**REPORT OF THE BOARD OF DIRECTORS OF CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED RECOMMEDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN SVATANTRA HOLDINGS PRIVATE LIMITED ("FIRST TRANSFEROR COMPANY"), CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED ("SECOND TRANSFEROR COMPANY" OR "THE COMPANY") WITH SVATANTRA MICROFIN PRIVATE LIMITED ("TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS**

1. The Board of Directors ('Board') of Chaitanya India Fin Credit Private Limited ("Second Transferor Company" or "the Company") at its meeting held on November 6, 2024 had considered and approved the Scheme of Amalgamation between Svatantra Holdings Private Limited ("First Transferor Company"), Chaitanya India Fin Credit Private Limited ("Second Transferor Company") with Svatantra Microfin Private Limited ("Transferee Company") and their respective shareholders under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ('the Act') and rules and regulations framed thereunder (hereinafter referred to as 'Scheme').

2. The Scheme is subject to consent/ approval of shareholders, creditors and debenture holders of the Companies involved and regulatory authorities i.e. BSE Limited, Securities and Exchange Board of India, Reserve Bank of India, Competition Commission of India, National Company Law Tribunal and any other regulatory authorities as may be required.

3. The Non-Convertible Debentures ("NCDs") issued and allotted by the Second Transferor Company are listed on the wholesale debt market segment of BSE Limited.

   Further, pursuant to the requirements of Para A(2)(d) of Part I of Annex XII-A of the Securities and Exchange Board of India's Master Circular: SEBI/HO/DDHS/IPOD1/P/ICIR/2023/108 dated 29th July, 2022 updated as on 30th June, 2023 ("SEBI Circular"), the Board is required to recommend the draft Scheme, taking into consideration, inter-alia, the valuation report and ensuring that the Scheme is not detrimental to the holders of the NCDs, and also comment on impact of the Scheme on the holders of NCDs, safeguards for the protection of the holders of NCDs and exit offer to the dissenting holders of NCDs, if any.

4. Accordingly, Board of Directors of the Company have considered following documents for preparing this report:
   - Draft Scheme;
   - The Valuation cum Share Entitlement Ratio Report & Fair Ratio of Entitlement for NCD holders dated November 6, 2024 ("Valuation Reports") from Bansi S. Mehta Valuers LLP, an independent Registered Valuer (IBBI Registration Number: IBBI/RV/06/2019/10666), recommending the fair security exchange ratio; and
   - The Fairness Opinions dated November 6, 2024 ("Fairness Opinions") issued by Inga Ventures Private Limited, an independent Merchant Banker (SEBI Registration Number: INM000012698) on the Valuation Reports.

5. **Impact of Scheme on the holders of NCDs**

   There would be no impact of the Scheme on the holders of NCDs of the Company due to the following reasons:
   - None of the existing terms and conditions associated with the NCDs are being proposed to be altered under the Scheme. On the Scheme becoming effective, the terms of the NCDs issued by the Company shall continue to subsist and shall be taken over by the Transferee Company.

- Considering the positive net worth of the Transferee Company post Amalgamation, there would be no impact on the ability of the Transferee Company to pay interest and repay the principal amount represented by NCDs issued by the Company.

**6. Safeguards for the protection of the NCD holders and exit offer to the dissenting NCD holders, if any**

As mentioned in the earlier paragraph, the Scheme does not in any manner affect the interest of the NCD holders, and the Transferee Company would be able to discharge the liability towards the holders of NCDs issued by the Second Transferor Company, hence no safeguards are being proposed under the Scheme, nor is any exit offer being offered to the dissenting NCD holders, if any.

**7. Recommendation of Board of Directors**

Board of Directors considered all terms of the draft Scheme and on finding that the said Scheme is not detrimental to holders of NCDs, the Board of Directors have recommended draft Scheme for favourable consideration by Stock Exchange, Securities Exchange Board of India and other Appropriate Authorities.

For and on behalf of the Board of Directors

**Chaitanya India Fin Credit Private Limited**

CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

**Vineet Bijendra Chattree**
**Director**
**DIN:** 07962531
**Date:** November 6, 2024
**Place:** Mumbai