

Ref No: 20/SE/CS/NOV/2025-26

Date: November 24, 2025

To,

<b>Listing Department</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai – 400001</b>	<b>Listing and Compliance Department</b> <b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, 5<sup>th</sup> Floor</b> <b>Plot No.C/1, “G” Block</b> <b>Bandra- Kurla Complex</b> <b>Bandra(E), Mumbai- 400051</b>
<b>BSE Scrip Code: 544020</b>	<b>NSE Symbol: ESAFSFB</b>

**Subject: Intimation Under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Receipt of Communication from Promoter Company Regarding Revised Scheme of Arrangement**

**Reference: Disclosure dated October 28, 2025 regarding Receipt of Communication from the Reserve Bank of India (“the RBI”) Regarding the Scheme of Arrangement between the Promoter Company and its Identified Shareholders**

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**SEBI LODR Regulations**”) and in continuation to our intimation no. 12/SE/CS/OCT/2025-26 dated October 28, 2025, we hereby inform that, ESAF Small Finance Bank Limited (“**the Bank**”) has received a further communication from its Promoter Company, ESAF Financial Holdings Private Limited, regarding the submission of a Revised Scheme of Arrangement between the Promoter Company and its identified shareholders, pursuant to Section 230 of the Companies Act, 2013 (“**Scheme**”), subject to necessary approval from National Company Law Tribunal (NCLT) and any other regulators as may be required.

The revised Scheme has been formulated pursuant to the RBI’s communication dated October 27, 2025 and accordingly the scheme has been modified to ensure that the shareholding of M/s. Dia Vikas Capital Private Limited, one of the identified shareholders as per the scheme, in the Bank, post implementation of the scheme, will remain below 5%.

Even though the Bank is not a party to the said Scheme, since the Scheme envisaged a change in the promoter shareholding in the Bank, in compliance with the SEBI LODR Regulations, the aforesaid communication is disclosed in relation to a material event previously disclosed by the Bank and same is being enclosed for your information and record as **Annexure I**.

**ESAF SMALL FINANCE BANK LIMITED**

RBI License No.: MUM 124, CIN: L65990KL2016PLC045669

**Registered & Corporate Office:** ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad National Highway, Thrissur – 680 651, Kerala.

24x7 Toll Free: 1800-103-3723 Email: [customercare@esafbank.com](mailto:customercare@esafbank.com) [www.esaf.bank.in](http://www.esaf.bank.in)

We further wish to inform that the aforesaid communication, along with the application submitted by the Promoter Company, shall be submitted to the RBI for its consideration.

Details as per BSE's Circular No. 20230714-34 dated July 14, 2023, and NSE's Circular No. NSE /CML/2023/57 dated July 14, 2023, are as under:

Date of occurrence of event / information	November 24, 2025
Time of occurrence of event / information	10:07 A.M.

Kindly take the same on record. The Bank will update with further information, as and when available with it, in accordance with its obligations under the SEBI LODR Regulations.

The intimation is also made available on the website of the Bank at <https://www.esaf.bank.in/investor-relation/?id=disclosure-to-stock-exchanges>.

Thanking you,

Yours Faithfully,

For ESAF Small Finance Bank Limited

**Ranjith Raj. P**  
**Company Secretary and Compliance Officer**

Date: 24.11.2025

To,

**The Board of Directors**

ESAF Small Finance Bank Limited  
 Building No.VII/83/8, ESAF Bhavan,  
 Thrissur-Palakkad National Highway,  
 Mannuthy, Thrissur, Kerala - 680 651,

**Subject: Intimation of Revised Scheme of Arrangement Between the Promoter Company and Its Identified Shareholders**

Dear Sir/Madam,

We would like to inform that the Board of Directors of ESAF Financial Holdings Private Limited ("the **Company**"), at its meeting held on 21<sup>st</sup> November, 2025, has considered and approved the Revised Scheme of Arrangement involving the transfer of equity shares of ESAF Small Finance Bank Limited ("**ESAF SFB**" / "the **Bank**") to the shareholders of the Company, in line with the directions issued by the Reserve Bank of India ("the **RBI**") vide its communication dated **27th October 2025**.

**Salient Features of the Revised Scheme:**

- The Scheme provides for restructuring of the shareholding of the Company through selective reduction of capital, implemented in two parts—(i) exit to Identified Shareholders by transferring to them proportionate equity shares of the Bank together with a cash component wherever applicable, and (ii) transfer of such number of shares of the Bank to Dia Vikas Capital Private Limited as would result in their direct shareholding in ESAF SFB being limited to 4.99%.
- The Scheme upon implementation will ensure compliance of the following conditions put forth by the RBI:
  - (1) Shareholding of Dia Vikas Capital Private Limited in ESAF Small Finance Bank would be less than 5% of its paid-up share capital; and
  - (2) Shareholding of Dia Vikas Capital Private Limited in the promoter entity of ESAF SFB (ie. ESAF Financial Holdings Private Limited) would be less than 20% of its paid-up share capital on fully diluted-basis.
- The Scheme is subject to necessary approval from National Company Law Tribunal (NCLT) and any other regulators as may be required.

