



Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

UTKARSH SMALL FINANCE BANK LIMITED

CIN: U65992UP2016PLCo82804

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

Tel No +91-542-2500596 | Website: www.utkarsh.bank

Email: secretarial.usfb@utkarsh.bank

NOTICE

SHORTER NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH (14TH) EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF UTKARSH SMALL FINANCE BANK LIMITED ("USFBL" OR THE "BANK") IS SCHEDULED TO BE HELD ON MARCH 3, 2021 AT 12.30 P.M. THROUGH VIDEO CONFRENCING AT (BLUEJEANS VC ID: /504426719/3563) [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 CIRCULAR PURSUANT TO MINISTRY OF CORPORATE AFFAIRS GENERAL CIRCULAR NO.14/2020 F.NO.2/1/2020-CL-V DATED APRIL 08, 2020 AND GENERAL CIRCULAR NO.39/2020 F.NO.2/6/2020-CL-V DATED DECEMBER 31, 2020)

Special Businesses:

ITEM No. 1:

TO APPOINT, MR. NAGESH DINKAR PINGE (DIN: 0062900) AS INDEPENDENT DIRECTOR OF THE BANK

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, read with relevant Articles of Association of the Bank, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and pursuant to Section 10A(2)(a) of the Banking Regulation Act, 1949, and relevant circulars issued by the RBI from time to time, including any amendments, modifications, variations or re-enactments thereof and recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Nagesh Dinkar Pinge (**DIN: 0062900**), who has been holding office of Additional Independent Director since July 20, 2020 be and is hereby appointed as an Independent Director of the Bank, not liable to retire by rotation, for a term of five consecutive years commencing from July 20, 2020 upto July 19, 2025 and that he shall not be liable to retire by rotation and he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as may be permissible under the law from time to time."

“RESOLVED FURTHER THAT, the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary of the Bank be and are hereby severally authorised to do all such acts, things and deeds on behalf of the Bank and make such filings / application with the regulatory authorities, including RBI, to effectively implement the said resolution”.

ITEM No. 2

TO APPOINT, MR. AJAY KUMAR KAPUR (DIN: 00108420) AS INDEPENDENT DIRECTOR OF THE BANK

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, read with relevant Articles of Association of the Bank, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and pursuant to Section 10A(2)(a) of the Banking Regulation Act, 1949, and relevant circulars issued by the RBI from time to time, including any amendments, modifications, variations or re-enactments thereof and recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Ajay Kumar Kapur (**DIN: 00108420**), be and is hereby appointed as an Independent Director of the Bank, not liable to retire by rotation, for a term of five consecutive years commencing from March 2, 2021 up to March 01, 2026 and that he shall not be liable to retire by rotation and he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as may be permissible under the law from time to time.”

“RESOLVED FURTHER THAT, the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary of the Bank be and are hereby severally authorised to do all such acts, things and deeds on behalf of the Bank and make such filings / application with the regulatory authorities, including RBI, to effectively implement the said resolution.”

ITEM No. 3

APPOINTMENT OF MR. MURALIDHARAN RAJAMANI (DIN: 01690363) AS A NON-EXECUTIVE AND NON INDEPENDENT DIRECTOR OF THE BANK

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

“RESOLVED THAT Mr. Murlidharan Rajamani (DIN: 01690363) who was appointed as an Additional Non-Executive and Non-Independent Director of the Bank by the Board of Directors and who holds office upto the date of this General Meeting, pursuant to section 152 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, read with relevant Articles of Association of the Bank, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in terms of the provisions of Banking Regulation Act, 1949 and the Guidelines issued by Reserve Bank of India and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Murlidharan

Rajamani be and is hereby appointed as a Non-executive, Non-Independent Director of the Bank, liable to retire by rotation, with effect from the date of this Meeting and he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as may be permissible under the law from time to time.”

RESOLVED FURTHER THAT the Board of the Directors be and hereby authorised to decide the payment of sitting fees to the Non-Executive Director of the Bank subject to overall limit of Section 197 of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RESOLVED FURTHER THAT, the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary of the Bank be and are hereby severally authorised to do all such acts, things and deeds on behalf of the Bank and make such filings / application with the regulatory authorities, including RBI, to effectively implement the said resolution.”

