

**Ref. No.: AUSFB/SEC/2023-24/227**

**Date: November 03, 2023**

To,

<p><b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. <b>NSE Symbol: AUBANK</b></p>	<p><b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. <b>Scrip Code: 540611, 958400, 974093, 974094 &amp; 974095</b></p>
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Dear Sir/Madam,

**Sub: Notice of Extraordinary General Meeting of AU Small Finance Bank Limited**

**Ref: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

We submit herewith the Notice of Extraordinary General Meeting ("**EGM**") of AU Small Finance Bank Limited ("**the Bank**") scheduled to be held on **Monday, November 27, 2023 at 3:00 P.M. (IST)** at CP3-235, Industrial Area, Apparel Park, Mahal Road, Jagatpura, Jaipur – 302022, Rajasthan, India.

Notice of EGM together with the Explanatory Statement is being sent to the Members of the Bank for seeking approval on the special business stated as under:

<b>Item No.</b>	<b>Agenda Item</b>
1.	To consider and approve the Scheme of Amalgamation

In terms of Section 44A of the Banking Regulation Act, 1949 and RBI Master Direction- Amalgamation of Private Sector Banks, Directions, 2016, the EGM of the Members of **AU Small Finance Bank Limited** is being convened for the purpose of considering and, if thought fit, approving, the proposed scheme of amalgamation, as annexed with the Notice, for amalgamation of **Fincare Small Finance Bank Limited ("Transferor Company")** into and with **AU Small Finance Bank Limited ("Transferee Company")**.

The resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company. Additionally, the Bank is also providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM.

Members of the Bank holding shares as on the cut-off date i.e., **Monday, November 20, 2023**, can cast their vote through the remote e-voting system and/or shall be entitled to attend and vote at EGM, who have not cast their vote on the resolution through remote e-voting. The remote e-voting period begins on **Thursday, November 23, 2023 at 9:00 A.M.** and ends on **Sunday, November 26, 2023 at 5:00 P.M.**

**Registered Office**

**AU SMALL FINANCE BANK LIMITED**

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001, Rajasthan, India

Phone: +91 141 4110060/61, Fax: +91 141 4110090

CIN: L36911RJ1996PLC011381

The Notice and instruction for e-voting will also be available on the website of the Bank at <https://www.aubank.in/investors/amalgamation-of-fincaresfb-into-ausfb> and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The results of voting shall be declared on or before Wednesday, November 29, 2023 and the same will be communicated to Stock Exchanges and will be uploaded on the website of the Bank at [www.aubank.in](http://www.aubank.in).

This is for your information and records.

Yours faithfully,

**For AU SMALL FINANCE BANK LIMITED**

**Manmohan Parnami**  
**Company Secretary and Compliance Officer**  
**Membership No.: F9999**  
[investorrelations@aubank.in](mailto:investorrelations@aubank.in)  
**Encl: As above**

**Registered Office**

**AU SMALL FINANCE BANK LIMITED**

19-A Dhuleshwar Garden, Ajmer Road,  
Jaipur - 302001, Rajasthan, India

**Phone:** +91 141 4110060/61, **Fax:** +91 141 4110090

**CIN:** L36911RJ1996PLC011381



## **AU SMALL FINANCE BANK LIMITED**

**CIN: L36911RJ1996PLC011381**

**Registered Office:** 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India

**Corporate Office:** 5<sup>th</sup> Floor, E-Wing, Kanakia Zillion, Junction of CST and LBS Road,  
Kurla (West), Mumbai – 400070, Maharashtra, India

**Tel:** +91-141 4110060 | **E-mail:** [investorrelations@aubank.in](mailto:investorrelations@aubank.in) | **Website:** [www.aubank.in](http://www.aubank.in)

### **Notice of Extraordinary General Meeting**

**SCHEME OF AMALGAMATION**

**OF**

**FINCARE SMALL FINANCE BANK LIMITED  
(TRANSFEROR COMPANY)**

**INTO AND WITH**

**AU SMALL FINANCE BANK LIMITED  
(TRANSFeree COMPANY)**

**(UNDER REGULATION 44A OF THE BANKING REGULATION ACT, 1949 AND RESERVE BANK OF INDIA  
MASTER DIRECTION - AMALGAMATION OF PRIVATE SECTOR BANKS DIRECTIONS, 2016)**

## Notice of Extraordinary General Meeting

Dear Member(s),

**NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING (“EGM”) OF THE MEMBERS OF AU SMALL FINANCE BANK LIMITED (“BANK”) WILL BE HELD ON MONDAY, NOVEMBER 27, 2023 AT 3:00 P.M. (IST) AT CP3-235, INDUSTRIAL AREA, APPAREL PARK, MAHAL ROAD, JAGATPURA, JAIPUR – 302022, RAJASTHAN, INDIA TO TRANSACT THE FOLLOWING BUSINESS:**

### **SPECIAL BUSINESS**

#### **ITEM NO. 1: TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION:**

To consider and if thought fit, to pass, the following resolution by the requisite majority as provided under Section 44A of the Banking Regulation Act, 1949 and Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks, Directions, 2016:

“**RESOLVED** that pursuant to the provisions of Section 44A of the Banking Regulation Act, 1949, Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks, Directions, 2016 (hereinafter referred to as the “**RBI Guidelines**”), any other circulars including such other directions, guidelines or regulations issued/notified by the Reserve Bank of India (hereinafter referred to as “**RBI**”) and the Memorandum of Association and Articles of Association of **AU Small Finance Bank Limited** (hereinafter referred to as the “**Transferee Company**”), and subject to approvals, consents, permissions and sanctions of the RBI and the Competition Commission of India (“**CCI**”) and subject to such terms and conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Transferee Company (hereinafter referred to as “**the Board**”, which expression shall be deemed to include any Committee(s) constituted/to be constituted or any other person authorised/to be authorised by the Board/Committee to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the consent and approval of the members of the Transferee Company be and is hereby accorded to the amalgamation of **Fincare Small Finance Bank Limited** (hereinafter referred to as the “**Transferor Company**”) into and with **Transferee Company**, pursuant to the scheme of amalgamation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 44A of the Banking Regulation Act, 1949 and the RBI Guidelines, and in accordance with the matters stated in the aforesaid resolution:

- i. The draft of the scheme of amalgamation of Fincare Small Finance Bank Limited into and with AU Small Finance Bank Limited, (hereinafter referred as “**Scheme of Amalgamation**” or “**Scheme**”), which was circulated along with this notice, be and is hereby approved.
- ii. the Board be and is hereby authorised, on behalf of the Transferee Company, to create, issue and allot, such number of equity shares of the Transferee Company to the Members of the Transferor Company in accordance with the Scheme, as sanctioned by RBI.
- iii. the Board be and is hereby empowered and authorised to act jointly with the Board of Directors of the Transferor Company (including any Committee(s) constituted/ to be constituted or any officer(s) or any other person authorized by it) to make modifications and alterations to the Scheme including those as may be required or suggested by the relevant authority/authorities and to do all such acts, deeds, matters and things, and to take all steps and give such directions as may be necessary, expedient, incidental, ancillary or desirable as it may, in its absolute discretion deem fit, requisite, desirable, appropriate or necessary to give effect to the above resolution and to effectively implement the amalgamation embodied in the Scheme including any required regulatory applications and negotiation, finalisation and execution of any agreements or documents incidental

or ancillary to the Scheme and modifications/alterations thereto including to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the RBI or CCI while sanctioning the amalgamation embodied in the Scheme as may be required for the purpose of settling or resolving any questions or doubts or difficulties that may arise, including the meaning or interpretation of the Scheme or implementation thereof, or in any matter whatsoever connected therewith, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary for giving effect to the Scheme, in such manner as the Board in its absolute discretion may deem fit and to take all steps which are incidental and ancillary thereto in this connection.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the RBI and CCI, and execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any authority(ies), to give effect to this resolution and the aforesaid resolutions."

**Place:** Mumbai

**Date:** October 29, 2023

**By Order of the Board of Directors  
For AU Small Finance Bank Limited**

**Registered Office:**

19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur – 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 141 4110060  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

Sd/-  
**Manmohan Parnami**  
**Company Secretary**  
**Membership No: F9999**

**Notes:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "**Act**") read with the rules made thereunder, setting out all the material facts relating to the Special Business as set out in item no. 1 of this Notice is annexed herewith.
2. In view of directions issued by the Ministry of Corporate Affairs ("**MCA**") vide its General Circular No. 09/2023 dated September 25, 2023 and earlier circulars issued in this regard (these circulars collectively to be referred as "**MCA Circulars**") in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID -19", and Securities and Exchange Board of India ("**SEBI**") vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and earlier circulars issued in this regard (these circulars collectively to be referred as "**SEBI Circulars**") and all other relevant circulars issued from time to time, the Bank will send Notice of EGM along with the Attendance Slip and Proxy Form by e-mail to all its members who have registered their e-mail addresses with the Registrar and Transfer Agent ("**RTA**") of the Bank or Depository/ Depository Participants. This Notice is accordingly being circulated in compliance with the above Circulars. As an additional measure, Physical copy of the Notice of the EGM with annexure has been sent to the members whose e-mail IDs are not registered with the Bank/Depository Participant(s).

3. In terms of Section 44A of the Banking Regulation Act, 1949 ("**BR Act, 1949**") and RBI Master Direction - Amalgamation of Private Sector Banks, Directions, 2016, ("**RBI Master Directions**"), this Extraordinary General Meeting of the Members of **AU Small Finance Bank Limited** is being convened for the purpose of considering and, if thought fit, approving, the proposed scheme of amalgamation, as annexed hereto, for amalgamation of Fincare Small Finance Bank Limited (hereinafter referred to as "**Transferor Company**") into and with AU Small Finance Bank Limited (hereinafter referred to as "**Transferee Company**") (hereinafter referred to as "**Scheme**").

A resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company. Additionally, the Bank is also providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM.

4. The EGM Notice has been uploaded on the website of the Bank [www.aubank.in](http://www.aubank.in). The same can also be accessed on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd. at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depository Limited ("**NSDL**") (agency for providing the facility of Remote e-Voting) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. In case an equity shareholder is desirous of obtaining the Notice in printed form, he/she/it may write to the Transferee Company or send an e-mail at [investorrelations@aubank.in](mailto:investorrelations@aubank.in).
6. Any person, who acquires shares of the Bank and becomes member of the Bank after dispatch of the notice and is holding shares as on the cut-off date i.e. Monday, November 20, 2023 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Bank's RTA to cast the votes through e-voting and/or shall be entitled to attend and vote at EGM, who have not cast their vote on the resolution through remote e-voting.
7. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the EGM and seek registration before entering the meeting hall. The Shareholder needs to furnish the printed Attendance Slip, along with a valid identity proof such as the PAN card, passport, Aadhaar card or driving license etc. to enter the EGM venue.
8. Pursuant to the provisions of the Companies Act 2013, a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Bank. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
9. The instrument appointing the proxy, duly completed in all respect, must be deposited at the Bank's Registered Office not less than 48 hours before commencement of the meeting. A proxy form for the EGM is enclosed.
10. The Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are entitled to appoint authorized representatives to cast their votes through e-voting and/or attend and vote on their behalf at the meeting.