**ESAF FINANCIAL HOLDINGS (P) LTD**

Formerly known as ESAF Microfinance and Investments (P) Ltd

(NBFC Regd. No.: B-16-00218) CIN: U65910KL1996PTC077288

**Registered Office & Corporate Office:** No.X/109/M4, Second Floor, Hephzibah Complex, Mannuthy P.O, Thrissur, Kerala - 680651  
 Tel: 0487 2375777 | Email: ro@esafholdings.com | www.esafholdings.com



- After the implementation of the Scheme, the shareholding of Promoter Company in ESAF SFB will be reduced to 45.58% (approx.) from the current 52.87%.

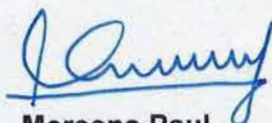
This Revised Scheme approved by the Board of ESAF Financial Holdings Private Limited, is being furnished for your kind perusal and submission to the Reserve Bank of India within the prescribed timeline.

We request the Bank to acknowledge receipt of this communication. Should you require any additional information, clarifications, or documentation, we remain at your disposal.

Thanking you.

Yours faithfully,

**For and on behalf of ESAF Financial Holdings Private Limited**



**Mereena Paul**  
**Chairperson and Managing Director**



**PROPOSED SCHEME OF ARRANGEMENT**

**OF**

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**

**(Formerly known as ESAF Microfinance and Investments Private Limited)**

**AND**

**ITS SHAREHOLDERS**

**UNDER SECTION 230 OF THE COMPANIES ACT, 2013**

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## I. PREAMBLE

This scheme of arrangement ("**Scheme**") is presented under Section 230 of the Act (*as defined below*) between the Company (*as defined below*) and its shareholders. The Company is the Promoter of the Bank. The Scheme provides *inter alia* for the: (a) selective reduction through cancellation of the equity shares held by Identified Shareholders (*as defined below*) and the simultaneous and consequent proportionate transfer of the Equity Shares (*as defined below*) of the Bank held by the Company in the share capital of the Bank (*as defined below*) as consideration other than cash for such reduction, and in addition a cash component, in certain cases (*as defined below*) if applicable; and (b) certain other matters incidental to, consequential to and/ or otherwise connected with the above, under Section 230 of the Act.

## II. DETAILS OF THE COMPANY

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED (CIN: U65910KL1996PTC077288)** is a private limited company incorporated on 27<sup>th</sup> September 1996. The Company was registered as a Non-Deposit accepting Non-Banking Financial Company (NBFC-ND) with the RBI (*as defined below*) with effect from 22<sup>nd</sup> August, 2007 and got classified as a Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI) with effect from 7<sup>th</sup> January 2014. The Company was primarily engaged in providing microfinance services to the weaker sections of the society, and mainly women who were organized in joint liability groups.

On 18<sup>th</sup> November, 2016, the Company received approval from the RBI to set up a 'Small Finance Bank', and pursuant to the same, the Company transferred its business undertaking to its wholly owned subsidiary, the Bank. The Bank commenced operations with effect from 10<sup>th</sup> March, 2017, on which date the Company ceased to operate as a microfinance company.

Based on the licensing guidelines of RBI applicable to the Bank at that point of time and pursuant to the above changes, the Company submitted an application for registration as a CIC on 18<sup>th</sup> March, 2019. The Company surrendered its NBFC-MFI license and was registered with RBI as a CIC. The Certificate of Registration as CIC was issued on 26<sup>th</sup> February, 2020.

The registered office of the Company was subsequently shifted from the state of Tamil Nadu to the state of Kerala. The Company received approval of the Regional Director, for the shifting of registered office to state of Kerala on 15<sup>th</sup> June, 2022 and the approval from the Registrar of Companies for shifting the registered office of the Company to X/109/M4, Second Floor, Hephzibah Complex, Mannuthy, Thrissur, Kerala – 680651 was received on 10<sup>th</sup> August, 2022. The RBI's Thiruvananthapuram office issued a new Certificate of Registration as a CIC on 28<sup>th</sup> November, 2022 in lieu of the earlier certificate issued by the RBI's Chennai office. The registered office of the Company is now situated at X/109/M4, Second Floor Hephzibah Complex, Mannuthy, Mannuthy-Palakkad NH, Thrissur, Kerala, India, 680651, which is within the jurisdiction of the Hon'ble Tribunal.



### III. APPLICABLE PROVISIONS

According to Section 230 of the Act, where a company submits a scheme of arrangement, the Tribunal may sanction the same and upon such sanctioning of the scheme, the same shall be binding on the company, all the creditors, or class of creditors, or members, or class of members, as the case may be. Such a Scheme provides for reduction of share capital and the provisions of Section 66 of the Act does not apply to any reduction of share capital effected through any scheme of arrangement under Section 230 of the Act. The Scheme does not introduce or bring into effect any compromise or arrangement or dilution of interest of any of its creditors and as on the date of approval of the Scheme by the Board of Directors of the Company, the Company does not have any creditors of any class at all.

As per the Article 5.5 of the articles of association of the Company, the Company is authorized to reduce its share capital.

