



Utkarsh Small Finance Bank



## Utkarsh Small Finance Bank

*Aapki Ummeed Ka Khaata*

### UTKARSH SMALL FINANCE BANK LIMITED

CIN: U65992UP2016PLC082804

S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar,  
Near Mahavir Mandir, Varanasi - 221002

Tel No +91-542-2500596 | Website: [www.utkarsh.bank](http://www.utkarsh.bank) |

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### NOTICE

SHORTER NOTICE IS HEREBY GIVEN THAT THE TWELFTH (12<sup>TH</sup>) EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF UTKARSH SMALL FINANCE BANK LIMITED ("USFBL" OR THE "BANK") IS SCHEDULED TO BE HELD ON MONDAY, DECEMBER 28, 2020 AT 5.00 P.M. THROUGH VIDE VIDEO CONFRENCING (BLUEJEANS VC ID: 889308343/2403) [TO BE INITIATED FROM REGISTERED OFFICE - S-24/1-2, FIRST FLOOR, MAHAVIR NAGAR, ORDERLY BAZAR, NEAR MAHAVIR MANDIR, VARANASI] TO INTER ALIA, CONSIDER AND TRANSACT FOLLOWING SPECIAL BUSINESSES: (IN TERMS OF MCA GENERAL CIRCULAR NO.14/2020 F.NO.2/1/2020-CL-V DATED APRIL 08, 2020)

#### Special Businesses:

##### ITEM No. 1:

To consider and accord approval for introduction and implementation of "Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020", to determine the detailed terms and conditions of the Plan and to create, grant, offer, issue and allot/transfer at any time, to or for the benefit of the eligible employees, exercisable into not more than 6,07,41,778 equity shares of Rs. 10/- each

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) and other applicable provisions, if any, of the Companies Act, 2013, as amended read with rules framed thereunder (**'the Act'**) including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the articles of association of the Bank, the Foreign Exchange Management Act, 1999, as amended and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such approval(s)/consent(s)/permission(s)/sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Reserve Bank of India and further to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Bank (hereinafter referred to as the **'Board'**, which term shall include Nomination and Remuneration Committee constituted and designated by the Board or any other duly constituted committee of the Board authorised and to exercise its powers, including the powers



#### Registered & Corporate Office:

Utkarsh Small Finance Bank Ltd. S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi-221002, Uttar Pradesh  
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conferred by this resolution), the consent of the Shareholders of the Bank be and is hereby accorded to the Board to grant, vest and allot, from time to time, and in one or more tranches, options under the "**Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020**" ("**Plan**") to or to the benefit of Eligible Employees (as defined in the Plan), to subscribe to such number of equity shares of the face value of Rs. 10/- (Rupees Ten only) of the Bank ("**Equity Shares**") but not exceeding in aggregate of **6,07,41,778 Equity Shares** across all Notified Schemes (as defined in the Plan) , at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Notified Scheme read with the Plan and in due compliance with the Act, and other applicable laws, rules and regulations;

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 62 (1) (b) and other applicable provisions, rules if any, of the Act and the articles of association of the Bank, the Foreign Exchange Management Act, 1999, as amended and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such approval(s)/consent(s)/permission(s)/sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Reserve Bank of India and further to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board the consent of the Shareholders of the Bank be and is hereby accorded to the Board to adopt and implement the Notified Scheme (as define under the Plan), being the "**USFBL Employee Stock Option 2020 Scheme 1**" ("**Scheme-1**"), on such terms and conditions as may be fixed or determined by the Board in accordance with the applicable acts, rules and regulations and in accordance with the provision of Plan.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, reduction of share capital, stock split or consolidation, arrangement, merger, de-merger, transfer of undertaking, sale of a division or any other capital or corporate restructuring , the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure the fair and equitable benefits under the Plan and the Notified Scheme(s) are passed on to the Eligible Employees;

