

March 21, 2022

The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai - 400051 Symbol : EQUITASBNK	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Scrip Code : 543243
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Dear Sirs,

**Sub: Outcome of Board Meeting held on March 21, 2022 -
Intimation of the Scheme of Amalgamation between Equitas Holdings Limited ("EHL") and
Equitas Small Finance Bank Limited (ESFB) and their respective shareholders**

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by Securities and Exchange Board of India ("SEBI"), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to submit that the Board of Directors of Equitas Small Finance Bank Limited at its Meeting held today, after considering the Scheme and other related documents and the recommendations of the Audit Committee of the Board and the Committee of Independent Directors, has approved a Scheme of Amalgamation between Equitas Holdings Limited ("EHL / Transferor Company") and Equitas Small Finance Bank Limited ("ESFBL / Transferee Company") and their respective shareholders ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. The Scheme contemplates the amalgamation of Transferor Company into and with the Transferee Company and the dissolution without winding-up of the Transferor Company pursuant thereto. (Transferor Company and Transferee Company collectively referred to as the "Amalgamating Companies").

The Scheme is subject to the following approvals:

- receipt of approval from the Reserve Bank of India ("RBI") as per applicable laws and such other directions, regulations issued by the RBI,
- approval/ no-objection confirmation from Stock Exchanges under the applicable SEBI Regulations
- approval of respective requisite majorities of the public shareholders and creditors of EHL and ESFBL as the NCLT may direct,
- the sanction of the NCLT and
- such other statutory and regulatory approvals, permissions and sanctions of regulatory and other authorities, as may be necessary.

The Appointed Date for the Scheme shall be the Effective Date, or such other date as determined by the Board of ESFBL to comply with the approvals/directions from the regulatory and statutory authorities or such other date as NCLT may direct. The Scheme shall be operative from the Effective Date i.e. 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.



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Information as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015

Sl. No.	Particulars	Details															
1..	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>The details of total assets, turnover and networth of the Equitas Holdings Limited ("EHL/Transferor Company") and Equitas Small Finance Bank Limited ("ESFBL/Transferee Company") collectively referred to as ("Amalgamating Companies") is as under:</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Name</th> <th>Total Assets (Rs in lakh)</th> <th>Turnover (Rs in lakh)</th> <th>Networth (Rs in lakh)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>EHL*</td> <td>1,79,252.35</td> <td>1,033.11</td> <td>1,78,935.95</td> </tr> <tr> <td>2.</td> <td>ESFBL**</td> <td>25,26,134.08</td> <td>2,56,343.99</td> <td>358268.39</td> </tr> </tbody> </table> <p>*based on unaudited Financial Statements as on September 30, 2021 **based on unaudited Financial Statements as on December 31, 2021</p>	S.No.	Name	Total Assets (Rs in lakh)	Turnover (Rs in lakh)	Networth (Rs in lakh)	1.	EHL*	1,79,252.35	1,033.11	1,78,935.95	2.	ESFBL**	25,26,134.08	2,56,343.99	358268.39
S.No.	Name	Total Assets (Rs in lakh)	Turnover (Rs in lakh)	Networth (Rs in lakh)													
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2.	ESFBL**	25,26,134.08	2,56,343.99	358268.39													
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	<p>Yes, the proposed transaction would fall within related party transactions under Listing Regulations. However, the transaction shall not attract compliance with the requirements of Section 188 of the Companies Act, 2013 in accordance with the clarifications provided in General Circular No. 30/2014 dated July 17, 2014 issued by Ministry of Corporate Affairs.</p> <p>The Transferor Company ("EHL") is the Holding company of the Transferee Company ("ESFBL").</p> <p>The consideration for the Scheme will be discharged on an arm's length basis.</p> <p>The consideration/share exchange ratio for the Scheme is based on the Valuation Report dated March 21, 2022, issued by BDO Valuation Advisory LLP, Registered Valuers. IIFL Securities Limited, a SEBI Registered Category 1 Merchant Banker has provided Fairness Opinion dated March 21, 2022 on the share exchange ratio for the shareholders.</p>															



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4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai, Tamil Nadu, India - 600 002

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		<p>Further, T R Chadha & Co LLP and M/s Varma & Varma, Chartered Accountants, Joint Statutory Auditors of the Company has certified that the accounting treatment provided in the Scheme is in conformity with the applicable accounting standards and Section 133 of the Companies Act, 2013.</p> <p>The Committee of Independent Directors and the Audit Committee have also independently recommended the Scheme.</p>
3.	Area of business of the entity(ies);	<p>EHL is a non-deposit taking, systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India (RBI). EHL's operations and activities are limited to investing in and providing loans to group companies. EHL operates two subsidiaries: Equitas Small Finance Bank Limited (ESFB), licensed under Section 22 of the Banking Regulations Act, 1949 to carry on the business of small finance bank, and Equitas Technologies Private Limited (ETPL), engaged in the business of freight aggregation.</p> <p>ESFBL operates as a small finance bank engaged in retail banking business with focus on micro finance, commercial vehicle finance, home finance, loan against-property finance, corporate finance, and providing financing solutions for individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels while providing a comprehensive banking and digital platform for all.</p>
4.	Rationale for amalgamation / merger	<p>1. As part of the conditions laid down in the small finance bank licence referenced Licence 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</p> <ol style="list-style-type: none"> 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



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		<p>period of 5 (five) years from the date of commencement of business of the bank (i.e., up to September 04, 2021).</p> <p>2. The directive of the RBI as mentioned under Clause 1.a above was complied with by ESFBL by way of Initial Public Offering and listing of its shares on the Stock Exchanges with effect from November 2, 2020.</p> <p>3. The Scheme seeks to achieve compliance with the directive of the RBI as mentioned under Clause 1.b by EHL in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, their respective shareholders or any other stakeholders.</p> <p>4. As per the SFB Licensing Guidelines read with RBI clarification, a promotor 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.</p>
5.	In case of cash consideration - amount or otherwise share exchange ratio;	<p>Upon coming into effect of this Scheme and in consideration of the amalgamation of the Transferor Company into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to Eligible Members of the Company in the following ratio</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 Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every 100 Equity Shares of Rs.10/- each fully paid up held by them in the Transferor Company.</p> <p>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"</p>
6	Brief details of change in shareholding (if any) of listed entity.	<p>Upon scheme becoming effective, the Bank will issue equity shares as mentioned in Sl.No. 5 above to the equity shareholders of the Transferor Company as on the Record Date as defined in the Scheme.</p> <p>Considering that Transferor Company is a company with no identifiable promoter and all its shareholders are public shareholders, issue of shares under the Scheme would result in increase of public shareholding in the Bank from 25.41% (as on date) to 100%.</p>



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The Meeting of the Board of Directors of the Company commenced at 16.30 hours and concluded at 17.40 hours

Thanking you,

Yours faithfully,
For Equitas Small Finance Bank Limited



Sampathkumar K R
Company Secretary



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