Article 5.5 of the articles of association of the Company for the sake of ready reference, is set out hereunder:

*“Subject to these Articles, the Company may from time to time by special resolution, subject to confirmation by the Tribunal and subject to the provisions of section 66 of the Act, reduce its share capital and any Capital Redemption Reserve Account or share premium account in any manner for the time being authorized by law in particular, without prejudice to the generality of the foregoing power may:*

*5.5.1.1. Extinguish or reduce the liability on any of its shares in respect of share capital not paid up;*

*5.5.1.2. Either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or*

*5.5.1.3. Either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company; and*

*5.5.1.4. shall alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.”*



#### IV. RATIONALE AND OBJECTIVE OF THE SCHEME

The Company operates as the holding company of the Bank, which is an RBI regulated entity. Its assets predominantly comprise the shares in the share capital of the Bank. The Company is holding 52.87% of the paid-up share capital of the Bank as of the Appointed Date.

One of the shareholders of the Company, Dia Vikas Capital Private Limited, full particulars whereof have been provided in Schedule III to the Scheme (hereinafter referred to as “**Dia Vikas**”) is a long-standing investment partner in the Company and is classified as an FOCC (*as defined below*). Over the past year, Dia Vikas and the Company have engaged with the RBI on Dia Vikas’s proposed long-term shareholding structure at the Company level. As part of this engagement, the RBI, vide letter dated 27<sup>th</sup> October, 2025, did not accede to an earlier representation made by Dia Vikas Capital Private Limited seeking consent to hold more than 5% of the paid-up capital of the Bank and accordingly, the RBI, in the same letter, directed the submission of a revised Scheme whereby the direct holding of Dia Vikas Capital Private Limited in: (i) the Bank would be less than 5%; and (ii) the Company would be less than 20%.

In addition, shares held by certain other non-promoter shareholders who have also been designated as Identified Shareholders in this Scheme, (including Dia Vikas), excluding the Promoter of the Company and his relatives and ESAF Swasraya Multi- State Agro Cooperative Society, are also proposed to be reduced in exchange for the shares in the Bank.

The proposals contained in the Scheme are in two parts.

With respect to Identified Shareholders in Schedule I, their entire Equity Shares in the share capital of the Company will be reduced from the share capital of the Company and extinguished by offering to each one of them a full exit in consideration whereof the Company will be transferring to them equity shares of the Bank held by the Company proportionately, together with cash component, if applicable. Proportionate number of shares of the Bank is obtained based on the number of shares of the Bank held by the Company as on the Appointed Date (*as defined below*) divided by the total number of Equity Shares in the share capital of the Company and the factor obtained thereby is used to find the number of shares of the Bank that would be transferred to any given Identified Shareholder in Schedule I by multiplying the number of shares held by such shareholder by the said factor after adjustment towards taxes as stated in the Scheme.

With respect to Dia Vikas, such number of Equity Shares held by Dia Vikas in the share capital of the Company as would give it equity shares of the Bank to the extent of 4.99% of the share capital of the

Bank would be reduced from the share capital of the Company and extinguished by transferring those many shares of the Bank to the Dia Vikas..

In this manner, the Company seeks to reorganise the shareholding pattern of the Company in terms of the Scheme resulting in selective reduction of share capital by cancelling and extinguishing the shares held by the Identified Shareholders in Schedule I and by Dia Vikas whereby such Identified Shareholders and Dia Vikas will become direct shareholders of the Bank to the extent specified and subject to conditions specified in the Scheme.

The Scheme will result in meeting the regulatory prescriptions with respect to ceiling on direct shareholding of Dia Vikas in the share capital of the Company even when the number of Equity Shares are considered on a fully Diluted Basis (*as defined below*) as if the Convertible Securities held by Dia Vikas are fully converted as per terms of issue, though the Scheme does not contemplate any conversion or variation to the terms of issue of those Convertible Securities.

Thus, as a whole, upon Coming into Force of the Scheme, (a) there will be a partial an extinguishment and reduction of Equity Shares of the Company held by Dia Vikas in the share capital of the Company in exchange for 4.99% of the shares of the Bank and that Dia Vikas continues to directly hold Equity Shares of the Company not exceeding 20% of the share capital of the Company ; and (b) on the other hand, in respect of the Identified Shareholder in Schedule I there shall be a complete extinguishment and reduction of the Equity Shares held by them in the share capital of the Company. As such, Dia Vikas will become a shareholder of the Bank directly to the extent of 4.99% of the share capital of the Bank and the Identified Shareholders in Schedule I will have directly become holders of the shares of the Bank in the manner specified and subject to conditions contained in the Scheme.

Towards settlement of consideration for the reduction of share capital, to every Identified Shareholder in Schedule I to the Scheme, if the aggregate of (a) Value of the Share Entitlement; and (b) Value of Tax Adjustments; were to be less than the Fair Market Value of the number of Equity Shares they are holding in the share capital of the Company, the Scheme provides for cash pay-out also.

Consequently, the Scheme contemplates, and will result in, reduction of investment held by the Company in the shares of the Bank.

The Scheme does not involve compromise or arrangement that would affect the interests of any of the stakeholders of the Company nor would the Scheme affect the Company's solvency or its ability to fulfil its commitments or meet its obligations in the ordinary course of business.