11. The Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend and vote on their behalf at the meeting by email at [investorrelations@aubank.in](mailto:investorrelations@aubank.in) or to Scrutiniser by e-mail to [cs.vmanda@gmail.com](mailto:cs.vmanda@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
12. In case of joint holders attending the Meeting, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote.
13. Members/Proxies/Authorised Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
14. Notice and the Statement setting out the material facts along with all the relevant documents referred in respect of item no. 1 will be made available at the Bank's registered office for inspection during the normal business hours between 10:00 AM (IST) to 5:00 PM (IST) on working days up to the date of the EGM.
15. The Notice convening the Meeting will be published through advertisement in newspapers in compliance of applicable regulatory requirements.
16. Members who would like to express their views/have any queries in relation to agenda of the meeting, may please write to Company Secretary at [investorrelations@aubank.in](mailto:investorrelations@aubank.in) mentioning their name, Demat account number/Folio no. and mobile number at least 7 (Seven) days before the date of meeting to enable us to respond to the queries suitably.
17. Members wishing to claim unclaimed dividends are requested to correspond with the RTA of the Bank as mentioned above or the Company Secretary of the Bank. The Bank has uploaded the details of unclaimed dividend amounts lying with the Bank on the website of the Bank at <https://www.aubank.in/reports/disclosures>.
18. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Bank's website <https://www.aubank.in/investors/investor-services>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Bank in case the shares are held in physical form.
19. The SEBI vide its circular dated September 26, 2023 has extended the last date for submission of PAN, KYC details, nomination, Contact details, Bank Account details and Specimen signature by holders of physical securities to December 31, 2023. Therefore, Members holding shares in physical form are requested to submit the aforesaid details to the Bank's RTA at [nt.helpdesk@linkintime.co.in](mailto:nt.helpdesk@linkintime.co.in) and members holding shares in demat account requested to submit the "choice of nomination" details to their Depository Participants with whom they are maintaining their demat accounts by December 31, 2023.

20. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date i.e., December 31, 2023, our registrars are obligated to freeze such folios. Members who still have not linked PAN with Aadhaar are requested to link their PAN with Aadhaar. The security holder(s) whose folio(s) have been frozen shall be eligible to lodge grievances or avail any service request from the RTA only after furnishing the complete documents/details and shall also be eligible for any payment including dividend, interest, or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Bank shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
21. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Bank for any assistance in this regard.
22. Non-Resident Indian Members are requested to contact their respective Depository Participants/RTA (in case of physical shares) for any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of Bank with pin code number, if not furnished earlier.

### 23. DETAILS OF E-VOTING

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars & SEBI Circulars, the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM.

For the purpose of e-voting, the Bank has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.

The remote e-Voting period begins on **Thursday, November 23, 2023 at 9:00 A.M. and ends on Sunday, November 26, 2023 at 5:00 P.M.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners, as received from NSDL / CDSL, as on the **cut-off date i.e. Monday, November 20, 2023** may cast their vote electronically.

The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Bank as on the **cut-off date, being Monday, November 20, 2023.**

A person who is not a member as on the cut-off date should treat this notice for information purpose only.

**The details of the process and manner for remote e-Voting is as under:**

The way to vote electronically on NSDL e-voting system consists of below mentioned "2 steps":







## Step 1: Access to NSDL e-Voting system

### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>       <b>Google Play</b></div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users are requested to login Easi /Easiest at <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi Tab and then use your existing my easi username &amp; password.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 1800 1020 990 and 1800 22 44 30
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. **Open web browser and type the following URL:** <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, **click on the icon "Login"** which is available under '**Shareholder/Member**' section.
- A new screen will open. You will have to **enter your User ID, your Password/OTP** and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are **already registered** for e-Voting, then **you can use your existing password** to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the '**initial password**' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name, and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on **Agree to "Terms and Conditions"** by selecting on the check box.
8. Now, you will have to click on "**Login**" button.
9. After you click on the "Login" button, **Home page of e-Voting will open.**

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. **Select "EVEN – AU Small Finance Bank Limited"** to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. **Cast your vote by selecting appropriate options i.e. assent or dissent**, verify/modify the number of shares for which you wish to cast your vote and click on "**Submit**" and also "**Confirm**" when prompted.
5. Upon confirmation, the message "**Vote cast successfully**" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. **Institutional shareholders** (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutiniser by e-mail to [cs.vmanda@gmail.com](mailto:cs.vmanda@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also **upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.**
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre - Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 or at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to [investorrelations@aubank.in](mailto:investorrelations@aubank.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit demat a/c no. or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to [investorrelations@aubank.in](mailto:investorrelations@aubank.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
24. Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the EGM.

25. The Board of Directors have appointed CS Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS: 3355) as Scrutiniser and failing him CS Priyanka Agarwal, Practicing Company Secretary (Membership No. FCS: 11138) as the Alternate Scrutiniser to scrutinise the remote e-Voting and voting at the EGM in a fair and transparent manner.
26. The Chairman shall at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutiniser, for all those members who are present at the EGM and have not cast their vote on the resolution through remote e-Voting and are otherwise not barred from doing so.
27. The Scrutiniser shall after the conclusion of voting at the EGM, submit consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the meeting.
28. The results of voting will be declared and the same along with the Scrutiniser's Report will be published on the website of the Bank [www.aubank.in](http://www.aubank.in) and the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Ltd. within two working days from the conclusion of the EGM.
29. The route map of the venue of the EGM is given at the end of this Notice.

**Place: Mumbai**  
**Date: October 29, 2023**

**By Order of the Board of Directors**  
**For AU Small Finance Bank Limited**

**Registered Office:**  
19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur – 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 141 4110060  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

**Sd/-**  
**Manmohan Parnami**  
**Company Secretary**  
**Membership No: F9999**



## Explanatory Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business as set out in Item no. 1 mentioned in the above Notice:

### Item no. 1:

The approval of shareholders to the proposed scheme of amalgamation, as annexed hereto for amalgamation of Fincare Small Finance Bank Limited (hereinafter referred to as **Transferor Company**) into and with AU Small Finance Bank Limited (hereinafter referred to as **Transferee Company**) (hereinafter referred to as **"Scheme"**) is envisaged with the intent of consolidation and leveraging of the significant complementarities, synergies that exist between both the institutions, particularly relating to branch network, geographical presence, expansion of product offerings and customer segments etc. This is synergy & growth-oriented amalgamation, adopting best practices of Banking, Governance and Prudence and it is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as shareholders, customers, and employees. The Scheme has been approved by the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on October 29, 2023.

This amalgamation proposed is in alignment with Bank's long term growth objectives and poised to deliver substantial benefits through synergy, business expansion and overall growth.

In terms of Section 44A of the Banking Regulations Act, 1949 (**"BR Act, 1949"**) and RBI Master Direction - Amalgamation of Private Sector Banks, Directions, 2016, (**"RBI Master Directions"**) a resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company. As both the Transferor Company and Transferee Company are banking companies duly licensed under the provisions of the BR Act, 1949, the amalgamation of the Transferor Company with the Transferee Company is exclusively governed by the provisions of Section 44A of the BR Act, 1949 and RBI Master Directions which constitute a composite and complete code governing amalgamation of banking companies, and as such the said amalgamation would require the sanction of the Scheme by Reserve Bank of India (hereinafter referred to as **"RBI"**) with no further action or approval required.

### Description of the Companies

**Transferor Company**, i.e. Fincare Small Finance Bank Limited having CIN U67120GJ1995PLC025373 was incorporated on April 05, 1995 under the Companies Act, 1956, having its registered office at 301-306, 3rd Floor, Abhijeet -V, Opp. Mayor's Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006. The Transferor Company holds a license as a small finance bank issued by the RBI and is also a scheduled commercial bank. The Transferor Company operates across various states and union territories of India, including in retail and wholesale banking activities. These activities primarily include micro finance lending activities to provide financial assistance to women borrowers of economically weaker sections of society, who are organized as joint liability groups, with a view of enhancement of their livelihoods in a financially viable manner, primarily in the rural areas of India. Further, the Transferor Company is engaged in providing financial assistance to the borrowers to use the money to augment the household income through loan against property. In addition, the Transferor Company offers other products, including institutional finance, gold loan, two-wheeler loans, affordable housing loans and overdraft facility against fixed deposits or properties. The non-convertible debentures issued by the Transferor Company are listed on BSE Limited.

**Transferee Company**, i.e. AU Small Finance Bank Limited having CIN: L36911RJ1996PLC011381 is a public listed Bank which was incorporated on January 10, 1996, under the Companies Act, 1956, having its registered office at 19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan, 302001. The Transferee Company holds a small finance bank license issued by RBI and is also a scheduled commercial bank. The Transferee Company is engaged in providing a range of banking and financial services in India including retail banking, wholesale banking, treasury operations and other services. The equity shares of Transferee Company are listed on BSE Limited (**Stock Code:540611**) and on National Stock Exchange of India Ltd. (**Stock Code: AUBANK**). The non-convertible debentures issued by the Transferee Company are listed on BSE Limited.

This Scheme is presented, inter alia for the amalgamation of the Transferor Company into and with the Transferee Company, with effect from the Appointed Date (as defined in the Scheme), and the consequent dissolution of the Transferor Company without being wound up, and the issuance of the New Transferee Company Shares (as defined in Scheme) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (as defined in the Scheme), pursuant to requirement under Section 44A of the BR Act, 1949 and RBI Master Directions.

**Key points of Scheme for the consideration of Shareholders are as follows:**

**1. RATIONALE OF THE SCHEME**

The proposed Amalgamation would be in the best interest of the Banks and their respective shareholders, employees, and other stakeholders as the proposed Amalgamation will yield advantages as set out inter alia herein below:

- (i) The Transferor Company and the Transferee Company believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the small finance banks, particularly relating to branch network, product offerings and customer segments. This revenue synergy led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
- (ii) accelerate build out of pan India distribution franchise;
- (iii) diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion;
- (iv) while the Transferee Company has pan-India presence in 21 (twenty one) States and 3 (three) Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
- (v) realise synergies arising from the combination including revenue synergies from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and
- (vi) providing customers of both Companies with access to wider suite of products and services.

## 2. DATE OF TAKING EFFECT OF THIS SCHEME

The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

**Appointed Date:** means February 01, 2024 or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the RBI.

**Effective Date:** means a date specified by the RBI, which is (a) after the fulfilment or waiver of the conditions specified in Clauses 24.1, 24.3, 24.4 and 24.5 of the Scheme and (b) on or after the Appointed Date. References in the Scheme to the “coming into effect of the Scheme” or “Scheme becoming effective” “on this Scheme becoming effective” or “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “effect of this Scheme” or “pursuant to this Scheme coming into effect” shall mean the Effective Date.

## 3. SHARE EXCHANGE RATIO: Upon the coming into effect of the Scheme:

Transferee Company shall, without any further application or deed, allot to the Record Date Shareholders (as defined in the Scheme) 579 (five hundred and seventy-nine) New Transferee Company Shares (as defined in the Scheme) in respect of every 2,000 (two thousand) equity shares of INR 10 (Indian Rupees ten) each, fully paid up held by them in the Transferor Company.

The equity share exchange ratio has been arrived at by independent valuers and has been approved separately and independently by the Boards of Directors of both the Transferor Company and Transferee Company. The same has been approved as being a fair exchange ratio after considering the independent valuation made by RBSA Valuation Advisors LLP, who were appointed as the independent valuer by the Transferor Company for this purpose, jointly with Bansil S. Mehta Valuers LLP, who were appointed as the independent valuer by the Transferee Company for this purpose, and both valuers having issued a joint valuation report. Further, a “fairness opinion” on the share exchange ratio was obtained from JM Financial Limited, a merchant banker registered with the Securities and Exchange Board of India by the Transferee Company.