ITEM No. 4:

APPROVAL OF THE INITIAL PUBLIC OFFER OF EQUITY SHARES, ANY DISCOUNT AND RESERVATION CONTEMPLATED IN THE OFFER

To consider and if thought fit to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 23, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations notified thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended, (collectively referred to as the “**Companies Act**”), the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Securities Contracts (Regulation) Act, 1956, as amended in each instance, including the rules, regulations, circulars, guidelines issued thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Foreign Exchange Management Act, 1999, as amended, and the rules and regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India (“**Gol**”), including the Department for Promotion of Industry and Internal Trade, Securities and Exchange Board of India (“**SEBI**”) or Reserve Bank of India (“**RBI**”) and any other applicable laws, rules and regulations, in India or outside India (collectively, the “**Applicable Laws**”), and in accordance with the enabling provisions of the memorandum of association and the articles of association of the Bank and the uniform listing agreement to be entered into between the Bank and the respective recognised stock exchanges of India where the Equity Shares are proposed to be listed (“**Stock Exchanges**”), and subject to any approvals from the Gol, the Registrar of Companies, Uttar Pradesh at Kanpur (“**RoC**”), SEBI, RBI, and any other appropriate governmental, statutory and regulatory authorities of India (“**Regulatory Authorities**”), and such other approvals, consents, permissions and sanctions as may be required from the Regulatory Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), and on the basis of

recommendation of Capital Restructuring and Fund Raising Committee and Board, the consent and approval of the Shareholders of the Bank be and is hereby accorded to create, issue, offer and allot such number of Equity Shares, for cash either at par or premium such that the amount being raised pursuant to the fresh issue aggregates up to ₹ 7500 million ("Fresh Issue") with an option to the Bank to retain an over-subscription to the extent of 1% of the net Offer (*defined below*) size, or such other extent as may be permitted under the Applicable Laws, for the purpose of rounding off to the nearest integer while finalizing the basis of allotment) and an offer for sale of Equity Shares by existing and eligible shareholder(s) who can intimate their intention to the Board (the "Offer for Sale" and together with the Fresh Issue, the "Offer") including the issue and allotment of Equity Shares to the stabilising agent pursuant to a green shoe option, if any, in terms of the SEBI ICDR Regulations at a price to be determined by the book building process in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Laws, for cash at such premium or discount per Equity Share as allowed under Applicable Laws and as may be fixed and determined in accordance with the SEBI ICDR Regulations, out of the authorised capital of the Bank to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Bank as the Board may, jointly with the Selling Shareholder] decide, including anchor investors, if any, one or more of the members, employees (through a reservation or otherwise), Hindu undivided families, foreign portfolio investors, venture capital funds, alternative investment funds, foreign venture capital investors, multilateral and bilateral financial institutions, non-resident Indians, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds, systemically important non-banking finance companies, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities, authorities, and to such other persons in one or more combinations thereof, whether through the Offer or otherwise in one or more modes or combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws and in one or more tranches in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalised by the Board in consultation with the BRLMs and that the Board in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion thinks fit."

"RESOLVED FURTHER THAT on the basis of recommendation of Capital Structuring and Fund Raising Committee ("CSFRC") and Board, the Shareholders of the Bank be and hereby approved maximum of 5 % of post offer equity capital to be reserve for the employee quota to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees ("**Reservation**") or to provide a discount to the Offer price to retail individual bidders or eligible employees ("**Discount**") and authorised the Capital Restructuring and Fund Raising Committee to make necessary amendment as required for finalizing the reservation of employee quota."

"RESOLVED FURTHER THAT the Equity Shares issued / transferred pursuant to the Offer shall be listed on one or more recognized stock exchanges in India"

"RESOLVED FURTHER THAT Managing Director & CEO of the Bank be and is hereby authorised on behalf of the Bank to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees ("**Reservation**") or to provide a discount to the Offer price to retail individual bidders or eligible employees ("**Discount**"); and to take any and all actions in connection with any Reservation or

Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 62(1)(c), 42 and any other applicable provisions, if any, of the Companies Act and other Applicable Laws, the consent and approval of the Shareholders be and is hereby accorded to complete a private placement at the discretion of the Board of such number of Equity Shares as may be decided by the Board, to certain investors as permitted under Applicable Laws on or prior to the date of the red herring prospectus (“**Pre-IPO Placement**”), at such other price as decided by the Bank, in consultation with the BRLMs, underwriters, placement agents and/or other advisors, determine in light of the then prevailing market conditions in accordance with Applicable Laws and do all such other acts, deeds, matters and things as the Board may from time to time, in their absolute discretion deem fit and including without limitation, negotiate, finalize and execute any document or agreement, including without limitation any private placement offer letters, placement agreement, escrow agreement, term sheet and such other documents or any amendments or supplements thereto and to open any bank account for the purpose if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing. In the event of a Pre-IPO Placement, the size of the Offer would be reduced to the extent of Equity Shares issued under the Pre-IPO Placement.”

