESFBL Shares shall be held in abeyance by ESFBL and shall be dealt with in the manner as may be permissible under Applicable Laws and deemed fit by the ESFBL Board, including to enable issuance of such ESFBL Shares to a trustee, followed by a sale of such ESFBL Shares and thereafter to require the trustee to make distributions of the net sales proceeds (after the deduction of taxes and expenses incurred) to such Record Date Shareholders who are unable to receive any ESFBL Shares, in proportion to their entitlements (to the extent such issuance could not have been given effect to).

If the above cannot be effected for any reason, ESFBL shall ensure that this does not delay implementation of the Scheme; and shall take all such appropriate actions as may be necessary under Applicable Laws. ESFBL and/or the depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein. To the extent any Record Date Shareholder requires the previous approval of the RBI in terms of Section 12B(1) of the BR Act to receive any ESFBL Shares, ESFBL shall provide reasonable assistance to such Record Date Shareholder to enable such Record Date Shareholder to procure such approval.

*10.9 In event of there being any additional raise of equity share capital by the Transferee Company or issuance of equity shares on account of any business exigencies after approval of the Scheme by the Board of Directors of the Transferee Company, the said allotment shall be made in accordance with the relevant rules, regulations as may be applicable issued by SEBI. The Transferor Company and Transferee Company shall disclose any such allotment made during the pendency of the Scheme to the NCLT. The Transferee Company shall make appropriate disclosures of the pendency of the Scheme in their respective filings and offer documents made for the invitation of subscription of equity share capital of the Transferee Company and the subscription of such equity shares made by the prospective shareholders shall be deemed and construed as their consent to the Scheme. Any such action or event of capital raise or share issuance undertaken by the Transferee Company would not in any manner impact or affect any stakeholders nor would it affect the provisions laid down under 10.1 to 10.9 of the Scheme. Such raise of equity share capital, filings made, and disclosures made to the relevant statutory authorities and the NCLT shall be deemed as an appropriate compliance without requiring any further amendment to the Scheme. **15. Dissolution of Transferor Company***

15.1 Subject to an order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

15.2 In the event the Scheme of Amalgamation is sanctioned by the NCLT prior to the Appointed Date, the Transferor Company would continue to operate its business in the same manner as it has been prior to the sanction of the Scheme of Amalgamation until dissolution is ordered by the NCLT. The Transferor Company in such circumstances would make a separate application under the applicable provisions of the Companies Act 2013 to the NCLT for the dissolution of the Transferor Company.

In the event the Scheme of Amalgamation is sanctioned by the NCLT after the Appointed Date, the Transferor Company would stand dissolved without any further act or deed upon sanction.

15.3 It is expressly clarified that notwithstanding the sanction of the Scheme, the Transferor Company shall continue its business activities and operations until the Effective Date.

A copy of the Scheme is enclosed as **Annexure 1** to this Notice and Explanatory Statement. The Scheme is not prejudicial to the interest of the shareholders and creditors of the Transferee Company.

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

Documents required to be circulated for the Meeting under Section 232(2) of the Act and SEBI Scheme Circular:

As required under Section 232(2) of the Act and paragraph 8 of the SEBI Scheme Circular, the following documents are being circulated with this notice and the explanatory statement:

- (A) Scheme of amalgamation between the Transferor Company and Transferee Company, and their respective shareholders and creditors, under Sections 230-232 of the Companies Act, 2013, enclosed as **Annexure 1**.
- (B) Valuation Report dated March 21, 2022, issued by M/s BDO Valuation Advisory LLP, Registered Valuers, to the Transferee Company and the Transferor Company enclosed as **Annexure 2**.
- (C) Certificate dated March 21, 2022, issued by M/s. T R Chadha & Co, Chartered Accountants and Certificate dated March 21, 2022, issued by Varma & Varma, Chartered Accountants, to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, enclosed as **Annexure 3**.
- (D) Fairness Opinion dated March 21, 2022 issued by IIFL securities Limited, to the Transferee Company and the Transferor Company, enclosed as **Annexure 4**.
- (E) Observation Letters dated June 10, 2022 issued by BSE Limited and National Stock Exchange of India Limited to the Transferee Company, enclosed as **Annexure 5A** and **Annexure 5B** respectively.
- (F) Reports adopted by the Board of Directors of the Transferee Company and Transferor Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure 6A** and **Annexure 6B** respectively.
- (G) Complaints Report dated June 08, 2022 submitted to BSE Limited and Complaints Report dated May 05, 2022 submitted to National Stock Exchange of India Limited, by the Transferee Company, enclosed as **Annexure 7A** and **Annexure 7B** respectively.
- (H) Pre-scheme and post-scheme shareholding pattern of the Transferee Company and Transferor

Company, enclosed as **Annexure 8** respectively.

- (I) Unaudited financial statements along with the limited review report of the statutory auditors of the Transferee Company and Transferor Company as on December 31, 2021, enclosed as **Annexure 9A** and **Annexure 9B** respectively.
- (J) Copy of the Compliance Report certified by the Company Secretary, Chief Financial Officer and the Managing Director of the Transferee Company, confirming the compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards, enclosed as **Annexure 10**.
- (K) Copy of Order dated July 22, 2022, issued by Hon'ble National Company Law Tribunal, Division Bench II, Chennai, with regard to Scheme of Amalgamation between Equitas Holdings Limited and Equitas Small Finance Bank Limited and their respective shareholders, under Sections 230-232 of the Companies Act, 2013, enclosed as **Annexure 11**.
- (L) Copy of Form GNL-1 along with its Payment Challan filed by Equitas Small Finance Bank Limited with the Registrar of Companies enclosed as **Annexure 12**

This statement may be treated as an Explanatory Statement under Section 230(3), 232(1), 232(2) and 102 of the Act and the statement for the purposes of Rule 6(3) of the Rules.

By Order of NCLT, Chennai

Date: 3rd August , 2022
Place: Chennai

N.P. Vijay Kumar
Chairperson Appointed for the Meeting

4th Floor, Phase II,
Spencer Plaza, No. 769,
Mount Road, Anna Salai, Chennai - 600 002. ("**Registered Office**")
CIN: L65191TN1993PLC025280