## 4. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION):

The Pre & Post Amalgamation Share Capital Structure of the Transferee Company is as under:

### PRE AMALGAMATION

Authorized Share Capital	Amount in INR
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
<b>Total</b>	<b>12,00,00,00,000</b>
Issued, Subscribed & Paid-Up Capital	Amount in INR
66,82,28,624 equity shares of INR 10 each	6,68,22,86,240
<b>Total</b>	<b>6,68,22,86,240</b>

### POST AMALGMATION\*

Authorized Share Capital	Amount in INR
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
<b>Total</b>	<b>12,00,00,00,000</b>
Issued, Subscribed & Paid-Up Capital	Amount in INR
74,17,22,390 equity shares of INR 10 each	7,41,72,23,900
<b>Total</b>	<b>7,41,72,23,900</b>



\*Post Amalgamation Shareholding Pattern is prepared on the basis of the pro-forma number including primary capital infusion of Rs. 699,99,99,973.56 by FBSL.

The Transferee Company has outstanding employee stock options under the Transferee Company ESOP Scheme (as defined in the Scheme), the exercise of which may result in further increase in the issued and paid-up capital of the Transferee Company.

## 5. PRE AND POST SHAREHOLDING PATTERN

### Transferor Company (Pre-Amalgamation) (as on October 27, 2023)

Sr. No.	Category & Name of the shareholders	Total nos. of shares held	Shareholding %
<b>1</b>	<b>Promoters and Promoter Group</b>		
<b>1A</b>	<b>Individuals / Hindu Undivided Family</b>	-	-
<b>1B</b>	<b>Bodies Corporate</b>	<b>17,34,89,568</b>	<b>78.55%</b>
	<i>Fincare Business Services Limited</i>	17,34,89,568	78.55%
	<b>Total Promoter and Promoter Group (1)= (1A+1B)</b>	<b>17,34,89,568</b>	<b>78.55%</b>
<b>2</b>	<b>Public</b>		
<b>2A</b>	<b>Institutions (Domestic)</b>		
	<b>Mutual Fund</b>	-	-
	<b>Alternate Investment Funds</b>	<b>53,28,195</b>	<b>2.41%</b>
	<i>True North Fund V LLP</i>	51,59,355	2.34%
	<b>Banks</b>	-	-
	<b>Insurance Companies</b>	<b>37,47,660</b>	<b>1.70%</b>
	<b>Total Institutions (Domestic) (2A)</b>	<b>90,75,855</b>	<b>4.11%</b>
<b>2B</b>	<b>Institutions (Foreign)</b>		
	<b>Foreign Portfolio Investors</b>	-	-
	<b>Foreign Institutional Investors</b>	-	-
	<b>Others- Body Corporate</b>	<b>2,36,63,949</b>	<b>10.72%</b>
	<i>Amethyst Inclusion PTE. Ltd.</i>	86,50,434	3.92%
	<i>TA FDI Investors Limited</i>	54,80,130	2.48%
	<i>Indium IV Mauritius Holdings Limited</i>	50,04,870	2.27%
	<i>Omega TC Holdings PTE Ltd</i>	26,01,570	1.18%
	<b>Total Institutions (Foreign) (2B)</b>	<b>2,36,63,949</b>	<b>10.72%</b>
<b>2C</b>	<b>Central Government/ State Government(s)</b>	-	-
	<b>Total Central Government/ State Government(s) (2C)</b>	-	-
<b>2D</b>	<b>Non-Institutions</b>		
	<b>Resident Individual holding nominal share capital up to Rs. 2 lakhs</b>	<b>3,16,553</b>	<b>0.14%</b>
	<b>Resident individual holding nominal share capital in excess of Rs. 2 lakhs</b>	<b>48,87,379</b>	<b>2.21%</b>
	<b>Non Resident Indians (NRIs)</b>	<b>20,000</b>	<b>0.01%</b>
	<b>Bodies Corporate</b>	<b>20,05,352</b>	<b>0.91%</b>
	<b>Trusts</b>	<b>73,74,297</b>	<b>3.34%</b>
	<i>Vistra ITCL I Ltd Business Excellence Trust III India Business Excellence Fund III</i>	73,74,297	3.34%
	<b>Body Corp-Ltd Liability Partnership</b>	-	-
	<b>Hindu Undivided Family</b>	<b>18,887</b>	<b>0.01%</b>
	<b>Clearing Member</b>	-	-
	<b>Total Non-Institutions (2D)</b>	<b>1,46,22,468</b>	<b>6.62%</b>
	<b>Total Public Shareholding (2) = (2A+2B+2C+2D)</b>	<b>4,73,62,272</b>	<b>21.45%</b>
	<b>Total Shareholding</b>	<b>22,08,51,840</b>	<b>100.00%</b>

### Transferee Company (Pre & Post Amalgamation)

(Shareholders holding 1% or more shares in the Transferee Company are mentioned herein below under respective category)

Sr. No.	Category & Name of the shareholders	Pre-Amalgamation As on October 27, 2023		Post-Amalgamation*	
		Total nos. of shares held	Shareholding %	Total nos. of shares held	Shareholding %
<b>1</b>	<b>Promoters and Promoter Group</b>				
<b>1A</b>	<b>Individuals / Hindu Undivided Family</b>	<b>15,94,69,340</b>	<b>23.86%</b>	<b>15,94,69,340</b>	<b>21.50%</b>
	Sanjay Agarwal - Promoter	11,71,91,360	17.54%	11,71,91,360	15.80%
	Jyoti Agarwal - Promoter	2,36,37,120	3.54%	2,36,37,120	3.19%
	Shakuntala Agarwal - Promoter	1,86,40,860	2.79%	1,86,40,860	2.51%
	Yuvraj Agarwal - Promoter Group	-	-	-	-
	Mallika Agarwal - Promoter Group	-	-	-	-
<b>1B</b>	<b>Bodies Corporate</b>	<b>1,08,29,072</b>	<b>1.62%</b>	<b>1,08,29,072</b>	<b>1.46%</b>
	Mys Holdings Private Limited - Promoter Group	1,08,29,072	1.62%	1,08,29,072	1.46%
	<b>Total Promoter and Promoter Group (1) = (1A+1B)</b>	<b>17,02,98,412</b>	<b>25.49%</b>	<b>17,02,98,412</b>	<b>22.96%</b>
<b>2</b>	<b>Public</b>				
<b>2A</b>	<b>Institutions (Domestic)</b>				
	<b>Mutual Fund</b>	<b>7,27,33,600</b>	<b>10.88%</b>	<b>7,27,33,600</b>	<b>9.81%</b>
	Kotak Flexicap Fund	3,03,59,268	4.54%	3,03,59,268	4.09%
	Nippon Life India Trustee Ltd-A/C Nippon India Growth Fund	1,02,10,060	1.53%	1,02,10,060	1.38%
	DSP Midcap Fund	94,28,572	1.41%	94,28,572	1.27%
	Uti Flexi Cap Fund	74,03,116	1.11%	74,03,116	1.00%
	<b>Alternate Investment Funds</b>	<b>3,79,16,453</b>	<b>5.67%</b>	<b>3,94,58,965</b>	<b>5.32%</b>
	Westbridge Aif I	3,20,53,180	4.80%	3,20,53,180	4.32%
	<b>Banks</b>	<b>727</b>	<b>0.00%</b>	<b>727</b>	<b>0.00%</b>
	<b>Insurance Companies</b>	<b>2,10,75,515</b>	<b>3.15%</b>	<b>2,21,60,463</b>	<b>2.99%</b>
	HDFC Life Insurance Company Limited	1,15,57,124	1.73%	1,15,57,124	1.56%
	<b>Total Institutions (Domestic) (2A)</b>	<b>13,17,26,295</b>	<b>19.71%</b>	<b>13,43,53,755</b>	<b>18.11%</b>
<b>2B</b>	<b>Institutions (Foreign)</b>				
	<b>Foreign Portfolio Investors</b>	<b>27,56,28,226</b>	<b>41.25%</b>	<b>27,56,28,226</b>	<b>37.16%</b>
	Smallcap World Fund, Inc	3,19,37,993	4.78%	3,19,37,993	4.31%
	New World Fund Inc	2,86,69,552	4.29%	2,86,69,552	3.87%
	Camas Investments Pte. Ltd.	2,69,39,946	4.03%	2,69,39,946	3.63%
	Nomura India Investment Fund Mother Fund	1,53,05,638	2.29%	1,53,05,638	2.06%
	St. James's Place Emerging Markets Equity Unit Trust Managed By Wasatch Advisors Inc	72,33,876	1.08%	72,33,876	0.98% <sup>^</sup>
	Kotak Funds - India Midcap Fund	69,61,061	1.04%	69,61,061	0.94% <sup>^</sup>
	Janchor Partners Pan-Asian Master Fund	69,96,074	1.05%	69,96,074	0.94% <sup>^</sup>
	<b>Foreign Institutional Investors</b>	<b>2,31,510</b>	<b>0.03%</b>	<b>2,31,510</b>	<b>0.03%</b>
	<b>Others- Body Corporate</b>	<b>-</b>	<b>-</b>	<b>68,50,713</b>	<b>0.92%</b>
	<b>Total Institutions (Foreign) (2B)</b>	<b>27,58,59,736</b>	<b>41.28%</b>	<b>28,27,10,449</b>	<b>38.12%</b>

Sr. No.	Category & Name of the shareholders	Pre-Amalgamation As on October 27, 2023		Post-Amalgamation*	
		Total nos. of shares held	Shareholding %	Total nos. of shares held	Shareholding %
2C	<b>Central Government/ State Government(s)</b>				
	Central Government / President of India	186	0.00%	186	0.00%
	<b>Total Central Government/ State Government(s) (2C)</b>	<b>186</b>	<b>0.00%</b>	<b>186</b>	<b>0.00%</b>
2D	<b>Non-Institutions</b>				
	<b>Resident Individual holding nominal share capital up to Rs. 2 lakhs</b>	<b>3,10,48,996</b>	<b>4.65%</b>	<b>3,11,40,638</b>	<b>4.20%</b>
	<b>Resident individual holding nominal share capital in excess of Rs. 2 lakhs</b>	<b>3,07,86,572</b>	<b>4.61%</b>	<b>3,22,01,468</b>	<b>4.34%</b>
	<i>Uttam Tibrewal</i>	<i>1,37,97,468</i>	<i>2.06%</i>	<i>1,37,97,468</i>	<i>1.86%</i>
	<b>Non Resident Indians (NRIs)</b>	<b>40,99,302</b>	<b>0.61%</b>	<b>41,05,092</b>	<b>0.55%</b>
	<b>Bodies Corporate</b>	<b>1,34,11,598</b>	<b>2.01%</b>	<b>7,37,74,536</b>	<b>9.95%</b>
	<i>Fincare Business Services Limited</i>	-	-	<i>5,97,82,389</i>	<i>8.06%</i>
	<b>Trusts</b>	<b>63,80,582</b>	<b>0.95%</b>	<b>85,15,441</b>	<b>1.15%</b>
	<i>Vistra ITCL I Ltd Business Excellence Trust III India Business Excellence Fund III</i>	-	-	<i>83,63,455</i>	<i>1.13%</i>
	<b>Body Corp-Ltd Liability Partnership</b>	<b>17,12,914</b>	<b>0.26%</b>	<b>17,12,914</b>	<b>0.23%</b>
	<b>Hindu Undivided Family</b>	<b>6,44,505</b>	<b>0.10%</b>	<b>6,49,973</b>	<b>0.09%</b>
	<b>Clearing Member</b>	<b>22,59,526</b>	<b>0.34%</b>	<b>22,59,526</b>	<b>0.30%</b>
	<b>Total Non-Institutions (2D)</b>	<b>9,03,43,995</b>	<b>13.52%</b>	<b>15,43,59,588</b>	<b>20.81%</b>
	<b>Total Public Shareholding (2) = (2A+2B+2C+2D)</b>	<b>49,79,30,212</b>	<b>74.51%</b>	<b>57,14,23,978</b>	<b>77.04%</b>
	<b>Total Shareholding</b>	<b>66,82,28,624</b>	<b>100.00%</b>	<b>74,17,22,390</b>	<b>100.00%</b>

\*Post Amalgamation Shareholding Pattern is prepared on the basis of the pro-forma number including primary capital infusion of Rs. 699,99,99,973.56 by FBSL.