## V. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (a) PART A deals with the definitions and share capital;
- (b) PART B deals with the selective capital reduction of the Company and consideration i.e., the proposals contained in the Scheme; Part B is divided into two sub-parts, viz., Part 1 and Part 2. Part 1 of Part B pertains to Identified Shareholders in Schedule – I and Part 2 of Part B pertains to Dia Vikas
- (c) PART C deals with the general terms and conditions applicable to the Scheme and Schedules

### **PART A – DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless the context or meaning otherwise requires: (a) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme; and (b) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 1.1 **“Accounting Standards”** have the same meaning assigned to the said expression under the Act.
- 1.2 **“Act”** or **“The Act”** means the Companies Act, 2013 and rules made thereunder and shall include any statutory modifications, re-enactments, or amendments thereof for the time being in force.
- 1.3 **“Appointed Date”** means 30th day of September 2025 or such other date as the Tribunal may modify, for any reason whatsoever while it passes an order sanctioning the Scheme.
- 1.4 **“Bank”** means ESAF Small Finance Bank Limited (CIN: U65990KL2016PLC045669) having its registered office at Building No. VII/83/8, Esaf Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur, Kerala, India, 680 651.

- 1.5 **“Board of Directors” or “Board”** in relation to the Company means the board of directors of the Company.
- 1.6 **“CCPS”** means 1% Compulsorily Convertible Preference Shares of the Company.
- 1.7 **“CIC”** means Core Investment Company.
- 1.8 **“Coming into Force of the Scheme”** shall mean that the Scheme shall be deemed to have come into force in all respects with effect from the Appointed Date and that such deeming construction shall take effect only on the Effective Date.
- 1.9 **“Company” or “the Company” or “this Company”** means ESAF Financial Holdings Private Limited (CIN: U65910KL1996PTC077288).
- 1.10 **“Consideration”** means the aggregate of (a) Value of the Share Entitlement; (b) Value of Tax Adjustments; (c) cash entitlement, if any and (d) TDS Adjustments.
- 1.11 **“Convertible Securities”** refer to the CCPS held by Dia Vikas.
- 1.12 **“Diluted Basis”** in respect of Convertible Securities, it means reckoning the number of Equity Shares in the share capital of the Company, on fully converted basis as per the terms of issue of those securities.
- 1.13 **“Effective Date”** means the date on which certified copy of the order(s) of the Tribunal sanctioning the Scheme is filed with the Registrar.
- 1.14 **“Equity Shares”** means the ordinary shares comprised in the share capital of the Company.
- 1.15 **“Fair Market Value” or “FMV”** means the value of the Equity Shares of the Company or shares of the Bank as determined by the Registered Valuer as on the Appointed Date and in the case of Equity Shares of the Company, such value shall meet the pricing guidelines of RBI in relation to transfer of shares held by the FOCC in the capital of a domestic company.
- 1.16 **“FOCC”** means a company incorporated in India which is foreign owned and / or controlled.

1.17 **“Identified Shareholders”** shall mean the existing shareholders of the Company, other than the Promoter of the Company and his relatives and ESAF Swasraya Multi- State Agro Cooperative Society, who have been identified by the Board of Directors of the Company and who have given their consent for the proposed capital reduction proposal contained in this Scheme as shown in Schedule I and III and includes their successors-in-interest as on the Effective Date, which comprises presently of the following persons:

Sl. No	Name of the Identified Shareholders
1.	ESAF STAFF WELFARE TRUST – REPRESENTED BY MR. GEORGE THOMAS
2.	DIA VIKAS CAPITAL PRIVATE LIMITED
3.	CEDAR RETAIL PRIVATE LIMITED
4.	GEORGE THOMAS
5.	THOMAS JOSEPH & SHERLY THOMAS
6.	SHERLY THOMAS & THOMAS JOSEPH
7.	RAPHAEL PARAMBI
8.	JACOB SAMUEL
9.	ELIZABETH JOHN
10.	SALEENA GEORGE
11.	JAMES VARGHESE
12.	DR. IDICHERIA NINAN
13.	CHERIAN MATHEW
14.	DR. E. MATHAI
15.	JOSE THOMAS
16.	GEORGE K. JOHN
17.	SIBU K. A
18.	SOYI K. ELIAS
19.	P.V. JOSE
20.	JOJY KOSHY VARGHESE
21.	SHEENA
22.	JESSYAMMA JOSEPH
23.	CHRISTEENA SUNNY
24.	DAVID MATHEW
25.	PADMAKUMAR K.

Sl. No	Name of the Identified Shareholders
26.	ROY ALEX
27.	CHRISTUDAS K V
28.	JOSEPH VARGHESE
29.	JIGO KURIAPPAN
30.	RAJESH SREEDHARAN PILLAI
31.	AZI AKBAR
32.	SAM THOMAS
33.	LEO SAMUEL
34.	PHILIP JOHN
35.	T D JOSE
36.	SONY V MATHEW
37.	JUBILEE SHERINE GEORGE

1.18 **“Promoter of the Company”** means Mr. Kadambelil Paul Thomas.

1.19 **“Proportionate number of shares of the Bank”** for Identified Shareholders in Schedule I means the number of equity shares of the Bank that any such Identified Shareholder will be receiving from the Company on the basis of the formula illustrated in Schedule II to this Scheme and it is obtained by number of shares of the Bank held by the Company as on the Appointed Date divided by total number of Equity Shares in the share capital of the Company and the factor obtained thereby is used to find the number of shares of the Bank that would be transferred to any given Identified Shareholder in Schedule I by multiplying the number of shares held by such shareholder by the said factor after adjustment towards taxes as stated in the Scheme.