**RESOLVED FURTHER THAT** in case the Equity Shares are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the Notified Scheme (as defined under the Plan) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per equity share, bears to the revised face value of the Equity Shares after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to re-price the options as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under the Plan and the Notified Scheme(s);

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect the Plan on such terms and conditions as contained in the explanatory statement to this item in the notice and to modify, alter, vary, revise or amend the said terms or suspend, withdraw, revise or terminate the Plan, subject







to compliance with the Notified Schemes (as defined under the Plan), the relevant Acts and other applicable laws, rules and regulations, as may be prevailing at that time;

**RESOLVED FURTHER THAT** the Equity Shares so issued and allotted under the Notified Scheme (as defined under the Plan) shall rank *pari passu* with the then existing Equity Shares;

**RESOLVED FURTHER THAT** the Bank shall conform to the accounting policies prescribed from time to time under the Act, and any other applicable laws and regulations to the extent relevant and applicable to the Plan;

**RESOLVED FURTHER THAT** the number of options that may be granted to any Eligible Employee, in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Bank;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint advisors or consultants, being incidental to the effective implementation and administration of the Plan as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Bank to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of the Plan and to take all such steps and do all acts as may be incidental or ancillary thereto;

**RESOLVED FURTHER THAT** subject to applicable provisions of the Act and other applicable laws, the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of Directors or Chairman or Managing Director of the Bank with a power to further delegate to any executives or officers of the Bank to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard."

#### **ITEM No. 2**

**Grant of Employee Stock Options to the employees of Utkarsh CoreInvest Limited (the "Holding Company"), of the Bank under "Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan") and "USFBL Employee Stock Option 2020 Scheme 1" ("Scheme-1")**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:







**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Bank, as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Bank (hereinafter referred to as the **"Board"** which term shall include Nomination and Remuneration Committee constituted and designated by the Board any other duly constituted committee of the Board authorised, approval and consent of the Shareholders of the Bank be and is hereby accorded to create, offer and grant from time to time such number of equity shares of the face value of Rs.10/- (Rupees Ten only) of the Bank (**"Equity Shares"**) but not exceeding in aggregate of **6,07,41,778 Equity Shares** across all Notified Schemes (as defined in the Plan), including Scheme -1, to the Eligible Employee (*under Clause 3.16(c) of the Plan*) at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Notified Scheme read with the Plan and in due compliance with the Act, and other applicable laws, rules and regulations;

**RESOLVED FURTHER THAT** the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the Plan and Scheme-1 and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Bank.

**RESOLVED FURTHER THAT** the number of options that may be granted to any Eligible Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Bank;

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, reduction of share capital, stock split or consolidation, arrangement, merger, de-merger, transfer of undertaking, sale of a division or any other capital or corporate restructuring, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure the fair and equitable benefits under the Plan are passed on to the Eligible Employees;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors or, Consultants or Representatives, being incidental to the effective implementation and administration of the "Plan" as also to prefer applications to the appropriate authorities and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard;

**RESOLVED FURTHER THAT** the Bank shall conform to the accounting policies prescribed from time to time under the Act, and any other applicable laws and regulations to the extent relevant and applicable to the Plan

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary being incidental to the effective implementation and administration of Board / Committee as also







to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

**ITEM No. 3**

**To consider and approve the revision in terms of appointment of Mr. Govind Singh, Managing Director & CEO, Utkarsh Small Finance Bank Limited (USFBL) with respect to remuneration - fixed pay and variable pay (cash and non cash component) for FY 2020-21 & variable pay (cash and non cash component) for FY 2019-20**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 196, 197, 198 read with Schedule V and other applicable sections, provision and related Rules thereto if any, of the Companies Act 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Bank and all applicable guidelines issued by the Central Government from time to time and subject to the approval of the Reserve Bank of India and such other approvals, as may be necessary, consent of the Members be and is hereby accorded for revision in the terms of appointment of Mr. Govind Singh, MD & CEO, Utkarsh Small Finance Bank Limited (USFBL) with respect to the remuneration - fixed pay and variable pay (cash and non cash component) for FY 2020-21 & variable pay (both cash and non cash component) for FY 2019-20 as follows:

- a) Fixed Pay of the MD & CEO for FY 2020 – 21 be increased to Rs.2,20,00,000 p.a.;

**Details of Fixed Remuneration, benefits and other terms & conditions:**

Sr.No.	Remuneration per annum	Amount in INR
1	Basic	80,00,000
2	House Rent Allowances	40,00,000
3	Other Allowances	71,53,294
4	Leave Travel Allowances	8,00,000
5	Perquisites	7,02,091
6	Provident Fund	9,60,000
7	Gratuity	3,84,615
<b>Gross Salary</b>		<b>2,20,00,000</b>

**Other benefits:**

1. Gratuity as per the Payment of Gratuity Act, 1972
2. Personal Accident Insurance as per the policy of the Bank
3. Term Life Insurance, medical and health related benefits and Insurance as per the policy of the Bank.
4. Leave and encashment of leave as per the policy of the Bank.

**Other terms and conditions**

1. For the purposes of Gratuity, Provident Fund, Performance Bonus, leave balance and encashment, Superannuation and other like benefits, if any, the present service of Mr.



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Govind Singh as the Managing Director & Chief Executive Officer of Utkarsh Small Finance Bank Limited will be considered as continuous service with the Bank.

2. The aggregate of the fixed remuneration and perquisites as aforesaid for FY 2020-21 during his tenure shall not exceed Rs. 2,20,00,000/- per annum and shall be within the limit as prescribed under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force.

3. Mr. Govind Singh shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Bank.

b) The Variable Pay (inclusive of cash component and non cash component) for FY 2019 – 20 for MD & CEO be approved at the rate of 200% of fixed remuneration for FY 2019 – 20, i.e. Rs.3.60 Crore as follows:

i) **Cash Component** – Rs.45 lakhs annual performance bonus to be paid as per the following staggered schedule:

- Rs.25 lakhs Cash in FY 2020 – 21
- Balance Rs.20 lakhs to be spread over a time period of 3 years and to be paid in 3 equal tranches in April 2021, April 2022 and April 2023.

ii) **Non Cash Component** – Rs.3.15 Crore worth of ESOPs to be granted as per the USFBL Employee Stock Option Plan 2020 divided into 22,48,394 equity shares at Rs.14.01 per option for a face value of Rs.10 each which represent 0.03 % of the outstanding share capital of USFBL as on 6<sup>th</sup> November 2020.

**“RESOLVED FURTHTER THAT** the Board be and is hereby authorised to approve the variable pay for FY 2020-21 on the basis of the performance and revision in the remuneration payable to Mr. Govind Singh during his tenure as Managing Director & CEO, subject to the overall compliance of the ceiling as prescribed under Section 197 of the Companies Act, 2013 to be read with Schedule V of the Act and rules made thereunder(including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to approval of Reserve Bank of India.”

**“RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits of the Bank in any financial year, the payment of remuneration to Mr. Govind Singh, Managing Director & CEO, shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.”

Date: December 23, 2020

Place: Mumbai

**By Order of the Board  
for Utkarsh Small Finance Bank Limited**



**Nutan Anand Rane  
Company Secretary**





**Utkarsh Small Finance Bank**

*Aapki Ummeed Ka Khaata*

**UTKARSH SMALL FINANCE BANK LIMITED**

CIN: U65992UP2016PLC082804

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**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 1 & 2**

**Approval of Employee Stock Option Plan 2020– approval for introduction and implementation of "Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan") & Grant of Employee Stock Options to the employees of Utkarsh CoreInvest Limited (the "Holding Company"), of the Bank under "Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan") and "USFBL Employee Stock Option 2020 Scheme 1"**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Bank believes that equity based compensation plans are an effective tool to reward talent within the Bank.