^shareholding of these shareholders will be less than 1% post amalgamation.

**Note:** The Transferor Company & Transferee Company has outstanding employee stock options under their respective ESOP Schemes, the exercise of which may result in further increase in the issued and paid-up capital.

## 6. FRACTIONAL ENTITLEMENT

In case any Transferor Company's shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Transferee Company Shares (as defined in the Scheme) by the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company ("Trustee"), who shall hold such New Transferee Company Shares thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be

rounded off to the next INR. Any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company by the Trustee pertaining to the fractional entitlements.

## **7. STAFF AND EMPLOYEES**

With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Transferor Company.

From the Effective Date, entitlements to receive shares of the Transferor Company under Transferor Company ESOP Scheme shall automatically become entitlements to receive shares of the Transferee Company.

## **8. ACCOUNTING TREATMENT**

The accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be in accordance with "Pooling of Interest Method" of accounting as per accounting standards as notified under the applicable law. All assets, liabilities and reserves and surplus, of the Transferor Company shall be recorded in the books of account of the Transferee Company as at the Appointed Date at their existing carrying amounts and in the same form as appearing in the books of Transferor Company.

## **9. DISSENTING SHAREHOLDERS**

Any member of the Transferor Company or member of the Transferee Company, as the case may be, who votes against the Scheme at the meeting of the Transferor Company or the Transferee Company, as the case may be, or gives notice in writing at or prior to the meeting of the Transferor Company or the Transferee Company, as the case may be, or to the presiding officer of the meeting of either the Transferor Company or the Transferee Company, as the case may be, that he/she dissents from the Scheme, shall be entitled, in the event of the Scheme being sanctioned by the RBI under Section 44A of the BR Act, 1949 to claim from the Transferor Company or the Transferee Company, as the case may be, in respect of equity shares held by him in the Transferor Company or the Transferee Company, as the case may be, their value as determined by the RBI when sanctioning the Scheme, within 3 (three) months from the date of sanction of the RBI.

Such dissenting members shall compulsorily tender the said shares held by them in the Transferor Company or the Transferee Company, as the case may be, to the Transferor Company or the Transferee Company, respectively, for cancellation thereof and to that extent, without any further act, instrument or deed, the equity share capital of the Transferor Company or the Transferee Company, as the case may be, shall stand reduced or be deemed to have been reduced, by such number of the said shares as held and tendered by such Member of the Transferor Company or member of the Transferee Company, on the date immediately preceding the Effective Date. The determination by the RBI as to the value of the equity shares to be paid to the dissenting Member of the Transferor Company or member of the Transferee Company shall be final for all purposes.

## **10. DIRECTOR APPOINTMENT**

Subject to applicable law, the Transferee Company proposes to appoint Mr. Divya Sehgal, an existing director of the Transferor Company, as a non-executive, non-independent, non-retiring director to the Board of the Transferee Company for a period of 3 (three) years commencing from the Effective Date.

## 11. CONDITIONS PRECEDENT

As specified in para 24 of the Scheme, the Scheme is specifically conditional upon and subject to, inter alia:

- (i) consent by a majority in number representing two-thirds in value of, the members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- (ii) sanction of the RBI to this Scheme by an order in writing passed in this behalf pursuant to Section 44A of the BR Act, 1949 and RBI Guidelines.
- (iii) the Transferor Company and the Transferee Company having received the CCI Approval (as defined in the Scheme).
- (iv) the Transferor Company having received the FBSL Subscription Amount (as defined in the Scheme) from Fincare Business Services Limited ("**FBSL**") and shall have issued and allotted the Transferor Company Subscription Shares (as defined in the Scheme) to FBSL.

## 12. WITHDRAWAL OF SCHEME

The Transferor Company and the Transferee Company acting jointly and not individually (except as otherwise agreed by the Parties, in which case either Party, acting individually), shall be at liberty to withdraw the Scheme from the RBI, any time before the RBI having granted its approval to the Scheme under Section 44A of BR Act, 1949.

## 13. MISCELLANEOUS

The Transferor Company and the Transferee Company have also entered into an implementation agreement along with FBSL to ensure parties' cooperation in relation to the amalgamation and related matters such as business continuity.

In order to give effect to the Scheme under the provisions of law, both the Transferor Company and the Transferee Company are required to obtain the consent and approval of their members to the proposed Scheme under the provisions of Section 44A of the BR Act, 1949 and RBI Guidelines. The consent of the members of the Transferor Company and the Transferee Company is sought to be obtained for this purpose through separate general meetings to be conducted on November 24, 2023 and November 27, 2023 respectively.

The Scheme of amalgamation is annexed with this Notice as **Annexure – I**.

The copies of following documents shall be available for inspection by the Equity Shareholders of the Transferee Company at its Registered Office during the normal business hours between 10:00 AM (IST) to 5:00 PM (IST) on working days up to the date of the EGM.

- Scheme of Amalgamation;
- Implementation agreement dated October 29, 2023 executed amongst Transferor Company, Transferee Company and Fincare Business Services Limited;
- Joint Valuation Report dated October 29, 2023 issued by RBSA Valuation Advisors LLP , independent Registered Valuer appointed by the Transferor Company and Bansil S. Mehta Valuers LLP, independent Registered Valuer appointed by the Transferee Company;
- Fairness Opinion dated October 29, 2023 issued by JM Financial Limited to Transferee Company;
- Statutory Auditors' Certificates to the Transferee Company stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- Memorandum and Articles of Association of the Transferee Company and the Transferor Company;



- Annual Reports of the Transferee Company and the Transferor Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021; and
- Other documents considered by the Board at its meeting to approve the Scheme of Amalgamation.

None of the Director/ Key Managerial Personnel of the Bank or their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 1 of the Notice.

The Board of Directors recommend the passing of Resolution set out at Item No. 1 of the Notice for approval by the majority in number representing two-thirds in value of the shareholders of the Bank present (either in person or by proxy) at the meeting and/or through remote e-Voting.

**Place: Mumbai**

**Date: October 29, 2023**

**By Order of the Board of Directors  
For AU Small Finance Bank Limited**

**Registered Office:**

19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur – 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 141 4110060  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

**Sd/-  
Manmohan Parnami  
Company Secretary  
Membership No: F9999**



## AU SMALL FINANCE BANK LIMITED

CIN: L36911RJ1996PLC011381

**Registered Office:** 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India

**Corporate Office:** 5<sup>th</sup> Floor, E-Wing, Kanakia Zillion, Junction of CST and LBS Road,  
Kurla (West), Mumbai – 400070, Maharashtra, India

**Tel:** +91-141 4110060 | **E-mail:** [investorrelations@aubank.in](mailto:investorrelations@aubank.in) | **Website:** [www.aubank.in](http://www.aubank.in)

### ATTENDANCE SLIP

I hereby record my presence at the Extraordinary General Meeting ("EGM") of AU SMALL FINANCE BANK LIMITED on Monday, November 27, 2023 at the CP3-235, Industrial Area, Apparel Park, Mahal Road, Jagatpura, Jaipur - 302022, Rajasthan, India at 03:00 p.m.

Folio No.*	
DP ID & Client ID** (16 Digit demat a/c no.)	
No. of shares held	

Member's/Proxy's name in Block Letters	
Member's/Proxy's Signature:	

\*Folio No. in case shares are held in Physical Form.

\*\*Applicable in case shares are held in electronic form.

**Signature of Member/Proxy**

Note: Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.



## AU SMALL FINANCE BANK LIMITED

CIN: L36911RJ1996PLC011381

**Registered Office:** 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India

**Corporate Office:** 5<sup>th</sup> Floor, E-Wing, Kanakia Zillion, Junction of CST and LBS Road, Kurla (West), Mumbai – 400070, Maharashtra, India

**Tel:** +91-141 4110060 | **E-mail:** [investorrelations@aubank.in](mailto:investorrelations@aubank.in) | **Website:** [www.aubank.in](http://www.aubank.in)

### Form No. MGT-11 - Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Name of the member:**

**Registered Address:**

**E-mail Id:**

**Folio No.** (in case of physical shares):

**DP ID & Client Id** (in case of demat shares – 16 digit demat account number):

I/We \_\_\_\_\_, being the member(s) of AU SMALL FINANCE BANK LIMITED, holding \_\_\_\_\_ no. of equity shares of the above-named Bank, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_

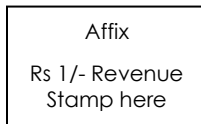
Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Bank, to be held on Monday, November 27, 2023 at 03:00 p.m. at CP3-235, Industrial Area, Apparel Park, Mahal Road, Jagatpura, Jaipur - 302022, Rajasthan, India and/or at any adjournment thereof in respect of such resolutions as indicated below: -

S. No.	Resolution
1.	To consider and approve the scheme of amalgamation

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023



**Signature of shareholder**

**Signature of Proxy Holder(s)**

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank addressed to the 'Company Secretary', not later than 48 hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

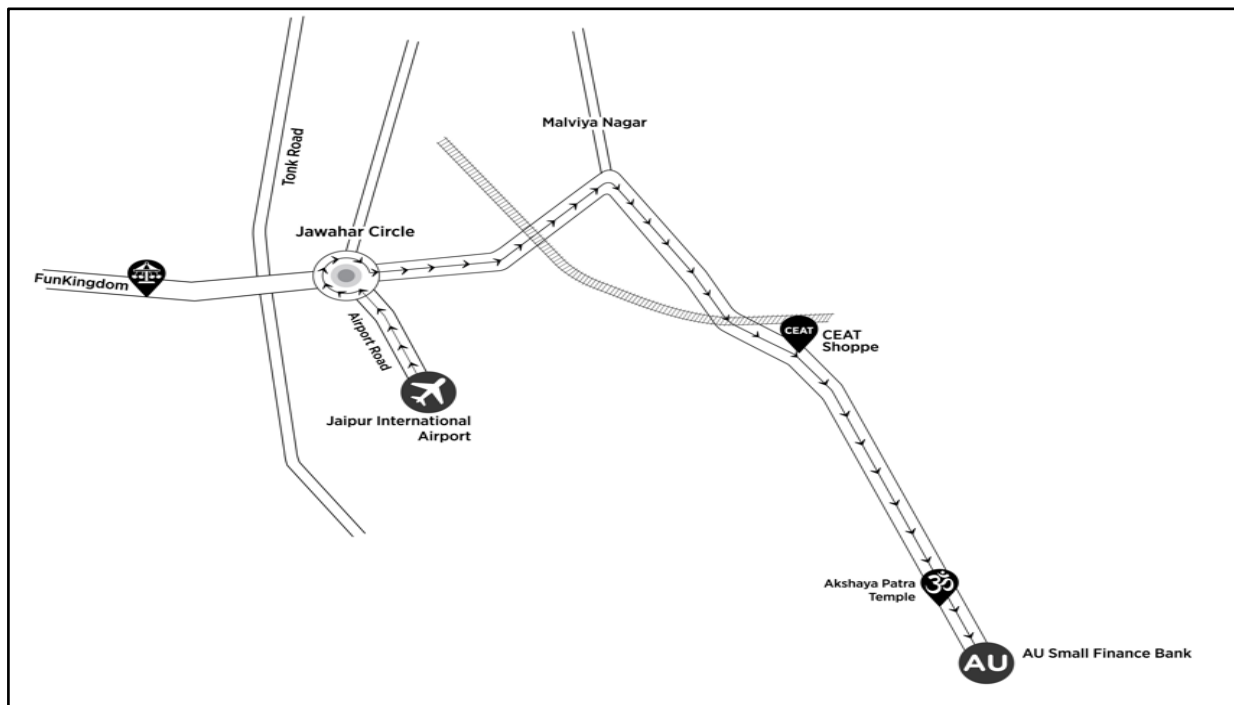


## Extraordinary General Meeting of AU Small Finance Bank Limited

MONDAY, NOVEMBER 27, 2023 AT 3:00 P.M. (IST)