“**RESOLVED FURTHER THAT** the Equity Shares so allotted under the Fresh Issue (including any reservation or green shoe option) shall be subject to the memorandum of association and the articles of association of the Bank and shall rank *pari passu* in all respects with the existing Equity Shares of the Bank including rights in respect of dividend.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions and any issue, transfer and allotment of Equity Shares pursuant to the Offer, the Board and such other persons as may be authorised by the Board or a committee constituted by the Board in consultation with the BRLMs, be and is hereby authorised to determine the terms of the Offer including the class of investors to whom the Equity Shares are to be allotted or transferred, the number of Equity Shares to be allotted or transferred in each tranche, offer price, premium amount, discount (as allowed under Applicable Laws), Reservations, listing on one or more Stock Exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things in relation to the Offer including appointment of the intermediaries, opening escrow account, finalising the basis of allotment of the Equity Shares, and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the offering, Offer, transfer and allotment of the Equity Shares, and utilization of the Fresh Issue proceeds, if applicable and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or

additions as regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank and the Offer, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board pursuant to these resolutions may be exercised by the Board or such committee thereof as the Board may constitute in its behalf."

"RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the Managing Director & CEO, the Company Secretary, the Chief Financial Officer, the Chief Compliance Officer of the Bank and the Company Secretary and Compliance Officer of the Bank be and are hereby severally authorised to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Bank in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Bank, as the case may be."

"RESOLVED FURTHER THAT the Managing Director & CEO, the Chief Financial Officer, the Chief Compliance Officer and the Company Secretary & Compliance Officer is authorised to certify the true copy of the aforesaid resolutions."

ITEM No. 5:

INCREASE IN NRI AND OCI LIMITS, AS REQUIRED.

To consider and if thought fit to pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and the Consolidated FDI Policy Circular of 2020, as amended, the Companies Act, 2013, as amended, and the rules and regulations notified thereunder (collectively referred to as the "**Companies Act**") and subject to all applicable approvals and permissions of the Reserve Bank of India ("**RBI**"), the Ministry of Finance, the Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions which may be agreed to by the board of directors of the Bank ("**Board**"), the limit of investment by Non-resident Indians ("**NRIs**") and Overseas Citizens of India ("**OCIs**") in the equity shares of the Bank, including, without limitation, by subscription in the initial public offering in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or direct purchase or acquisition from the open market or otherwise the approval of the shareholders of the Bank be and is hereby granted that, to increase the limit of NRI & OCI from 10% to 24% of the paid-up equity share capital of the Bank, provided however that the shareholding of each NRI or OCI in the Bank shall not be equal to or exceed 5% of the equity share capital or such other limit as may be stipulated by RBI in each case, from time to time."

RESOLVED FURTHER THAT, the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary & Compliance Officer of the Bank be and are hereby severally authorised to do all such acts, things and deeds on behalf of the Bank and make such filings / application with the regulatory authorities, including RBI, to effectively implement the said resolution.

RESOLVED FURTHER THAT, Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary & Compliance Officer of the Bank be and are hereby severally authorised to certify the true copy of the aforesaid resolutions.”

Date: March 02, 2021

Place: Mumbai

By Order of the Board
for Utkarsh Small Finance Bank Limited

Type text here


Nutan Anand Rane
Company Secretary



Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

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EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

TO APPOINT, MR. NAGESH DINKAR PINGE (DIN: 0062900) AS INDEPENDENT DIRECTOR OF THE BANK

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Nagesh Dinkar Pinge as an Additional Director (Independent Category) from July 20, 2020, under Section 161 of the Companies Act, 2013.

The Nomination and Remuneration Committee ('NRC') had assessed the profile of Mr. Nagesh Pinge and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks dated May 23, 2011, recommended his appointment as an Additional Director (in Independent Category) to the Board of Directors at its Meeting held 20th July, 2020.

In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the NRC, reviewed the profile of Mr. Nagesh Dinkar Pinge and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfils the criteria of independence and is independent of the management. In the opinion of the Board, Mr. Nagesh Dinkar Pinge meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

Considering his vast expertise and knowledge in the field of in the fields of accountancy and law, it would be in the interest of the Bank that Mr. Nagesh Dinkar Pinge is appointed as Independent Director on the Board of the Bank.

Mr. Nagesh Dinkar Pinge's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

In view of the above provisions, and as per the terms and conditions of appointment of Mr. Nagesh Dinkar Pinge, the proposal for the appointment of Mr. Nagesh Dinkar Pinge as Independent Director, for a period of five (5) years from the date of his appointment by the Board, has been put up for the approval of shareholders.