1.20 **“RBI”** means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.

1.21 **“Registrar”** means the Registrar of Companies, Kerala, under whose jurisdiction the place of situation of the registered office of the Company falls.

1.22 **“Registered Valuer”** shall be construed within the meaning of Section 247 of the Act.

- 1.23 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement, subject to modifications, if any, approved or imposed or directed by the Tribunal.
- 1.24 **“Settlement Date”**, means the date on which the Share Entitlement will be transferred to the respective Identified Shareholders, which shall not be more than 15 days from the Effective Date, where the transfer of Share Entitlement to any Identified Shareholder does not require any approval of RBI; and in case any approval from RBI is necessary for giving effect to the transfer of Share Entitlement to any of the Identified Shareholder, within 15 days of the date of receipt of approval shall be the Settlement Date unless such approval is already in place prior to the Effective Date.
- 1.25 **“Share Entitlement”** with respect to any Identified Shareholders in Schedule I, means the Proportionate number of shares of the Bank of every such Identified Shareholder would be receiving from the Company in terms of the Scheme, as illustrated in Schedule II.
- 1.26 **“Share Entitlement of Dia Vikas”** with respect to Dia Vikas, means the number of shares of the Bank that Dia Vikas would receive from the Company in terms of the Scheme, as illustrated in Schedule IV.
- 1.27 **“Shareholders Agreement”** refers to the agreement dated 23<sup>rd</sup> December 2019 amongst certain shareholders of the Company and the Company.
- 1.28 **“Tribunal”** means the National Company Law Tribunal at Kochi Bench having jurisdiction over the registered office of the Company.
- 1.29 **“TDS Adjustments”** means the tax deducted at source by the Company from the cash entitlement, if any, payable as part of the Consideration pursuant to applicable provisions of the Income Tax Act, 1961.
- 1.30 **“Value of Share Entitlement”** means the Fair Market Value of actual number of Bank’s shares received by any Identified Shareholder in Schedule I.
- 1.31 **“Value of Tax Adjustment”** is the value of capital gain taxes liable to paid by the Company on account of the Scheme as per the provisions of the Income Tax Act, 1961 being adjusted against the Consideration payable to the Identified Shareholders in the manner stated in this Scheme.



## 2. SHARE CAPITAL

The authorized, issued, subscribed and paid-up share capital of the Company as on 30<sup>th</sup> September 2025 is as under:

Particulars	NON-DILUTED BASIS	DILUTED BASIS
	Amount in Rs.	Amount in Rs.
<b>Authorized Share Capital</b>		
Equity Shares of Rs. 10/- each with voting rights	190,00,00,000/-	190,00,00,000/-
Preference Shares of Rs.100/- each	60,00,00,000/-	60,00,00,000/-
<b>Total</b>	<b>250,00,00,000</b>	<b>250,00,00,000</b>
<b>Issued, Paid-up and Subscribed Share Capital</b>		
Equity Shares of Rs. 10/- each with voting rights	149,83,30,960	161,86,54,290
Compulsorily Convertible Preference Shares of Rs. 100/- each.	18,04,85,000	-
<b>Total</b>	<b>1,67,88,15,960</b>	<b>1,61,86,54,290</b>

### **PART B – THE PROPOSALS CONTAINED IN THE SCHEME**

#### **PART 1 OF PART B**

### 3. SELECTIVE REDUCTION OF SHARE CAPITAL OF THE COMPANY AND CONSIDERATION AND MODE OF SETTLEMENT

- 3.1. The Scheme provides a selective reduction of capital whereby upon Coming into Force of the Scheme, the Identified Shareholders in Schedule I will no longer remain as shareholders of the Company.
- 3.2. For the purpose of Scheme, it is proposed to determine the number of Equity Shares held by the Identified Shareholders as on the Appointed Date.
- 3.3. In pursuance of the Scheme and for valuable Consideration in accordance with the proposal contained in the Scheme, the Identified Shareholders in Schedule I will be receiving from the Company, Proportionate number of shares of the Bank in terms of the Scheme to the extent of their respective Share Entitlement and consequently and simultaneously undergoing corresponding reduction in the value of investments in the books of accounts of the Company accordingly resulting in the reduction in number of shares of the Bank held by the Company.