With a view to motivate the key work force and seeking their contribution to the Bank growth, to attract new talent, to retain them for ensuring sustained growth, and to ensure their participation in future decision making, your Bank intends to formulate **"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")** for 6,07,41,778 Equity Shares of Rs. 10/- each. Additionally, the Bank has also adopted and implemented the Notified Scheme (as defined under the Plan), being the **"USFBL Employee Stock Option 2020 Scheme 1" ("Scheme-1")**.

The Nomination and Remuneration Committee and the Board of Directors of the Bank have approved the Plan and recommended to the Members of the Bank.

The details of the Plan are as follows:

Sr. No	Particulars	<b><u>"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")</u></b>
a)	Brief description of the scheme(s)	The Bank has structured this Plan for the benefit of the Employees. The objectives of this Plan are as under: a) Attract new talent b) Reward Employees for extraordinary performance



**Registered & Corporate Office:**

Utkarsh Small Finance Bank Ltd. S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi-221002, Uttar Pradesh

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Sr. No	Particulars	"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")
		<p>c) Motivate and retain employees  d) Driving performance of the Employees and the Bank  e) Align Employee interests with shareholder's interest  f) Wealth creation for the Employee</p> <p>Options granted under the Notified Schemes (as defined in the Plan) under the Plan shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Bank. The members of the Board and Nomination and Remuneration Committee ("Committee") of the Board shall administer the Plan. All questions of interpretation of the Plan shall be determined by the Board and the Committee and such determination shall be final, conclusive and binding</p>
b)	The total number of options, shares or benefits, as the case may be, to be granted	<p>Total number of 6,07,41,778 Equity Shares of Rs. 10/- each to be granted.</p> <p>In case of any corporate action(s) such as right issues, bonus issues, reduction of share capital, stock split or consolidation, arrangement, merger, de-merger, transfer of undertaking, sale of a division or any other capital or corporate restructuring, the ceiling as aforesaid of 6,07,41,778 equity shares shall be deemed to be increased/ decreased, as may be determined by the Board / Committee, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the Plan such that the total value to the employee of the Plan remains the same after the corporate action.</p>
c)	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s)	<p>The following categories of employees shall be entitled to participate and be beneficiaries in the Plan and Notified Schemes (as defined in the Plan):</p> <p>a) a permanent employee of the Bank who has been working in India or outside India; or</p>







Sr. No	Particulars	"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")
		b) a director of the Bank, whether a whole-time director or not but excluding an independent director or c) an employee as defined in clauses (a) or (b) of a Holding Company of the Bank; but does not include- (i) an employee who is a promoter or a person belonging to the promoter group; or (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Bank;
d)	Requirements of vesting and period of vesting	Subject to the provisions of the Plan and compliance with the requirement of a minimum vesting period of one year stipulated the unvested options shall vest with the Eligible Employee in accordance with the Notified Scheme(s) (as defined under the Plan).  In terms of the Scheme -1, being the Notified Scheme (as defined under the Plan), the options shall vest as per the following schedule:  i. 25 % of total options granted to an Employee shall vest at the expiry of one year from the grant Date.  ii. 25 % of total options granted to an Employee shall Vest at the expiry of two years from the grant date.  iii. 25 % of total options granted to an Employee shall Vest at the expiry of three years from the grant date.  iv. 25 % of total Options Granted to an Employee shall Vest at the expiry of four years from the Grant Date.
e)	Maximum period within which the options / benefit shall be vested	In terms of the Scheme -1, being the Notified Scheme (as defined under the Plan), the options shall vest as per the following schedule:  i. 25 % of total options granted to an Employee shall vest at the expiry of one year from the grant Date.  ii. 25 % of total options granted to an Employee shall Vest at the expiry of two