Venue: CP3-235, Industrial Area, Apparel Park, Mahal Road, Jagatpura, Jaipur - 302022, Rajasthan, India

### ROUTE MAP



Please click on this link or scan QR Code to access direction to the venue of EGM on google Maps

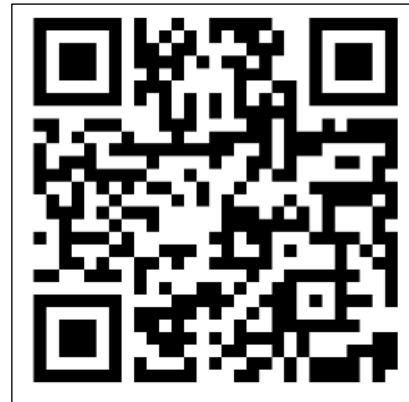
<https://maps.app.goo.gl/feZjM9LBAXg6qP4t9>



### Shareholders' Satisfaction Survey

We at AU Small Finance Bank Limited have always strived to provide the best services to our investors and customers while maintaining the highest level of Corporate Governance in the practices followed by the Bank. As a part of our constant endeavor to improve shareholder service standards, we seek your valuable feedback by filling the questionnaire by clicking on this link:

<https://forms.office.com/r/vKvWA9GcGj>



**AU 0101**  
**For Video Banking**  
Download |



WhatsApp Banking  
**83 83 83 83 99**



Chatbot  
To chat with us  
visit **www.aubank.in**



Reach us on  
**1800 1200 1200 (Toll-free)**  
**customercare@aubank.in**



Missed Call Banking  
For Account Balance: **1800 120 2586**  
For Mini-Statement: **1800 121 2586**

**DRAFT SCHEME OF AMALGAMATION**

**OF**

**FINCARE SMALL FINANCE BANK LIMITED  
(TRANSFEROR COMPANY)**

**WITH**

**AU SMALL FINANCE BANK LIMITED  
(TRANSFeree COMPANY)**

**(UNDER REGULATION 44-A OF THE BANKING REGULATION ACT, 1949 AND  
RESERVE BANK OF INDIA MASTER DIRECTION - AMALGAMATION OF PRIVATE  
SECTOR BANKS DIRECTIONS, 2016)**

This Scheme (*as defined hereinafter*) is presented under Section 44-A of the BR Act (*as defined hereinafter*) and RBI Amalgamation Directions (*as defined hereinafter*) for the amalgamation of Fincare Small Finance Bank Limited with AU Small Finance Bank Limited and for various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

## **PARTS OF THE SCHEME**

This Scheme is divided into the following parts:

- (a) **PART I** deals with the general description of the Companies (*as defined hereinafter*), a brief overview of the Scheme and the rationale and benefits of this Scheme;
- (b) **PART II** deals with the definitions and interpretation, date of taking effect of this Scheme and the share capital of the respective Companies;
- (c) **PART III** deals with the amalgamation of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*); and
- (d) **PART IV** deals with the general terms and conditions applicable to this Scheme.

### **PART I**

#### **1. DESCRIPTION OF THE TRANSFEROR COMPANY**

##### **1.1 FINCARE SMALL FINANCE BANK LIMITED**

- (i) Fincare Small Finance Bank Limited, having CIN U67120GJ1995PLC025373 was incorporated on April 5, 1995 under the Companies Act, 1956, having its registered office at 301-306, 3rd Floor, Abhijeet -V, Opp. Mayor's Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006 (hereinafter referred to as the "**Transferor Company**").
- (ii) The Transferor Company holds a license as a small finance bank issued by the RBI (*as defined hereinafter*) and is also a scheduled commercial bank. The Transferor Company operates across various states and union territories of India, including retail and wholesale banking activities. These activities primarily include micro finance lending activities to provide financial assistance to women borrowers of economically weaker society, who are organized as joint liability groups, with a view of enhancement of their livelihoods in a financially viable manner, primarily in the rural areas of India. Further, the Transferor Company is engaged in providing financial assistance to the borrowers to use the money to augment the household income through loan against property. In addition, the Transferor Company offers other products, including institutional finance, gold loan, two-wheeler loans, affordable housing loans and overdraft facility against fixed deposits or properties. The non-convertible debentures issued by the Transferor Company are listed on BSE (*as defined hereinafter*).

#### **2. DESCRIPTION OF THE TRANSFEREE COMPANY**

##### **2.1. AU SMALL FINANCE BANK LIMITED**

- (i) AU Small Finance Bank Limited, having CIN L36911RJ1996PLC011381 is a public listed company which was incorporated on January 10, 1996, under the Companies Act, 1956, having its registered office at 19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan, 302001 (hereinafter referred to as the “**Transferee Company**”).
- (ii) The Transferee Company holds a small finance bank license issued by RBI. The Transferee Company is engaged in providing a range of banking and financial services in India including retail banking, wholesale banking and treasury operations and other services. The equity shares of Transferee Company are listed on BSE (Stock Code:540611) and on NSE (*as defined hereinafter*) (Stock Code: AUBANK). The non-convertible debentures issued by the Transferee Company are listed on BSE.

### **3. OVERVIEW OF THE SCHEME**

- 3.1 This Scheme is presented, *inter alia* for the amalgamation of the Transferor Company with and into the Transferee Company, with effect from the Appointed Date (*as defined hereinafter*), and the consequent dissolution of the Transferor Company without being wound up, and the issuance of the New Transferee Company Shares (*as defined hereinafter*) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (*as defined hereinafter*), pursuant to Section 44-A of the BR Act and RBI Amalgamation Directions.

### **4. RATIONALE OF THE SCHEME**

- 4.1 The proposed Amalgamation would be in the best interest of the Companies and their respective shareholders, employees, and other stakeholders as the proposed Amalgamation will yield advantages as set out *inter alia* below:
  - (i) The Transferor Company and the Transferee Company believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the small finance banks, particularly relating to branch network, product offerings and customer segments. This revenue synergy led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
  - (ii) accelerate build out of pan India distribution franchise;
  - (iii) diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion;
  - (iv) while the Transferee Company has pan-India presence in 21 (twenty one) States and 3 (three) Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
  - (v) realise synergies arising from the combination including revenue synergies

from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and

- (vi) providing customers of both Companies with access to wider suite of products and services.

## PART II

### DEFINITIONS AND INTERPRETATION, DATE OF EFFECT OF THE SCHEME AND SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

#### 5. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 5.1 **"Accounting Standards"** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 to the extent applicable and Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other accounting principles generally accepted in India and principles which are recommended by the Institute of Chartered Accountants of India and required to be used or adopted by such company in the preparation of its financial statements from time to time and consistently applied, and read with the regulatory guidance on such accounting standards framed by RBI, as applicable to such company.
- 5.2 **"Act"** means the Companies Act, 2013.
- 5.3 **"Amalgamation"** means the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme.
- 5.4 **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or Parliament, constitutions, treaties, laws (including the common law), codes, ordinances, rules, bye-laws, regulations, notifications, circulars, guidelines, policies, directions, directives, and orders of Government, statutory authority, SEBI, courts of India having the force of law enacted (any statutory modifications or re-enactment thereof for the time being in force); (b) administrative interpretation, writ, injunction, decisions, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Appropriate Authority; and (c) international treaties, conventions and protocols, as may be in force from time to time.
- 5.5 **"Appointed Date"** means February 1, 2024, or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the RBI.
- 5.6 **"Appropriate Authority"** means and includes any applicable governmental statutory, departmental or public body or authority, including any Tax Authority, RBI, Stock Exchanges, and CCI.
- 5.7 **"Board"** in relation to a Company, shall mean the board of directors of such

Company, and shall include any committee thereof or any person authorized by such board of directors or any person authorised by such committee duly constituted by the directors and authorised for the matters pertaining to this Scheme or any other matter relating thereto.

- 5.8 “**BR Act**” means the Banking Regulation Act, 1949, and includes all rules, regulations, guidelines and circulars issued by the RBI thereunder for the time being in force.
- 5.9 “**BSE**” means the BSE Limited.
- 5.10 “**Business Day**” shall mean a day, other than a Saturday, Sunday or a public holiday in Jaipur (India), and Ahmedabad (India), on which banks are open in Jaipur (India), and Ahmedabad (India) for general commercial business.
- 5.11 “**CCI**” means the Competition Commission of India.
- 5.12 “**CCI Approval**” means the approval from the CCI, under the Competition Act, 2002 and the rules thereunder, for the Scheme which provides *inter alia* for the Amalgamation.
- 5.13 “**Companies**” means collectively the Transferor Company and the Transferee Company.
- 5.14 “**Effective Date**” means a date specified by the RBI, which is (a) after the fulfilment or waiver of the conditions specified in Clauses 24.1, 24.3, 24.4 and 24.5; and (b) on or after the Appointed Date. References in the Scheme to the “**coming into effect of the Scheme**” or “**Scheme becoming effective**” “**on this Scheme becoming effective**” or “**upon this Scheme becoming effective**” or “**effectiveness of this Scheme**” or “**effect of this Scheme**” or “**pursuant to this Scheme coming into effect**” shall mean the Effective Date.
- 5.15 “**Eligible Employees**” means all those employees of the Transferor Company who are entitled to options under the Transferor Company ESOP Scheme established by the Transferor Company and to whom, as on the Effective Date, options of the Transferor Company have been granted.
- 5.16 “**Encumbrance**” or “**Encumber**” means: (a) any mortgage, charge (whether fixed or floating), pledge, lien, negative lien, power of attorney (conferring power to create charge or security), agreement to create charge or security, any contractual restriction on ability to dispose assets, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of the security but which has an economic or financial effect similar to the granting of security under Applicable Law; (b) a contract to give or refrain from giving any of the foregoing; (c) any voting agreement, interest, option, right of first offer, refusal, or transfer restriction, including any non-disposal undertaking or lock-in in favour of any person; and (d) any adverse claim as to title, possession or use.

- 5.17 “**FBSL**” means Fincare Business Services Limited, a company incorporated under the laws of India (CIN U74900GJ2014PLC132578), and having its registered office at 301 and 302, 3rd Floor, Abhijeet -V, Opp. Mayor’s Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006.
- 5.18 “**FBSL Subscription Amount**” means INR 700,00,00,000 (Indian Rupees seven hundred crore).
- 5.19 “**Income Tax Act**” means the Income-tax Act, 1961.
- 5.20 “**INR**” means Indian Rupees.
- 5.21 “**NDI Rules**” means the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- 5.22 “**New Transferee Company Shares**” means the fully paid-up equity shares of the Transferee Company issued in accordance with this Scheme, each having a face value of INR 10 (Indian Rupees ten).
- 5.23 “**NSE**” means the National Stock Exchange of India Limited.
- 5.24 “**Person**” shall mean any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Appropriate Authority or trust or any other entity or organization (whether registered or not and whether or not having separate legal personality).
- 5.25 “**Proceedings**” means all legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, indigent petitions, assessments, appeals, arbitration, or other proceedings of whatever nature.
- 5.26 “**RBI**” means the Reserve Bank of India.
- 5.27 “**RBI Amalgamation Directions**” means the Master Direction issued by the RBI on Amalgamation of Private Sector Banks Directions, 2016 dated April 21, 2016.
- 5.28 “**Record Date**” means the date fixed by the Board of the Transferee Company and the Transferor Company for the purposes of determination of the Record Date Shareholders.
- 5.29 “**Record Date Shareholders**” means the shareholders whose name appears in the records of the depository of the Transferor Company as on the Record Date or his/her heirs, executors, administrators or successors-in-title, as the case may be.
- 5.30 “**Registrar of Companies**” means the relevant Registrar of Companies having jurisdiction over the Transferor Company or the Transferee Company.
- 5.31 “**Scheme of Amalgamation**” or “**Scheme**” or “**this Scheme**” means this scheme of Amalgamation, under the provisions of Section 44-A of the BR Act and RBI Amalgamation Directions, as approved by the shareholders of the Transferor Company and the Transferee Company (along with any



annexures, schedules, etc. attached hereto, if any) and as sanctioned by the RBI, including any modification(s) and amendments as may be made from time to time in accordance with the terms hereof.