- 3.4. Upon Coming into Force of the Scheme, the Identified Shareholders in Schedule I would completely exit from the being holders of the Equity Shares in the share capital of the Company and their entire shareholding will stand cancelled, and extinguished without any further act, deed, or thing.
- 3.5. After giving effect to the Scheme, subject to securing necessary approvals (including the RBI approvals and permissions, if any), without any further act, instrument, or deed, the issued, subscribed, and paid-up equity share capital of the Company will undergo reduction as stated in the Scheme.
- 3.6. Each one of the Identified Shareholders in Schedule I shall be entitled to receive from the Company, Consideration in the manner stated hereunder.
- 3.7. The value of Consideration payable to each such Identified Shareholder in Schedule I shall be settled, upon Coming into Force of the Scheme, in the following manner:
- 3.7.1. each of such Identified Shareholder in Schedule I shall be entitled to and shall receive from the Company their Value of Share Entitlement.
- 3.7.2. The difference between the FMV of Equity Shares held by him / her in the share capital of the Company and the aggregate of (a) Value of Share Entitlement received by him / her; (b) Value of Tax Adjustments; and (c) TDS Adjustments shall be paid in cash. This scenario has been explained in Illustration given in Schedule II of the Scheme.
- 3.8. Adjustment of taxes paid by the Company: The Value of Tax Adjustments shall be adjusted against the Consideration attributable to any such Identified Shareholders in Schedule I by proportionately reducing their Share Entitlement. This scenario has been explained in Illustration under Schedule II .
- 3.9. Upon Coming into Force of the Scheme, the transfer of shares in the Bank held by the Company to Identified Shareholders in Schedule I as contemplated under the Schedule II shall be completed without any further need for executing share transfer deeds by the Company in favour of each one of the respective Identified Shareholders in Schedule I and the Coming into Force of the Scheme shall constitute sufficient compliance of share transfer in terms of this Scheme.
- 3.10. Upon the Coming into Force of the Scheme, the demat account of the Identified Shareholders in Schedule I will get credited with the adjusted Share Entitlement and the adjusted cash entitlement, if any shall be credited to the bank accounts of the respective Identified Shareholders in Schedule I. The Company shall take all such steps, acts, deeds, and things for the purpose of giving effect to the transfer of shares of the Bank to the respective Identified Shareholders in Schedule I in terms of the Scheme, and in case any of the Identified

Shareholders in Schedule I holds shares in physical mode, necessary measures shall be taken by the Company to carry out the terms of the Scheme.

## **PART 2 OF PART B**

### **4. SELECTIVE REDUCTION OF SHARE CAPITAL OF THE COMPANY AND CONSIDERATION AND MODE OF SETTLEMENT**

- 4.1. The Scheme provides a selective reduction of capital of Dia Vikas, whereby upon Coming into Force of the Scheme, the Equity Shares held by Dia Vikas will stand reduced to the extent specified in the Scheme and thereby Dia Vikas will be given a partial exit.
- 4.2. For the purposes of Scheme, it is proposed to take (i) the number of equity shares held by Dia Vikas, and (ii) the number of equity shares of the Bank that would constitute 4.99% of the share capital of the Bank, each as on the Appointed Date. On the basis of Fair Market Value of such number of equity shares of the Bank, the number of Equity Shares of the Company as would equal in value as per Fair Market Value of the Equity Shares of the Company (Equity Shares undergoing partial reduction) will be determined as on the Appointed Date.
- 4.3. In pursuance of the Scheme, upon Coming into Force of the Scheme, as illustrated in Schedule IV to the Scheme, Dia Vikas will be entitled to receive from the Company such equity shares of the Bank as constitute 4.99% of the share capital of the Bank (as of the Appointed Date) and in consideration whereof the number Equity Shares undergoing partial reduction will be reduced from the share capital of the Company and extinguished simultaneously as a result of which Dia Vikas will be holding such number of Equity Shares of the Company directly which do not exceed 20% of the fully-diluted share capital after giving effect to the Scheme in full measure.
- 4.4. Accordingly, to that extent too, the Equity Share capital of the Company will undergo reduction as stated in the Scheme simultaneously resulting in reduction of the number of shares of the Bank held by the Company and the value of those remaining shares of the Bank.
- 4.5. In other words, Dia Vikas will continue to hold the remaining shares which will not exceed 20% of the Equity Shares in the post Scheme share capital of the Company after giving effect to (a) the partial reduction of share capital to the extent of the number Equity Shares undergoing partial reduction; as well as (b) full reduction of share capital as envisaged under Part 1 of Part B of the Scheme in relation to the Identified Shareholders in Schedule I.
- 4.6. Upon the Coming into Force of the Scheme, the transfer of shares in the Bank held by the Company to Dia Vikas as contemplated under the Schedule IV shall be completed without any

further need for executing share transfer deeds by the Company in favour of Dia Vikas and the Coming into Force of the Scheme shall constitute sufficient compliance of share transfer in terms of this Scheme.

- 4.7. Upon the Coming into Force of the Scheme, the demat account of Dia Vikas will get credited with the adjusted Share Entitlement of Dia Vikas. The Company shall take all such steps, acts, deeds, and things for the purpose of giving effect to the transfer of shares of the Bank to Dia Vikas in terms of the Scheme.
- 4.8. Adjustment of taxes paid by the Company: Value of Tax Adjustments shall be adjusted against the Consideration attributable to Dia Vikas by proportionately reducing the Share Entitlement of Dia Vikas. This scenario has been explained in illustration given in Schedule IV to the Scheme.

### **PART – 3 OF PART B**

- 4.9. Any difference in FMV or, as the case may be, the market price of the Bank's shares on any date after Appointed Date, shall be ignored.
- 4.10. Upon Coming into Force of the Scheme, without any further act, deed, or thing, such reduction of share capital and reduction on the investments of the Company in the capital of the Bank shall be given effect to in the books of accounts of the Company in accordance with applicable Accounting Standards and shall be reflected and explained in the financial statements of the Company accordingly.
- 4.11. Fractional entitlement, if any, of the Identified Shareholders shall be rounded off to the nearest whole number.