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Sr. No	Particulars	"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")
		<p>years from the grant date.</p> <p>iii. 25 % of total options granted to an Employee shall Vest at the expiry of three years from the grant date.</p> <p>iv. 25 % of total Options Granted to an Employee shall Vest at the expiry of four years from the Grant Date.</p>
f)	exercise price, purchase price or pricing formula -	The exercise price of the vested options shall be determined in accordance with the Notified Scheme(s) under the Plan provided that such exercise price in any case shall not be less than face value of the Equity Shares.
g)	Exercise period and process of exercise	<p>The exercise period and process as may be decided and approved by the Board from time to time.</p> <p>In terms of the Scheme -1, being the Notified Scheme (as defined under the Plan), the exercise period shall be 24 (Twenty-Four) months from the vesting date, subject to provisions of the Plan, unless the Committee decides otherwise.</p>
h)	The appraisal process for determining the eligibility of employees for the scheme(s)	The appraisal process for determining the eligibility of the employee will be specified by the Board, and will be based on criteria such as performance of the employee, tenure of service with the Bank, interpersonal skills, efficiency and effectiveness to the job, and/ or such other criteria that may be determined by the Board at its sole discretion
i)	Maximum number of options, shares, as the case may be, to be issued per employee and in aggregate	<p>The maximum number of options that may be granted to any specific Eligible Employee will be determined by the Nomination and Remuneration Committee on a case to case basis and shall not exceed 1 percent of the total share capital of the Bank at the time of the grant unless an approval from the shareholders is taken by way of special resolution in a general meeting.</p> <p>The maximum number of options which can be granted in aggregate under Plan shall be 6,07,41,778 Equity Shares of Rs. 10/- each.</p>



**Registered & Corporate Office:**





Sr. No	Particulars	"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")
j)	Maximum quantum of benefits to be provided per employee under a scheme(s)	The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.
k)	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	The scheme is being implemented directly by the Bank through its Board or duly authorised Committee in accordance with the Act, and applicable law.
l)	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	The plan involves new issue of shares by the Bank.
m)	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc	The grant of loan to the employees of the Bank for exercising the ESOPs will be decided by Board/Nomination and Remuneration Committee from time to time.
n)	A statement to the effect that the company shall conform to the accounting policies	The Bank shall follow the relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein. 'In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Bank shall also be disclosed in the Directors' report.'
p)	The method which the company shall use to value its options	The Bank shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other applicable statutory provisions from time to time for valuation of options.
q)	Lock in period	The Lock in period if any will be decided by Board/ Nomination and Remuneration Committee of the Bank from time to time up to







Sr. No	Particulars	"Utkarsh Small Finance Bank Limited (USFBL) - Employee Stock Option Plan 2020" ("Plan")
		the best interest of the Bank and its stakeholders.

Consent of the members is being sought by way of a special resolution pursuant to Section 62 (1)(b) of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Bank and any other applicable laws.

The Managing Director & CEO, the Chief Financial Officer and the Company Secretary (Key Managerial Personnel) of the Bank are interested in this resolution to the extent of stock options granted / to be granted to them under the Notified Scheme (as defined under the Plan).

None of the other directors and their relatives are concerned or interested in the proposed resolution except to the extent of their respective shareholding if any, in the Bank.

**ITEM No. 3**

**To consider and approve the revision in terms of appointment of Mr. Govind Singh, MD & CEO, Utkarsh Small Finance Bank Limited (USFBL) with respect to remuneration - fixed pay for FY 2020-21 & variable pay (cash and non cash component) for FY 2019-20**

Mr. Govind Singh was re-appointed as Managing Director & CEO of the Bank in the Annual General Meeting of Bank held in financial year 2018-19 after having taken charge as MD & CEO once again on September 21, 2018 post RBI approval for his re-appointment. Further, considering the contribution of Mr. Singh and the progress made by the Bank under his leadership and guidance and as per recommendation of Nomination and Remuneration Committee at its meeting held on October 28, 2020, the Board, at its meeting held on November 9, 2020 (extension of Board Meeting held on November 6, 2020) approved the revision in remuneration of Fixed pay for FY 2020-21 and variable pay (cash and noncash component) for FY 2019-20 and other terms and conditions enumerated in the resolution.

