

Date: July 1, 2022

Dear Shareholder,

**Subject: Intimation of proposed capital raising, including through an initial public offer of the equity shares (the “Offer”) by Fincare Small Finance Bank Limited (the “Bank”)**

As you are aware, the Bank had previously filed a draft red herring prospectus dated May 8, 2021, as updated pursuant to the addendum dated August 19, 2021 (together, “**Erstwhile DRHP**”), in relation to a proposed initial public offer of its equity shares of face value of Rs. 10 (“**Equity Shares**”). Considering that the SEBI final observations in relation to the Erstwhile DRHP are expiring on July 28, 2022, pursuant to the resolution passed by the board of directors (“**Board**”) of the Bank on June 17, 2022, the Bank is now re-evaluating capital raising options, including an initial public offering of its Equity Shares, subject to market conditions, regulatory approvals, consents and applicable law, including (without limitation) the Companies Act, 2013, and the rules issued thereunder, each as amended (collectively referred to as the “**Companies Act**”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other considerations. The Offer may be undertaken by the Bank at an opportune time in consultation with the book running lead managers (“**BRLMs**”) and other advisors appointed for the Offer.

The Offer is likely to include an offer for sale of Equity Shares by existing shareholders of the Bank (“**Shareholder**”) (“**Offer for Sale**”), subject to Shareholders holding eligible Equity Shares as per the SEBI ICDR Regulations. As a part of the Offer process, in accordance with applicable law, the Bank will be required to file, with the relevant regulatory and statutory authorities and the stock exchanges where the Equity Shares will be listed pursuant to the Offer, a draft red herring prospectus (the “**DRHP**”), a red herring prospectus (the “**RHP**”) and a prospectus (the “**Prospectus**”, and together with the DRHP and the RHP, the “**Offer Documents**”).

The Bank intends to provide its Shareholders with an opportunity to participate as a Selling shareholder (“**Selling Shareholder**”) in the proposed Offer for Sale. Each Shareholder may participate in the Offer for Sale subject to various conditions, including the final size of the Offer and the Offer for Sale component as determined by the Bank in consultation with the BRLMs and other advisors for the Offer, the timing of the Offer, the price band, the allotment and withdrawal of the Offer, market conditions, and other relevant considerations.

Further, please note that if a Shareholder participates in the Offer for Sale, they will be required to comply with certain requirements and undertake certain activities in line with the SEBI ICDR Regulations and the Companies Act (the “**Selling Shareholder Deliverables**”). Some key considerations are set out below, for your reference.

- (i) **Eligibility:** In terms of Regulation 8 of the SEBI ICDR Regulations, the Equity Shares offered in the Offer for Sale (“**Offered Shares**”) are required to be fully paid-up and are required to have been held by the concerned Shareholder for a period of at least one year prior to filing of the DRHP with SEBI. Please note that the holding-period of a fully paid-up convertible instrument will also be considered for the purpose of calculation of this one-year period. Further, if the Offered Shares held by you are subject to any restraining order of any court or tribunal, any charge, lien, encumbrance or transfer restriction of any kind whatsoever, they cannot be offered in the Offer for Sale.

**FINCARE SMALL FINANCE BANK**

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad GJ 380006 IN

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka  
[www.fincarebank.com](http://www.fincarebank.com); Email id: [sfbcompsec@fincarebank.com](mailto:sfbcompsec@fincarebank.com); Tel No. +91 80 4250 4444

CIN: U67120GJ1995PLC025373

- (ii) *Other eligibility conditions:* In terms of Regulation 5 of the SEBI ICDR Regulations, you should not be prohibited from accessing the capital markets or debarred from buying, selling, dealing in securities under any order or direction by the Securities and Exchange Board of India (“SEBI”) or any securities market regulator in any other jurisdiction or by any other authority, or otherwise debarred from accessing the capital markets by SEBI. Further, you should be in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018 in relation to your shareholding in the Bank.
- (iii) *Costs and Expenses:* In accordance with applicable law and additional directives as may be issued by SEBI, if any, all costs and expenses pertaining to the Offer, are required to be shared amongst the Selling Shareholders and the Bank, in proportion to the Equity Shares issued in the Offer and sold in the Offer for Sale, in the manner as will be set out in the Offer Documents. Accordingly, Selling Shareholders participating in the Offer would be required to bear their portion of the Offer expenses for offering their Equity Shares in accordance with applicable law.
- (iv) *Decision making:* The Board or any committee duly constituted by the Board is typically entitled to take all decisions in relation to the Offer in accordance with the articles of association, shareholders’ agreement and applicable laws. The Bank reserves the right (after consultation with the BRLMs and other advisors in relation to the Offer), to modify or vary the terms and conditions of the participation of such Selling Shareholder in the Offer, including where any relevant approvals are not obtained in a timely manner or at all.
- (v) *Documentation:* Selling Shareholders would be required to execute and provide various agreements, certificates, consent letters and other documentation (including legal opinions) in relation to the Offer, including (without limitation) a power of attorney in favour of the Board/ a committee of the Board/ duly authorized officers of the Board for executing various documents and undertaking actions in relation to the Offer on behalf of such Selling Shareholders. As part of such documentation, Selling Shareholders will also be required to provide customary representations, warranties and confirmations, including to the effect that they have not been (a) declared a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; (b) declared a fraudulent borrower; or (c) declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. Further, it may also be noted that Selling Shareholders will be required to deposit the Equity Shares being offered by them in the Offer for Sale in an escrow account to be opened by the relevant share escrow agent to be appointed by the Bank, at the relevant time during the Offer process.
- (vi) *Dematerialization:* Pursuant to Section 29 of the Companies Act, the Offered Shares proposed to be sold by you in the Offer for Sale are required to be held in dematerialized form.
- (vii) *Publicity restrictions:* By consenting to participate in the Offer, the Selling Shareholders will be required to comply with the publicity restrictions applicable to public offerings, including the provisions of the SEBI ICDR Regulations and other applicable law.
- (viii) *Lock-in:* Please note that in terms of the SEBI ICDR Regulations, the entire pre-Offer share capital of the Bank held by the Shareholders (that is not sold in the Offer for Sale) is required to be locked-in for a period of six months from the date of allotment in the Offer.