- 5.32 “**SEBI**” means the Securities and Exchange Board of India.
- 5.33 “**SEBI LODR**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- 5.34 “**Share Exchange Ratio**” has the meaning assigned to it in Clause 11.1.
- 5.35 “**Stock Exchanges**” means BSE and NSE.
- 5.36 “**Tax**” or “**Taxes**” means: (a) all forms of direct tax and indirect tax, surcharge, fee, levy, duty, tariff, charge, cess, impost or other charges of any kind, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; (b) all charges, interests, penalties and fines incidental or related to any tax falling within (a) above or which arises as the result of the failure to pay any tax on the due date or to comply with any obligation relating to tax; (c) all credits/ refunds/ benefits in relation to direct tax, indirect tax, surcharge, fee, levy, duty, tariff, charge, impost and other credits/ refunds/ benefits of any kind, withholding or other amount whenever or wherever entitled from Tax Authority; and (d) tax collection at source.
- 5.37 “**Tax Authority**” means any judicial, revenue, custom, fiscal, governmental, statutory, state, provincial, local government or municipal authority, body or person responsible for Tax in any jurisdiction.
- 5.38 “**Transferee Company**” has the meaning assigned to it in Clause 2.1(i).
- 5.39 “**Transferee Company ESOP Schemes**” means the following employee stock option plans approved by the Board and shareholders of the Transferee Company: (i) Employee Stock Option Scheme 2015 - Plan A (ESOP 2015 – Plan A), (ii) Employee Stock Option Scheme 2015 - Plan B (ESOP 2015 – Plan B), (iii) Employee Stock Option Scheme 2016 - (ESOP 2016), (iv) Employee Stock Option Scheme 2018 - (ESOP 2018), (v) Employee Stock Option Scheme 2020 - (ESOP 2020) and (vi) Employee Stock Option Scheme 2023 - (ESOP 2023).
- 5.40 “**Transferor Company**” has the meaning assigned to it in Clause 1.1(i).
- 5.41 “**Transferor Company ESOP Scheme**” means the Fincare Small Finance Bank Stock Option Scheme being ESOP-2018-5-FSFB Scheme as approved by the Board and shareholders of the Transferor Company.
- 5.42 “**Transferor Company Records**” has the meaning assigned to it in Clause 5.44(e).
- 5.43 “**Transferor Company Subscription Shares**” means 3,30,12,639 (three crore thirty lakh twelve thousand six hundred and thirty nine) fully-paid equity shares, having face value of INR 10 (Indian Rupees ten) each, of the Transferor Company.
- 5.44 “**Undertaking of the Transferor Company**” shall mean with effect from

the Appointed Date, the Transferor Company and includes all of its businesses, undertakings, assets, properties, investments, and all liabilities of the Transferor Company of whatsoever nature and kind and wherever situated, on a going concern basis, and with continuity of business, which shall mean and include without limitation:

- (a) All the assets and properties (tangible or intangible, movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to leasehold rights of the Transferor Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self-assessment tax, withholding tax credits any tax refunds and credits minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits advantages, privileges, exemptions, credits, book loss and book depreciation, deferred tax assets, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;
- (b) All contracts (including but not limited to the agreements with respect to the immovable properties being used by the Transferor Company by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment purchase agreement, agreements with customers, purchase and other agreement with the

supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemes; entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business of the Transferor Company or in connection therewith), permits, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges; quota rights, engagements, arrangements, authorities, allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations and that may be required to carry on the operations of the Transferor Company;

- (c) All insurance policies;
- (d) All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company;
- (e) All books, records (including financial records), statutory registers, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form ("**Transferor Company Records**");
- (f) All amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- (g) All rights to any claim not preferred or made by the Transferor Company in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, book loss and book depreciation, deferred tax assets, deferred revenue expenditure, deduction, exemption,

rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc., under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;

- (h) All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, bonds, notes, duties, leases of the Transferor Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other Proceedings including before any Appropriate Authority. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;
- (i) All of its staff and employees, who are on its payrolls, including those employed at its offices and branches, including overseas offices, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Transferor Company and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits, the provident fund or compensation, if any, and any other employee benefit scheme/plan in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/ or permits; and
- (j) All Proceedings whatsoever nature involving the Transferor Company.

## 6. INTERPRETATION

- 6.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the BR Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 6.2 References to clauses unless otherwise provided, are to clauses of and to this Scheme.
- 6.3 Words importing the singular include the plural and *vice versa*, pronouns importing a gender include each of the masculine, feminine and neutral genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- 6.4 Clause headings, subheadings and titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing or interpreting the same.
- 6.5 Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day.
- 6.6 The terms herein, hereof, hereto, hereinafter and words of similar purport refer to this Scheme as a whole.
- 6.7 The words include, including and in particular shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- 6.8 References to statutory provisions shall be construed as meaning and including references to the statutory provision as modified or re-enacted or both from time to time whether before or after the date of the Boards of the Companies approving the Scheme and any subordinate legislation made under the statutory provision whether before or after such date.
- 6.9 Any reference in this Scheme, to this Scheme or any other agreement, contract, document or arrangement, or to any provision thereof, shall be construed, without limitation, as a reference to this Scheme or, as the case may be, such other agreement, contract, document, or arrangement, or to any provision thereof, in each case as the same may have been, or may from time to time be, amended, varied, assigned, novated, acceded to or supplemented.
- 6.10 Unless otherwise indicated, a reference to any time is a reference to that time in India.
- 6.11 Any reference to acting “directly” or “indirectly” includes (without prejudice to the generality of that expression) acting alone or jointly with or by means of or through any other Person, including by the exercise of voting or any other rights in another Person.
- 6.12 If any provision in Clause 5 is a substantive provision conferring rights or imposing obligations on any Person, effect shall be given to it as if it were a substantive

provision in the body of this Scheme.

- 6.13 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 6.14 Unless otherwise specified, a reference to a Person being liable to another Person, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- 6.15 Any reference in this Scheme to any Appropriate Authority shall be deemed to include a reference to any successor thereof.
- 6.16 Any obligation in this Scheme on a Person not to do something includes an obligation not to agree or allow that thing to be done.
- 6.17 Any approval and / or consent to be granted by a Person under this Scheme shall be deemed to mean an approval and / or consent in writing, and unless expressly provided for otherwise, shall be deemed to mean the prior approval or consent of the relevant Person.
- 6.18 Any reference to “writing” includes writing, typing, printing, letter, e-mail or other electronic record reduced to a visual form but shall not include text messages or other short message service.
- 6.19 An obligation to “ensure” or “cause” any act or forbearance, shall be deemed to include an obligation to exercise all rights and powers (including voting rights) available to such Person undertaking such obligation to ensure or cause, as the case may be, such act or forbearance.
- 6.20 Unless otherwise indicated, where the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.
- 6.21 A reference to a Person includes a reference to that Person’s legal personal representatives, heirs, executors, administrators, successors and permitted assigns.

## **7. DATE OF TAKING EFFECT OF THIS SCHEME**

- 7.1 The Scheme shall be effective from the Appointed Date and shall be operative on and from the Effective Date.

## **8. SHARE CAPITAL OF THE COMPANIES**

- 8.1 The share capital structure of the Transferor Company as on the date of approval of the Scheme by its Board, i.e., October 29, 2023, is as under:

<b>Authorized Share Capital</b>	<b>Amount in INR</b>
30,00,00,000 equity shares of INR 10 each	3,00,00,00,000
<b>Total</b>	<b>3,00,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-Up Capital</b>	<b>Amount in INR</b>
22,08,51,840 equity shares of INR 10 each	2,20,85,18,400
<b>Total</b>	<b>2,20,85,18,400</b>

- (a) The Transferor Company has outstanding employee stock options under the Transferor Company ESOP Scheme, the exercise of which may result in further increase in the issued and paid-up capital of the Transferor Company.
- (b) The Board of the Transferor Company shall, without any further act, instrument or deed, issue and allot the Transferor Company Subscription Shares by way of preferential issue to FBSL, in consideration of the FBSL Subscription Amount paid by FBSL to the Transferor Company into the bank account designated by the Transferor Company, on or prior to the Record Date.

The Transferor Company Subscription Shares are proposed to be issued at the per share price of INR 212.04 (Indian Rupees two hundred and twelve point zero four) as mentioned in valuation report prepared by RBSA Valuation Advisors LLP dated October 29, 2023 that has been prepared in accordance with the Act, which has been taken on record and approved by the Board of the Transferor Company.

Upon issuance and allotment of the Transferor Company Subscription Shares, the issued, subscribed and paid-up share capital of the Transferor Company shall be as follows:

<b>Issued, Subscribed &amp; Paid-Up Capital</b>	<b>Amount in INR</b>
25,38,64,479 equity shares of INR 10 each	2,53,86,44,790
<b>Total</b>	<b>2,53,86,44,790</b>

- 8.2 The share capital structure of the Transferee Company as on date of approval of the Scheme by its Board, i.e., October 29, 2023, is as under:

<b>Authorized Share Capital</b>	<b>Amount in INR</b>
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
<b>Total</b>	<b>12,00,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-Up Capital</b>	<b>Amount in INR</b>
66,82,28,624 equity shares of INR 10 each	6,68,22,86,240
<b>Total</b>	<b>6,68,22,86,240</b>

The Transferee Company has outstanding employee stock options under the Transferee Company ESOP Schemes, the exercise of which may result in further increase in the issued and paid-up capital of the Transferee Company.

### **PART III**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

- 9. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**
- 9.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, the Transferor Company shall stand amalgamated with the Transferee Company, and the Undertaking of the Transferor Company shall, pursuant to Section 44-A and other applicable provisions, if any, of the BR Act and the RBI Amalgamation Directions, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act,

instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of, and in the manner provided in this Scheme.

- 9.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme, and with effect from the Appointed Date and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Transferor Company, of whatsoever nature and wherever situated, whether or not included in the books of the Transferor Company, shall, subject to this Clause 9 in relation to the mode of vesting, and without any further, act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, properties, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme.
- 9.3 In respect to such of the assets of the Transferor Company that are movable in nature, including without limitation, investments, cash balances or cash in hand, or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company with effect from the Appointed Date, by operation of law without any further act or deed or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. On the Effective Date, the Transferor Company shall hand over all the Transferor Company Records to the Transferee Company.
- 9.4 In respect of such of the assets belonging to the Transferor Company, other than those mentioned in Clause 9.3 above, the same shall, as more particularly provided in Clause 9.2 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
- 9.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date, all assets of the Transferor Company that are owned / leased / licensed immovable properties, if any, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed, pursuant to the provisions of this Scheme. Further, the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immoveable properties, if any, and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable



to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the RBI and upon the coming into effect of this Scheme in accordance with the terms hereof.

- 9.6 All estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Transferor Company, accrued to, or acquired by, the Transferor Company, after the Appointed Date but prior to the Effective Date shall have been deemed to have been accrued and / or acquired for and on behalf of the Transferee Company, and shall, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of this Scheme.
- 9.7 With effect from the Appointed Date, all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the Transferor Company shall stand transferred to and vested in the Transferee Company.

