

USFB/CS/SE/2021-22/60

Date: October 30, 2021

To,

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

BSE Limited

Listing Compliance
P.J. Tower,
Dalal Street, Fort,
Mumbai – 400 001

Symbol: UJJIVANSFB

Scrip Code: 542904

Dear Sir/ Madam,

Subject: Intimation of Scheme of Amalgamation under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 (“Listing Regulations”) read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015

Pursuant to Regulation 30 of the Listing Regulations, we hereby inform you that based on the recommendation of the Audit Committee and the Committee of Independent Directors, the Board of Directors of the Bank at its meeting held today i.e. October 30, 2021 has, *inter-alia*, considered and approved a Scheme of Amalgamation (“**Scheme**”) **between Ujjivan Financial Services Limited (“Transferor Company”) and Ujjivan Small Finance Bank Limited (“Bank” or “Transferee Company”)** and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The proposed Scheme contemplates the amalgamation of Transferor Company into and with the Transferee Company and the dissolution without winding-up of the Transferor Company pursuant thereto. The proposed Scheme is conditional and subject to the following:

- (i) the approval of the Reserve Bank of India (“**RBI**”) in terms of RBI Master Directions – Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016 and RBI certification under Section 44(B)(1) of the Banking Regulation Act, 1949;
- (ii) the approval of the Securities and Exchange Board of India (“**SEBI**”); for inter alia (a) relaxing the lock-in restriction on 34,56,44,634 equity shares held by the Transferor Company in the Transferee Company; and (b) allowing the Transferee Company to achieve minimum public shareholding by adopting the proposed Scheme;
- (iii) no-objection of BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) and SEBI comments as per Regulation 37 and Regulation 94 of Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;
- (iv) the Scheme being approved by the requisite majority of each classes of members and/or creditors (where applicable) of the Transferor Company and Transferee Company in accordance with the Applicable Laws and as

may be directed by the National Company Law Tribunal, Bengaluru Bench (“NCLT”). Further, the Scheme is conditional upon Scheme being approved by the public shareholders through e-voting in terms of Para (A)(10)(b) of Part-I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;

- (v) fulfilment of any compliance(s), condition(s) etc., if any, stipulated by the RBI, SEBI, BSE, NSE and / or any other relevant Governmental Authority prior to effecting the Scheme;
- (vi) receipt of such other sanction(s), approval(s) etc., of any other Governmental Authority as may be required by Applicable Laws in respect of the Scheme; and
- (vii) certified copy of the NCLT order sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by both the Transferor Company and the Transferee Company.

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

Sr. No.	Particulars	Description												
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>The Scheme contemplates amalgamation of Ujjivan Financial Services Limited (“Transferor Company”) into and with the Ujjivan Small Finance Bank Limited (“Transferee Company”). The Transferor Company is holding company and promoter of Transferee Company. The equity shares of Transferor Company and Transferee Company are listed on BSE and NSE.</p> <p>Details of the total assets, turnover and net-worth of the Transferor Company and Transferee Company is as under:</p> <p>As on June 30, 2021</p> <table border="1"> <thead> <tr> <th>Name of entity</th> <th>Turnover (in Cr)</th> <th>Total Assets (in Cr)</th> <th>Net-worth (in Cr)</th> </tr> </thead> <tbody> <tr> <td>Ujjivan Financial Services Limited</td> <td>2</td> <td>1,805</td> <td>1,771</td> </tr> <tr> <td>Ujjivan Small Finance Bank Limited</td> <td>716</td> <td>19,564</td> <td>2,987</td> </tr> </tbody> </table>	Name of entity	Turnover (in Cr)	Total Assets (in Cr)	Net-worth (in Cr)	Ujjivan Financial Services Limited	2	1,805	1,771	Ujjivan Small Finance Bank Limited	716	19,564	2,987
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2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>Yes, the proposed transaction would fall within related party transactions under Listing Regulations. However, the transaction shall not attract compliance with the requirements of Section 188 of the Companies Act, 2013 in accordance with the clarifications provided in General Circular No. 30/2014 dated July 17, 2014 issued by Ministry of Corporate Affairs</p>												

		<p>The Transferor Company is the holding company and promoter of the Transferee Company.</p> <p>The consideration for the Scheme will be discharged on an arm's length basis. The Share Exchange Ratio (as defined herein after) for the Scheme is based on the valuation report dated October 30, 2021 issued by M/s JBPR Valuation Advisors LLP (IBBI Regn No.: IBBI/RV-E/05/2021/150, registered Valuer. Further, IIFL Securities Limited, Independent Category-1 Merchant Banker has provided Fairness Opinion dated October 30, 2021, certifying the valuation.</p> <p>Further, M/s. Mukund M Chitle & Co., Chartered Accountants and M/s. B K Ramadhyani & Co LLP, Chartered Accountants, statutory auditors of the Transferee Company has confirmed that the accounting treatment provided in the Scheme is in conformity with the accounting standards provided under Section 133 of the Act, the Banking Regulation Act, 1949, the guidelines and circulars issued by the RBI with respect to accounting. The Committee of Independent Directors and the Audit Committee has also provided a report recommending the Scheme.</p>
3.	Area of business of the entity(ies)	<p>Transferor Company:</p> <p>Transferor Company is registered as a Non-Banking Financial Company Non-Deposit taking Systemically Important Core Investment Company (NBFC-NDSI-CIC) with the RBI.</p> <p>Being an investment company, the main objects of the Transferor Company is to carry on the business of making investments in group companies and to carry on financial activities in the nature of investment in bank deposits and other permissible securities</p> <p>The Transferor Company presently has investment in Transferee Company where it holds 83.32% of the equity shareholding and 100% of preference shareholding, and derives its value primarily from such investment. The Transferor Company does not have any other business interest.</p> <p>Transferee Company:</p> <p>The Transferee Company is subsidiary of Transferor Company and is registered with the RBI as a small finance bank (SFB), and is engaged in banking business with focus on financially unserved and underserved segments.</p>
4.	Rationale for amalgamation /merger	<p>The Transferee Company was issued a license by the RBI to operate as SFB in India on November 11, 2016. As per the conditions laid in the said license read with RBI Guidelines for Licensing of 'Small Finance</p>