Please note that, in addition to the indicative list mentioned above and the Selling Shareholder Deliverables, you may be required to comply with additional terms, requirements or such other directions as may be

**FINCARE SMALL FINANCE BANK**

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad GJ 380006 IN

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka  
[www.fincarebank.com](http://www.fincarebank.com); Email id: [sfbcompsec@fincarebank.com](mailto:sfbcompsec@fincarebank.com); Tel No. +91 80 4250 4444

CIN: U67120GJ1995PLC025373



specified by SEBI and other regulatory authorities, the details of which shall be set out in the Offer Documents and the Offer-related agreements. We would advise you to seek your own legal and tax advice to make a decision to sell in the Offer for Sale and neither the Bank nor the BRLMs will be responsible for your decision.

In the event you are interested in participating in the Offer, please indicate your intention to participate, along with your name, address, number of Equity Shares held, DP/Client ID, PAN No., telephone number and email ID, through email to the Bank at [sfbcompsec@fincarebank.com](mailto:sfbcompsec@fincarebank.com) on or before 05:00 P.M on July 8, 2022 in the form attached as **Annexure A (Corporates to provide Annexure A on their letterhead)**. A detailed docket of the requirements and activities to be undertaken by a Selling Shareholder offering its shares in the Offer for Sale will be shared separately, at the appropriate stage, with the Shareholders who express their intention to participate.

In the event the Bank does not receive an intimation from the Shareholders within the above timeline, it shall be presumed that such Shareholders are not interested in participating in the Offer, and have given consent to lock-in their entire pre-Offer shareholding for a period of six months from the date of allotment in the Offer, as per the SEBI ICDR Regulations.

This letter does not create any obligation on: (a) the Bank to undertake the Offer within any specific time period, or at all, or (b) the promoters of the Bank to participate in the Offer for Sale. Further, all decisions in relation to the Offer (including the timing and structure of the Offer, price band of the Offer, appointment of various intermediaries for the Offer, allocation, allotment and withdrawal of the Offer) shall be made by the Bank, in consultation with the BRLMs in relation to the Offer, and in accordance with the articles of association, shareholders' agreement and applicable laws.

Please consider this communication strictly confidential and do not disclose these contents to any third parties.

Further, please note that this letter is being dispatched to only those Shareholders whose names appear in the beneficial position statements of the Bank, as on August 6, 2021.

Kindly keep the contents of this mail and the proposed Offer as strictly confidential.

Yours faithfully,  
For and on behalf of **Fincare Small Finance Bank Limited**



Shefaly Kothari  
Designation: Company Secretary  
Place: Bangalore  
Date: July 1, 2022

**DISCLAIMER:** This letter is prepared by the Bank for the exclusive use of the addressee, and may not be distributed or used without the express consent of the Bank for any purpose other than as disclosed in this notice. This letter may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by or published in whole or in part, for any purpose or under any circumstances.

FINCARE SMALL FINANCE BANK

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad GJ 380006 IN

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka  
[www.fincarebank.com](http://www.fincarebank.com); Email id: [sfbcompsec@fincarebank.com](mailto:sfbcompsec@fincarebank.com); Tel No. +91 80 4250 4444

CIN: U67120GJ1995PLC025373



*This letter is for information purposes only and is neither an offer nor invitation to buy nor a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale is or may be unlawful whether prior to registration or qualification under the securities laws of any such jurisdiction or otherwise.*

*This letter is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Bank or the BRLMs to any new or additional registration requirements. Recipients of the letter resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements.*

*Neither this letter nor any other information supplied in connection with this letter should be considered as a recommendation by the Bank or the BRLM(s) to any of the selling shareholders to offer their equity shares in the Offer for Sale. Your intention to participate or your participation in the initial public offer does not create any obligation on the Bank or the BRLM(s) to purchase any Equity Shares. This letter is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India.*

*The Shareholders must rely on their own tax, financial and legal advisors, in relation to their participation in the offer. The Bank, BRLM(s) and their respective legal counsel and other professional advisors shall not be responsible or liable to the selling shareholder(s) or to any other persons in relation to the Offer for Sale, including in relation to any bad faith, negligence, default or misconduct by any selling shareholder(s) in this regard.*

Confidential

FINCARE SMALL FINANCE BANK

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad GJ 380006 IN

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka  
[www.fincarebank.com](http://www.fincarebank.com); Email id: [sfbcompsec@fincarebank.com](mailto:sfbcompsec@fincarebank.com); Tel No. +91 80 4250 4444

CIN: U67120GJ1995PLC025373