**10. TRANSFER AND VESTING OF THE LIABILITIES OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities, debts, loans raised and used, duties, losses and obligations of the Transferor Company, whether or not recorded in their respective books of accounts, shall, pursuant to the provisions of Section 44-A and other applicable provisions of the BR Act, without any further act, instrument, deed, matter or thing, stand transferred to and vested in the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities, debts, loans, duties, losses and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 10.2 Subject to Applicable Law, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of Transferor Company, which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 10.3 Without prejudice to the foregoing provisions of Clause 10.1 above, upon this Scheme becoming effective, all non-convertible debentures (“**NCDs**”) issued by the Transferor Company (to the extent these are outstanding on the Effective Date) shall, without any further act, instrument or deed, become NCDs issued by the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the issuer of such NCDs, so transferred and vested. The NCDs which stand transferred to the Transferee Company pursuant to this Scheme, shall be listed and/or admitted to trading on the BSE, where, the NCDs are currently listed. Upon this Scheme becoming effective, the transfer of NCDs to the Transferee Company shall be binding on the holders of NCDs, BSE, bankers, debenture trustees, depository, custodians and registrar and transfer agents. The Transferee Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- 10.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars to give formal effect to the above provisions. At all times following the Effective Date, the Transferee Company shall be authorised or be deemed to be authorised to execute any such writings in the name of the Transferor Company and to implement, carry out or perform all such formalities or compliances to be implemented, carried out or performed on part of the Transferor Company.
- 10.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Transferee Company as part of the Scheme shall be modified by virtue of this Scheme.
- 10.6 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 10 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

## **11. CONSIDERATION**

- 11.1 Upon this Scheme becoming fully effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall, without any further application or deed, allot to the Record Date Shareholders 579 (five hundred and seventy nine) New Transferee Company Shares in respect of every 2,000 (two thousand) equity shares of INR 10 (Indian Rupees ten) each, fully paid up, and held by them in the Transferor Company. The above ratio in which the New Transferee Company Shares will be issued to the Record Date Shareholders is hereinafter referred to as the “**Share Exchange Ratio**”. The requisite action and formalities for crediting of dematerialized New Transferee Company Shares pursuant to the issuance and allotment as per this Clause 11, shall be completed within 7 (seven) Business Days of the Effective Date.

- 11.2 For the purposes of allotment of the New Transferee Company Shares, pursuant to this Scheme, in case any Record Date Shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Transferee Company Shares by the Transferee Company in accordance with Clause 11.1 above, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company ("**Trustee**"), who shall hold such New Transferee Company Shares with all additions or accretions thereto in trust for the benefit of the respective Record Date Shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at the prevailing market price or prices at any time within a period of 90 (ninety) days from the Effective Date, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective Record Date Shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next INR. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company by the Trustee pertaining to the fractional entitlements.
- 11.3 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Transferee Company or a committee thereof, the New Transferee Company Shares issued to the Record Date Shareholders by the Transferee Company shall be issued in dematerialized form by the Transferee Company, provided that the details of the depository accounts of the members of the Transferor Company are made available to the Transferee Company by the Transferor Company at least 7 (seven) Business Days prior to the Effective Date. In case of any Record Date Shareholders for whom such details are not available with the Transferee Company and in case of any Record Date Shareholders who hold equity shares in physical form, the Transferee Company shall deal with the issuance of the relevant New Transferee Company Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the said New Transferee Company Shares in dematerialised form to a demat account held by a trustee nominated by the Board of the Transferee Company or into an escrow account opened by the Transferee Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Transferee Company, where such New Transferee Company Shares of the Transferee Company shall be held on for the benefit of such shareholders (and their respective heirs, executors, administrators or other legal representatives or other successors in title). The New Transferee Company Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the respective Record Date Shareholders once such shareholder provides details of his/ her/ its demat account to the Transferee Company, along with such other documents as may be reasonably required by the Transferee Company. The respective Record Date Shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending such transfer of the said New Transferee Company Shares from the said trustee's account or the escrow account, as the case may be. All costs and expenses incurred in this respect shall be borne by Transferee Company.
- 11.4 The New Transferee Company Shares issued to the Record Date Shareholders by the Transferee Company shall be issued in dematerialized form by the Transferee

Company.

- 11.5 Joint shareholders of the Transferor Company shall not be treated as separate shareholders but shall be jointly eligible to receive the New Transferee Company Shares.
- 11.6 The relevant Record Date Shareholder shall, if and to the extent required, apply for and obtain any approvals from Appropriate Authorities and undertake necessary compliance for the issue of the New Transferee Company Shares to the Record Date Shareholders pursuant to this Scheme. Provided however that, if any approval is required under the Press Note No. 3 (2020 Series), dated 17 April 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6(a) of the NDI Rules ("**Restriction**"), for issuance of the New Transferee Company Shares to any Record Date Shareholder, as determined by the Transferor Company (in consultation with the Transferee Company) the issuance and allotment of such New Transferee Company Shares shall be held in abeyance by the Transferee Company and shall be undertaken only once such Record Date Shareholder is eligible to acquire the New Transferee Company Shares and is not subject to the Restriction. In this regard, till such time the aforesaid Restriction is applicable, the Transferee Company shall be entitled to deal with such New Transferee Company Shares in an equitable manner as may be permissible under Applicable Laws and deemed fit and fair by the Board of the Transferee Company, including by way of issuing the said New Transferee Company Shares in dematerialized form to a demat account held by a trustee nominated by the Board of the Transferee Company or into an escrow account opened by the Transferee Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Transferee Company, where such New Transferee Company Shares of the Transferee Company shall be held for the benefit of such Record Date Shareholders. The New Transferee Company Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the relevant Record Date Shareholders once such shareholder provides details of his/ her/ its demat account to the Transferee Company, along with such other documents as may be required by the Transferee Company to its satisfaction to confirm non-applicability of the Restriction.
- 11.7 The New Transferee Company Shares to be issued by the Transferee Company pursuant to Clause 11.1 above in respect of such equity shares of the Transferor Company, the allotment or transfer of which is held in abeyance under the Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
- 11.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any Record Date Shareholder, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, and to issue and allot the New Transferee Company Shares to the transferee as if the transferee was the Record Date Shareholder, in order to remove any difficulties arising in relation to the transfer of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme.
- 11.9 Where the New Transferee Company Shares are to be allotted to heirs, executors,

administrators, or successors of deceased equity shareholders or legal representatives of the Record Date Shareholders, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

- 11.10 The above New Transferee Company Shares allotted and issued in terms of Clause 11.1 above, shall be listed and/or admitted to trading on the BSE and the NSE. These shares of the Transferee Company shall, however, be listed subject to the Transferee Company obtaining the requisite approvals pertaining to the listing of these shares of the Transferee Company. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the BSE and the NSE.
- 11.11 Upon the Scheme becoming effective and upon the New Transferee Company Shares of the Transferee Company being allotted and issued by it to the Record Date Shareholders, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 11.12 Upon the Scheme becoming effective and upon the New Transferee Company Shares of the Transferee Company being allotted and issued by it to the Record Date Shareholders, all the Record Date Shareholders including FBSL shall be treated as public shareholders of the Transferee Company for the purposes of all relevant securities laws including SEBI LODR, without any further act, deed, matter, or thing.
- 11.13 The equity shares of the Transferee Company to be allotted and issued to the Record Date Shareholders as provided in Clause 11.1 above, shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Transferee Company on the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 11.14 It is clarified that the issue and allotment of equity shares by the Transferee Company pursuant to Clause 11.1 to the Record Date Shareholders as provided in the Scheme, is an integral part of this Scheme and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under applicable provisions of the Act or rules thereof, as may be applicable, and such other statutes, regulations and rules as may be applicable were deemed to have been duly complied with.
- 11.15 The New Transferee Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system until listing/trading permission is given by the BSE and the NSE, as the case may be.
- 11.16 In the event, the Transferor Company or Transferee Company restructures their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, as per Clause 11.1 above shall be subject to equitable adjustments mutually determined by the Boards of the Transferor Company and the Transferee Company.

## **12. CONTRACTS AND PERMITS**

- 12.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, arrangements and other instruments of whatsoever nature, to which the Transferor Company, is a party or to the benefit of which the Transferor Company, may be eligible or for the obligations of which the Transferor Company, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been an original party or beneficiary or obligee or obligor thereto.
- 12.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Transferor Company, is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. After effectiveness of the Scheme, the Transferee Company shall, under the provisions of Part III of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 12.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on their respective business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company including powers of attorney given by the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by RBI, and upon this Scheme becoming effective and with effect from the Appointed Date, in accordance with the terms hereof. Upon the effectiveness of the Scheme, the

Transferee Company shall be entitled to make applications to any Appropriate Authority as may be necessary in this behalf.

- 12.4 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred to and shall stand transferred to the Transferee Company and the name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records. Upon the effectiveness of the Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Company, as if such cheques were issued by the Transferee Company, for payment after the Effective Date.
- 12.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all purposes, including commercial and regulatory purposes.
- 12.6 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.
- 12.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date, all transactions between the Transferor Company and the Transferee Company, that have not been completed, shall stand cancelled.

### **13. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

- 13.1 From the Appointed Date until the Effective Date, the Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company; and

- 13.2 From the date on which the Boards of the Companies approve the Scheme until the Effective Date, the Transferor Company and Transferee Company shall carry on its business with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law and subject to such restrictions as mutually agreed between the Companies.

#### **14. LEGAL PROCEEDINGS**

- 14.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the Proceedings, if any, by or against the Transferor Company pending and or arising prior to the Effective Date shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted, as the case may be and be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the same had been pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company may (i) initiate, defend, compromise or otherwise deal with any Proceeding for and on behalf of the Transferor Company, and (ii) transfer to its name and to have such Proceedings continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, subject to Applicable Law.

#### **15. STAFF AND EMPLOYEES**

- 15.1 With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Transferor Company.
- 15.2 Subject to Clause 15.1, the Board of the Transferee Company, through any committee or authorised person shall be entitled to adopt such course of action with regard to the staff and employees as they may deem advisable. Services of such staff and employees shall be considered from the date of their respective appointment with the Transferor Company for the purpose of all retirement benefits and all other entitlements for which they may be eligible.
- 15.3 On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.
- 15.4 With regard to provident fund, gratuity, superannuation and any other similar scheme for employees by the Transferor Company, which exist immediately prior to the Effective Date, the Transferor Company shall stand substituted by the Transferee Company for all purposes whatsoever, including, without limitation, with regard to the obligation to make payments and contributions to all relevant authorities whatsoever such as the Regional Provident Fund Commissioner and towards the administration or operation of such funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties,



powers and obligations of the Transferor Company shall become those of the Transferee Company. Any existing provident fund, gratuity fund and superannuation fund trusts created by Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees will be treated as having been continuous and uninterrupted for the purposes of the aforesaid schemes or funds. The trustees and the Boards of the Transferor Company and the Transferee Company, or acting through any committee/person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees. Without prejudice to the aforesaid, the Board of the Transferee Company if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company.

## 16. EMPLOYEE STOCK OPTIONS

16.1 In respect of stock options granted by the Transferor Company under the Transferor Company ESOP Scheme, upon the effectiveness of the Scheme, the Transferee Company shall issue stock options to the Eligible Employees on the terms and conditions as are existing and are in force under the Transferor Company ESOP Scheme, and which are no less favourable than those provided under the Transferor Company ESOP Scheme. Such stock options may be issued by the Transferee Company either under any of the Transferee Company ESOP Schemes or a separate employee stock option plan created by the Transferee Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("**Transferee Stock Option Scheme**").