Pursuant to the section 197 read with schedule V of the Companies Act, 2013, the revised remuneration along with variable pay of Mr. Govind Singh as decided by the Board is required to be approved by the Members at their Meeting.

It is hereby confirmed that Bank has not committed any default in respect of any debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

The Members are requested to consider the revision in remuneration of Mr. Govind Singh, Managing Director & CEO of the Bank for FY 2020 – 21 and approval of variable pay for FY 2019-20 as mentioned in the above specified resolution.

Pursuant to applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, consent of the members is being sought by way of a Special Resolution.







## Utkarsh Small Finance Bank

Except Mr. Singh none of the promoters, directors, key managerial personnel and their relatives is considered to be concerned or interested financially or otherwise in the resolution

**Date:** December 23, 2020

**Place:** Mumbai

**By Order of the Board  
for Utkarsh Small Finance Bank Limited**

**Nutan Anand Rane  
Company Secretary**

### NOTES: -

1. This Extra Ordinary General Meeting is being convened by Video Conferencing in furtherance of compliance MCA General Circular No.14/2020 F.NO.2/1/2020-CL-V dated April 08, 2020 to transact the first business of the urgent nature. The meeting will be convened on Monday, December 28, 2020 at 5.00 p.m. over Blue jeans Video Conferencing (VC) platform vide Meeting ID: **889308343/2403**
2. To join the meeting, the members are requested to visit <https://www.bluejeans.com/> and click on "**Join Meeting**". Thereafter, enter the meeting ID as mentioned in S.No.1 above, enter your name and click "**Enter Meeting**". No need to give any passcode to join the meeting.
3. In case any member faces any difficulty in joining the meeting, please reach out to Ms. Nutan Anand Rane at [nutan.rane@utkarsh.bank](mailto:nutan.rane@utkarsh.bank) or at her contact no.+91 9167730880.
4. Please note that the proceedings at the meeting held through VC will be recorded for future record and audit purposes and also for disclosure of the same on the website of the Bank.
5. Please note that currently there are limited numbers of members (7) in the Bank and the VC facility allows two-way communication for the ease and convenience of the participants and hence the participants are allowed to pose questions concurrently, if any.
6. The facility for joining the meeting will be open from 15 minutes before the time scheduled and will remain open till the entire duration of the meeting.
7. Attendance of members through VC shall be counted for the purpose of reckoning the quorum under section 103 of the Act as provided in the MCA General Circular No.14/2020 dated April 8, 2020. However, the Bank reserves the right to secure printed attendance slip authenticated from the members participating in person. Those members who will be attending the said meeting from the registered and corporate office of the Bank are requested to ensure physical distancing while attending the meeting in person.



#### Registered & Corporate Office:





8. The meeting will also be attended by at least one of the independent directors of the Bank
9. In terms of the MCA General Circular No.14/2020 dated April 08, 2020, facility for appointment of proxies will not be available for the meeting. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting over the VC.
10. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Meeting.
11. The decision in the meeting will be carried out by voting by show of hands unless a demand for poll is made in accordance with section 109 of the Act, in which case, the voting shall be conducted through the e-voting system.
12. Due to ongoing COVID-19 situation, the notice of this meeting shall be served over email.
13. The explanatory statement relating to special business mentioned in the Notice as required pursuant to section 101(2) of the Companies Act, 2013 is annexed to the Notice.

**By Order of the Board  
for Utkarsh Small Finance Bank Limited**

**Nutan Anand Rane  
Company Secretary**



**Date:** December 23, 2020  
**Place:** Mumbai