### **PART C - GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

#### **5. IMPACT OF THE SCHEME ON EMPLOYEES**

- 5.1 The Scheme does not involve any variation in the terms of employment of any person working with or employed by the Company. The service of these persons shall be continued and they shall continue to enjoy the same benefits as they used to before the capital reduction.

## **6. IMPACT OF THE SCHEME ON CREDITORS**

6.1 The Scheme does not purport to bring into effect any compromise or arrangement or dilution of interest of any of its creditors and as on the date of approval of the Scheme by the Board of Directors of the Company, the Company does not have any creditors of any class at all. Notwithstanding the foregoing, the Scheme does not propose to affect any of rights of the creditors in any manner whatsoever.

## **7. LEGAL PROCEEDINGS CONTRACTS, DEED, AGREEMENTS AND OTHER INSTRUMENTS**

7.1 Upon Coming into Force of the Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature, by or against the Company, pending and/ or arising on or before the Effective Date, or which may be instituted any time thereafter, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and be enforced by or against the Company.

7.2 Upon Coming into Force of the Scheme, all contracts, deeds, bonds, agreements, instruments, writings and benefits of whatsoever nature to which the Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favor of the Company as before this Scheme.

## **8. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY**

8.1 Upon the Coming into Force of the Scheme, to the extent of the shares of the Bank transferred by the Company to Dia Vikas and the Identified Shareholders in Schedule I, the value of investments, as appearing in the books of account of the Company shall, ipso facto, without any further act, deed or thing, stand reduced proportionately and shall be reflected and explained accordingly in the financial statements of the Company.

8.2 Upon Coming into Force of the Scheme, the cash consideration, if any paid to the Identified Shareholders shall be accounted in the books of account of the Company in accordance with applicable Accounting Standards.

8.3 The Company will comply with all the accounting policies and Accounting Standards as applicable in relation to the accounting for such reduction of capital and a certificate to this effect shall be obtained from the statutory auditor of the Company.

## **9. APPLICATION TO TRIBUNAL**

9.1 The Company shall make an application to the Tribunal under Section 230 of the Act, seeking necessary orders or directions towards sanction of this Scheme under the provisions of the law.

## **10. NO FURTHER APPROVAL OF SHAREHOLDERS OR OTHER STAKEHOLDERS REQUIRED**

- 10.1. Without prejudice to the requirement for obtaining the RBI approvals, if any, the approvals obtained by the Company from its shareholders (including from Dia Vikas pursuant to the Shareholders Agreement and the articles of association of the Company) and creditors in relation to this Scheme shall be deemed to be sufficient approval(s) under the Act for giving effect to the provisions of this Scheme and for the avoidance of doubt, the Company shall not be required to obtain any separate approvals under Section 66 and the other related provisions of the Act to effect the selective reduction by way of cancellation and extinguishment of equity shares.
- 10.2. The Company shall not be required to add “and reduced” as a suffix to its name and the Company shall continue in its existing name.

## **11. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 11.1 The Company through its Board, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other statutory authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect.
- 11.2 No specific further approval of the shareholders of the Company shall be needed, unless otherwise directed by the Tribunal for giving effect to any technical or other such modifications

that does not have any bearing to the scope, purpose and intent of the Scheme contained herein.

## **12. OTHER GENERAL CONDITIONS**

This Scheme is conditional on and subject to the following:

- 12.1. The Scheme being agreed to by the respective requisite majorities of the members of the Company where meetings of equity shareholders of the Company is convened by the Tribunal/ or by consent affidavits issued by them;
- 12.2. The sanction of the Scheme by the Tribunal under Section 230 and other applicable provisions of the Act being obtained by the Company.
- 12.3. The filing with the Registrar of Companies, Kerala, the certified copies of all necessary orders, sanctions and approvals mentioned above by the Company.
- 12.4. All payments under the Scheme shall be made subject to applicable taxes and taxes to be deducted at source.
- 12.5. The Identified Shareholders in Schedule I and Dia Vikas each authorise the Company to take such acts, deeds and things as are necessary under the Act and other applicable laws of India for implementing the Scheme including but not limited to deducting taxes payable by them as may be applicable and for making applications, providing explanations and clarifications, as may be required thereunder.

## **13. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 13.1 In the event of the Scheme not being sanctioned by the Tribunal and/or the order(s) not being passed as aforesaid, the Scheme shall become fully null and void.

## **14. SEVERABILITY**

- 14.1 If any part / provision of this Scheme hereof is found to be invalid, ruled illegal by any court of competent jurisdiction or unworkable for any reason whatsoever or unenforceable under the present or future laws, then subject to the decision of the Company, such part shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and / or provisions of this Scheme.



## **15. EXPENSES CONNECTED WITH THE SCHEME**

15.1 The Company shall bear all the costs, charges, taxes including duties, levies, and all other expenses, if any, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, subject to Value of Tax Adjustments to be made to Consideration.

## **16. BINDING NATURE OF THE SCHEME**

16.1 Upon Coming into Force of the Scheme, it, subject to necessary approvals and sanctions, shall be binding on the Company, its members in all respects, notwithstanding anything to the contrary contained in any other instrument deed or writing.