16.2 It is hereby clarified that upon this Scheme becoming effective, (a) options granted by the Transferor Company to the Eligible Employees under the Transferor Company ESOP Scheme shall automatically stand cancelled, and (b) equivalent number of fresh options under the Transferee Stock Option Scheme shall be granted by the Transferee Company to the Eligible Employees such that:

(a) For every 2,000 (two thousand) equity shares of the Transferor Company that each Eligible Employee is entitled to (or will become entitled to upon vesting) upon exercise of an option under the Transferor Company ESOP Scheme ("**Original Number**"), such Eligible Employee shall be entitled to (or will become entitled to upon vesting) receive 579 (five hundred and seventy nine) equity shares of the Transferee Company ("**Revised Number**") upon exercise;

(b) The exercise price per resulting equity share of the Transferee Company ("**Revised Exercise Price**") to be issued upon exercise of an option shall be as follows:

$(\text{Original Number} * \text{Original Exercise Price}) / \text{Revised Number};$

Where the "**Original Exercise Price**" shall mean the exercise price per option/ equity share under the Transferor Company ESOP Scheme.

(c) Fractional entitlements to equity shares of the Transferee Company, if any,

arising pursuant to this Clause, shall be rounded off to the nearest higher integer; and

- (d) Fractional Revised Exercise Prices determined in accordance with the above shall be rounded off to the nearest lower integer.

16.3 The grant of options to the Eligible Employees pursuant to Clause 16 of this Scheme shall be effected as an integral part of the Scheme and the approval of RBI and the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock Option Scheme and/ or modifying the Transferee Stock Option Scheme (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Transferor Company ESOP Scheme, and/ or modifying the exercise price of the stock options under the Transferee Stock Option Scheme), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Applicable Law.

16.4 It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees under the Transferee Stock Option Scheme, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Scheme, as the case may be.

16.5 The Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

## **17. CANCELLATION OF THE EQUITY SHARES**

17.1. Any member of the Transferor Company or member of the Transferee Company, as the case may be, who has voted against the Scheme at the meeting of the Transferor Company or the Transferee Company, as the case may be, or has given notice in writing at or prior to the meeting of the Transferor Company or the Transferee Company, as the case may be, or to the presiding officer of the meeting of either the Transferor Company or the Transferee Company, as the case may be, that he/she dissents from the Scheme, shall be entitled to claim within 3 (three) months of the Scheme being sanctioned by the RBI under Section 44-A of the BR Act, from the Transferor Company or the Transferee Company, as the case may be, in respect of equity shares held by him / her in the Transferor Company or the Transferee Company, as the case may be, their value as determined by the RBI when sanctioning the Scheme, and such member of the Transferor Company or member of the Transferee Company shall, in consideration thereof, compulsorily tender the said shares held by him / her in the Transferor Company or the Transferee Company, as the case may be, to the Transferor Company or the Transferee Company, respectively, for cancellation thereof and to that extent, without any further act, instrument or deed, the equity share capital of the Transferor Company or the Transferee Company, as the case may be, shall stand reduced or be deemed to have been reduced under the applicable provisions of

the Act, by such number of the said shares as held and tendered by such member of the Transferor Company or member of the Transferee Company. The determination by the RBI as to the value of the equity shares to be paid to the dissenting member of the Transferor Company or member of the Transferee Company shall be final for all purposes.

- 17.2. The payment by the Transferee Company or the Transferor Company, as the case may be, to such shareholder referred in Clause 17.1, shall be deemed to be reduction of share capital of such entity under applicable provisions of the Act and shall be effected as a part of this Scheme itself and no separate procedure, in terms of the applicable provisions of the Act shall be required to be complied with. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the applicable provisions of the Act as well and no further compliances would be separately required. In the event any shareholder of the Transferor Company who has received New Transferee Company Shares makes a claim for the value of such shares after the Effective Date but within the period of 3 (three) months of the Scheme being sanctioned by the RBI under Section 44-A of the BR Act, the Transferee Company shall make payment of such value as determined by the RBI upon surrender of such shares by such shareholder, and this shall be deemed to be a reduction of the share capital of the Transferee Company as mentioned above. The Registrar of Companies shall accordingly take note of the revised issued and paid-up share capital of the Transferor Company and the Transferee Company on record.

## **18. TAXATION MATTERS**

- 18.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Taxes paid, payable, received or receivable by or on behalf of the Transferor Company, including but not limited to all or any refunds, claims or entitlements or credits (including credits for tax collected at source, income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, foreign tax credits, CENVAT credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under the Income Tax Act, or credit, as the case may be, of the Transferee Company, and any Tax incentives, benefits, advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 18.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, goods and services tax laws and other Tax laws, and to claim refunds, revision of TDS quarterly statements and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 18.3. All compliances with respect to Taxes (including Tax payments) or any other Applicable Law between the Appointed Date and the Effective Date, undertaken

by the Transferor Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date, be deemed to have been complied with, by the Transferee Company. Any Taxes collected or deducted by the Transferee Company from payments made to the Transferor Company, shall be deemed to be advance tax paid by the Transferee Company.

## **19. DIRECTOR APPOINTMENT**

- 19.1. Upon effectiveness of the Scheme, subject to Applicable Law, the Transferee Company shall appoint Mr. Divya Sehgal, an existing director of the Transferor Company, as a non-executive, non-independent, non-retiring director to the Board of the Transferee Company for a period of 3 (three) years commencing from the Effective Date.

## **20. ACCOUNTING TREATMENT**

Pursuant to this Scheme coming into effect, the Transferee Company shall account for the Scheme in the books of accounts in accordance with the applicable Accounting Standards in the following manner:

- (a) The books of the Transferor Company shall be closed and balanced and its balance sheet prepared as at the close of business on the date immediately preceding the Appointed Date taking into account all incomes, expenses, assets and liabilities received, paid, accrued, incurred, acquired or sold till such date, including expenses with respect to the amalgamation to be borne by the Transferor Company, and the balance sheet shall be audited and certified by a chartered accountant or a firm of chartered accountants.
- (b) The Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.
- (c) The accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be in accordance with "Pooling of Interest Method" of accounting as per accounting standards as notified under the Applicable Law.
- (d) In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be treated in accordance with the applicable accounting standards notified under Applicable Law.
- (e) All assets, liabilities and reserves and surplus, of the Transferor Company shall be recorded in the books of account of the Transferee Company as at the Appointed Date at their existing carrying amounts and in the same form as appearing in the books of Transferor Company.
- (f) The difference between the amount recorded as paid-up share capital issued by the Transferee Company and the amount of paid-up share capital of the Transferor Company will be adjusted in reserves in the financial statements of the Transferee Company.
- (g) All inter-corporate deposits, loans and advances, outstanding balances or

other obligations between the Transferor Company and the Transferee Company as at the Appointed Date, shall be cancelled and there shall be no obligation/outstanding in that behalf.

## **21. DISSOLUTION OF THE TRANSFEROR COMPANY**

- 21.1. Pursuant to receipt of an order under sub-section 4 of Section 44-A of BR Act, the RBI may, by a further order in writing under sub-section 6A of Section 44A of the BR Act, direct that on such date as may be specified therein, the Transferor Company shall cease to function and shall stand dissolved on such date notwithstanding anything to the contrary contained in any other law. The Registrar of Companies shall strike off the name of the Transferor Company upon receipt of such order of the RBI directing such Registrar of Companies.

## **PART IV**

### **GENERAL TERMS AND CONDITIONS**

## **22. APPLICATIONS AND THE ORDER OF THE RBI**

- 22.1. Each of the Companies shall, with reasonable dispatch, make and file a joint application under 44-A(4) of the BR Act with the RBI after receipt of approval of the shareholders of each of the Transferor Company and the Transferee Company, for sanctioning this Scheme and for carrying this Scheme into effect and for dissolution of the Transferor Company.
- 22.2. An order in terms of Clause 24.2 below and sub-section 6C of Section 44-A of the BR Act shall be conclusive evidence that all requirements of Section 44-A of the BR Act, RBI Amalgamation Directions, and any applicable provisions of any other law relating to amalgamation, provisions set forth in the Scheme and matters incidental or ancillary thereto have been complied with, and a copy of the said order certified in writing by an officer of the RBI to be a true copy thereof, shall in all Proceedings (whether in appeal or otherwise, and whether instituted before or after the commencement of Section 19 of the Banking Laws (Miscellaneous Provisions) Act, 1963)), be admitted as evidence to the same extent as the original order and the original scheme.
- 22.3. The order of the RBI in terms of Section 44-A of the BR Act, shall be deemed to have been an approval of the RBI authorising FBSL to acquire more than 5% (five percent) of the paid-up share capital in the Transferee Company pursuant to the Scheme, in accordance with Section 12B of the BR Act, as an integral part of the Scheme, without any further act, deed, matter, or thing on part of the Transferee Company, Transferor Company, and / or the RBI, and the procedure laid down under Section 12B of the BR Act, Acquisition and Holding of Shares or Voting Rights in Banking Companies, Directions 2023 issued by the RBI and Applicable Law shall be deemed to have been duly complied with.

## **23. MODIFICATIONS / AMENDMENTS TO THIS SCHEME**

- 23.1. The respective Boards of the Companies, upon mutual agreement, at any time, may make and/ or assent to, any alteration or modification to this Scheme or to any conditions or limitations, including any alteration or modification that RBI may deem fit to direct, approve or impose, without having to obtain any further approvals from their respective shareholders.
- 23.2. The respective Boards of the Companies, be and are hereby authorized to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of RBI, CCI or otherwise, howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith, as may be mutually agreed between the Boards of the Companies.
- 23.3. If any part or provision of this Scheme is invalid, illegal or unenforceable, including as a result of any ruling of any Appropriate Authority, under present or future laws, then it is the intention that such part or provision, as the case may be, shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to any person, in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for all stakeholders the benefits and obligations of this Scheme, including but not limited to such part or provision.
- 23.4. The Companies acting jointly and not individually (except as otherwise agreed by the Companies, in which case either of the Companies, acting individually), shall be at liberty to withdraw the Scheme from the RBI, any time before the RBI having granted its approval to the Scheme under Section 44-A of BR Act.

## **24. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS**

Unless otherwise decided (or waived) by the Companies, the effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment and waiver (to the extent permitted under Applicable Law) of the following conditions precedent:

- 24.1. Consent to this Scheme by a majority in number representing two-thirds in value of, the members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- 24.2. Sanction of the RBI to this Scheme by an order in writing passed in this behalf pursuant to Section 44-A of the BR Act and RBI Amalgamation Directions.
- 24.3. Companies having received the CCI Approval.
- 24.4. The Transferor Company having received the FBSL Subscription Amount from FBSL and having issued and allotted the Transferor Company Subscription Shares to FBSL in accordance with Clause 8.1 of the Scheme.
- 24.5. Such other conditions as mutually agreed between the Transferor Company and

the Transferee Company.

**25. EFFECT OF NON-RECEIPT OF CONFIRMATION / SANCTIONS**

- 25.1. In the event of this Scheme not being sanctioned by the RBI or by the shareholders of the Companies, this Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se between the Transferor Company, the Transferee Company and its shareholders in terms of this Scheme.

**26. BINDING EFFECT**

- 26.1. Upon this Scheme becoming effective, the same shall be binding on the Transferor Company and Transferee Company and all concerned parties without any further act, deed, matter, or thing.

**27. EXPENSES CONNECTED WITH THIS SCHEME**

- 27.1. All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), incurred by any of the Companies in carrying out and implementing this Scheme and matters incidental thereto shall be respectively borne and paid by such Companies, till the Effective Date. All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), in carrying out and implementing this Scheme and matters incidental thereto, after the Effective Date, shall be borne and paid by the Transferee Company.