	<p>Banks' in the Private Sector dated November 27, 2014 (“SFB Guidelines”), the following conditions with respect to promoter’s contribution are required to be adhered:</p> <ul style="list-style-type: none"> (i) The promoter’s minimum initial contribution to the paid-up equity capital of SFB should be at least 40% which shall be locked in for a period of 5 (five) years from the date of commencement of operations of SFB; and (ii) If the promoters’ initial shareholding in SFB is in excess of 40%, then, the same is required to be brought down to 40% within a period of 5 (five) years from the date of commencement of operations of SFB. <p>The aforesaid period of 5 (years) is expiring on January 31, 2022 for the Transferee Company (being SFB), and the proposed amalgamation among other business objectives and benefits (as indicated in the Scheme) would enable the Transferee Company to ensure the aforesaid compliance. In proceeding with this approach, the Transferee Company and Transferor Company, have <i>inter alia</i>, resorted to:</p> <ul style="list-style-type: none"> (i) the RBI clarification dated January 1, 2015 which provides that promoter can exit or cease to be a promoter after completing lock-in period of five years, subject to the RBI's regulatory and supervisory comfort and SEBI Regulations; and (ii) RBI letter dated July 9, 2021 issued to the ‘Association of Small Finance Banks of India’, which allows reverse merger of holding company with the SFB subject to RBI approval. <p>Further, the Scheme would yield following advantages:</p> <ul style="list-style-type: none"> (i) The amalgamation is in line with the conditions prescribed in the SFB Guidelines, and would result in formation of a larger and stronger entity having greater capacity for conducting its operations more efficiently and competitively; (ii) the amalgamation would avoid operational inefficiency in the group by operating one listed entity and create synergies; (iii) the Transferor Company doesn’t have a promoter and after amalgamation the combined listed entity would be entirely held by the public shareholders with no shareholder(s) being identified as promoter thereof, accordingly, would be managed by independent professionals with no promoter in control;
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		<p>(iv) better administration and cost reduction, including reduction in administrative, legal and other costs associated with the Transferor Company;</p> <p>(v) the Transferor Company currently carries on financial activity business in the nature of investments in bank deposits or other permissible securities and investment in shares of subsidiary and derives its value primarily from its investments in the Transferee Company, and therefore, pursuant to amalgamation the public shareholders of the Transferor Company would benefit by directly holding shares in the Transferee Company and derive value from the business of Transferee Company directly.</p>
5.	In case of cash consideration - amount or otherwise share exchange ratio;	Upon the Scheme becoming effective, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company on the Record Date, 115 (One Hundred and Fifteen) equity shares of the face value of Rs. 10 (Rupees ten) each of Transferee Company, credited as fully paid-up, for every 10 (Ten) equity shares of the face value of Rs. 10 (Rupees ten) each fully paid-up held by such member in the Transferor Company (" Share Exchange Ratio ").
6.	Brief details of change in shareholding (if any) of listed entity	<p>Transferor Company:</p> <p>The Transferor Company does not have any promoter and 100% (hundred percent) of its paid-up equity share capital is held by public shareholders. Upon the Scheme becoming effective, the Transferor Company would stand dissolved. In consideration of amalgamation, the shareholders of Transferor Company would be issued and allotted equity shares of the Transferee Company, as per the Share Exchange Ratio, as mentioned in s.no. 5 above.</p> <p>Transferee Company:</p> <p>The Transferee Company is a subsidiary of the Transferor Company wherein the latter holds 83.32% (eighty-three point three two percent) of the total paid-up equity share capital and 100% (hundred percent) of the total paid-up preference share capital of the former.</p> <p>Upon the Scheme becoming effective, the Transferor Company would stand dissolved without being wound up. In consideration of amalgamation, the shareholders of Transferor Company would be issued equity shares of the Transferee Company, as per the Share Exchange Ratio, as mentioned in s.no. 5 above. Further, the equity</p>

		<p>shares and preference shares (if not redeemed earlier) held by Transferor Company in Transferee Company, shall stand cancelled and extinguished.</p> <p>Pursuant to such cancellation of equity shares and preference held by the Transferor Company in the Transferee Company and issuance and allotment of fresh equity shares by the Transferee Company to the shareholders of the Transferor Company, 100% per cent equity shareholding of the Transferee Company would be held by the public shareholders, with no person acting as 'promoter' in the Transferee Company.</p> <p>Accordingly, the Scheme, if implemented, would result in increase in shareholding of public shareholders of the Transferee Company from 16.68% to 100% subject to receipt of requisite approvals.</p>
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This intimation shall also be available on the Bank's website at www.ujjivansfb.in.

We request you to take note of the above.

Thanking you,

Yours faithfully,

For UJJIVAN SMALL FINANCE BANK LIMITED

Chanchal Kumar
Company Secretary and Compliance Officer