## SCHEDULE I

### NAMES OF IDENTIFIED SHAREHOLDERS

Sl. No	Name of the Identified Shareholders
1.	ESAF STAFF WELFARE TRUST – REPRESENTED BY MR. GEORGE THOMAS
2.	CEDAR RETAIL PRIVATE LIMITED
3.	GEORGE THOMAS
4.	THOMAS JOSEPH & SHERLY THOMAS
5.	SHERLY THOMAS & THOMAS JOSEPH
6.	RAPHAEL PARAMBI
7.	JACOB SAMUEL
8.	ELIZABETH JOHN
9.	SALEENA GEORGE
10.	JAMES VARGHESE
11.	DR. IDICHERIA NINAN
12.	CHERIAN MATHEW
13.	DR. E. MATHAI
14.	JOSE THOMAS
15.	GEORGE K. JOHN
16.	SIBU K. A
17.	SOYI K. ELIAS
18.	P.V. JOSE
19.	JOJY KOSHY VARGHESE
20.	SHEENA
21.	JESSYAMMA JOSEPH
22.	CHRISTEENA SUNNY
23.	DAVID MATHEW
24.	PADMAKUMAR K.
25.	ROY ALEX
26.	CHRISTUDAS K V
27.	JOSEPH VARGHESE
28.	JIJO KURIAPPAN
29.	RAJESH SREEDHARAN PILLAI

30.	AZI AKBAR
31.	SAM THOMAS
32.	LEO SAMUEL
33.	PHILIP JOHN
34.	T D JOSE
35.	SONY V MATHEW
36.	JUBILEE SHERINE GEORGE

## SCHEDULE II

### ILLUSTRATIVE TREATMENT OF THE PROPOSAL CONTAINED IN THE SCHEME FOR FULL EXTINGUISHMENT

Sl. No.	Description of Particulars	Value	Relevant Date / Formula
1.	Total No. of Equity Shares in the capital of the Company	(A)	Appointed Date
2.	FMV per Equity Share of the Company as on Appointed Date as determined by Registered Valuer	(B)	Appointed Date
3.	Number of Equity Shares of the Company held by any given Identified Shareholder in Schedule I	(C)	Appointed Date
4.	FMV of Equity Shares of the Company held by any given Identified Shareholder in Schedule I	$(B) * (C) = D$	Appointed Date
5.	Number of shares of the Bank held by the Company	(E)	Appointed Date
6.	Share Entitlement of a given Identified Shareholder in Schedule I prior to tax adjustment	$[(E) / (A)] * (C) = (F)$	Appointed Date
7.	Fair Market Value per Equity Share of the Bank	(G)	Appointed Date

8.	Value of Share Entitlement of a given Identified Shareholder in Schedule I prior to tax adjustment	$(F) * (G) = H$	Appointed Date
9.	Value of tax obligation to be borne by a given Identified Shareholder in Schedule I	$(T)$	Appointed Date
10.	Value of Share Entitlement of a given Identified Shareholder in Schedule I after tax adjustment at the rate of 14.56% being capital gains tax	$(H) - (T) = (J)$	Appointed Date
11.	No. of Shares of the Bank to be transferred to a given Identified Shareholder in Schedule I after tax adjustment	$(J) / (G) = (K)$	Appointed Date
12.	Cash Entitlement of a given Identified Shareholder in Schedule I, provided (D) is greater than (H) (SUBJECT TO DEDUCTION OF TAXES AT SOURCE AT APPLICABLE RATE)	$(D) - (H) = (L)$	Appointed Date

### **SCHEDULE III**

<b>Sl. No</b>	<b>Name and address of the Identified Shareholder</b>
1.	Dia Vikas Capital Private Limited, U99999DL1996PTC328403 Plot No. 19, Block-B, Pocket-4 Sector-23, Dwarka, South West Delhi, New Delhi, Delhi, India, 110075

#### **SCHEDULE IV**

#### **ILLUSTRATIVE TREATMENT OF THE PROPOSAL CONTAINED IN THE SCHEME FOR PARTIAL EXTINGUISHMENT**

<b>Sl. No.</b>	<b>Factor</b>	<b>Value</b>	<b>Relevant Date</b>
1.	Share Entitlement of Dia Vikas (4.99% of the shares of the Bank)	4.99% OF NUMBER OF SHARES OF THE BANK = X	Appointed Date
2.	Fair Market Value of the shares of the Bank per share	Y	Appointed Date
3.	Value of the Share entitlement	XY	Appointed Date
4.	Fair Market Value per share of the Company	A	Appointed Date
5.	No. of Equity Shares in the capital of the Company	B	Appointed Date
6.	No. of Equity Shares held by Dia Vikas in the share capital Company	C	Appointed Date
7.	No. of Equity Shares held by Dia Vikas that will be reduced and totally extinguished	$XY/A = D$	Appointed Date
8.	Value of tax obligation to be borne by Dia Vikas	T	Appointed Date
9.	No. of Equity Shares of the Company equal to the value of aforesaid tax obligation	$T/A = X$	Appointed Date
10.	No. of remaining Equity Shares in the Company held by Dia Vikas after the aforesaid partial extinguishment (Subject to adjustment towards taxes to be deducted at source / capital gains tax)	$C - (D+X) = E$	Appointed Date