Mr. Nagesh Pinge, aged 61 years, is a Chartered Accountant, a Law Graduate from New Law College, University of Mumbai and B. Com (Hons.) from R A Podar College of Commerce & Economics, University of Mumbai and has also completed Executive Education Program from Stephen M Ross School of Business from University of Michigan - USA. He has an overall rich professional experience of more than three decades across Financial Institutions, Banks, Manufacturing and retail organizations. For over more than two decades he has played a key role in strengthening internal audit function across banking and manufacturing entities, including 8 years with ICICI Ltd/ICICI Bank Ltd, where he held the designations of Chief Internal Auditor, Chief Risk Officer and Chief Compliance Officer. He has worked with many organizations of repute. He retired from Tata Motors in November 2016 as "Chief-Internal Audit, Risk Management & Ethics". Prior to that he was Chief - Internal Audit of Reliance Retail Ltd & JSW Steel Ltd. He has also worked for ICICI Bank & its Group Companies in Risk Management (Chief Risk Officer), Regulatory Compliance and Internal Audit (Group Head-Internal Audit).

Mr. Nagesh Dinkar Pinge has sectoral experience in Accountancy and Law as per the requirements of Banking Regulation Act, 1949 and has been found suitable for appointment in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

The Bank has also received from Mr. Nagesh Dinkar Pinge (taken at the time of appointment on the Board): -

- (i) the consent in writing to act as Director and
- (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013

Mr. Nagesh Dinkar Pinge, being proposed as Independent Director, is not liable to retire by rotation and is eligible for payment of sitting fees for attending the meetings of the Board and its Committees.

Except, Mr. Nagesh Dinkar Pinge, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.1 of the Notice

Accordingly, your Directors recommend the Resolution No.1, for the approval of the shareholders, the appointment of Mr. Nagesh Dinkar Pinge as Independent Director of the Bank, for a period of five (5) years from 20th July, 2020 till 19th July, 2025 by way of Ordinary Resolution.

Item No. 2

TO APPOINT, MR. AJAY KUMAR KAPUR (DIN: 00108420) AS INDEPENDENT DIRECTOR OF THE BANK

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Ajay Kumar Kapur as an Additional Director (Independent Category) from March 2, 2021, under Section 161 of the Companies Act, 2013.

The Nomination and Remuneration Committee ('NRC') had assessed the profile of Mr. Ajay Kumar Kapur and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks dated May 23, 2011, recommended his appointment as

an Additional Director (in Independent Category) to the Board of Directors through circular resolution dated March 2, 2021.

In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the NRC, reviewed the profile of Mr. Ajay Kumar Kapur and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfils the criteria of independence and is independent of the management. In the opinion of the Board, Mr. Ajay Kumar Kapur meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

Considering his vast expertise and knowledge in the field of in the fields of Banking and Finance, it would be in the interest of the Bank that Mr. Ajay Kumar Kapur be appointed as Independent Director on the Board of the Bank.

Mr. Ajay Kumar Kapurs' appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

In view of the above provisions, and as per the terms and conditions of appointment of Mr. Ajay Kumar Kapur, the proposal for the appointment of Mr. Ajay Kumar Kapur as Independent Director, for a period of five (5) years from the date of his appointment by the Board, has been put up for the approval of shareholders.

Mr. Ajay Kumar Kapur is a graduate in Industrial Engineering from IIT, Roorkee with over 35 years of experience in the field of engineering, development banking and venture capital, working at various levels including project lending, bills discounting, factoring, new financial products, IT strategies, etc.

Starting his career in 1980 with erstwhile Punjab Tractors Ltd. as Industrial Engineer in the company's Harvester Combine Unit near Chandigarh, he was involved in development of prototype of India's first indigenous forklift truck.

Mr. Kapur switched to development banking when he joined IDBI in 1985 and gained experience in project financing in engineering, textiles, hospitality and other industries.

He has worked with SIDBI in various capacities since its establishment in 1990 in diverse areas such as credit operations, factoring, receivable finance, energy efficiency, business process reengineering, HR, etc.

Mr. Kapur also served as Chief Executive Officer of SIDBI Venture Capital (SVCL) from 2004 to 2009 during which period the company matured into an established VC player.

Prior to his appointment as DMD, Mr. Kapur was Chief General Manager responsible for corporate planning, strategic initiatives, associate institutions, new product development and business process engineering etc. He has also been associated with initiating several new initiatives taken by the bank in recent times including establishment of MUDRA, Funds of Funds for Startups, India Aspiration Fund, SMILE product for MSME contributing to Make in India and launch of mobile based operations for SIDBI clients.

He has also been Director at SIDBI Trustee Company Limited, SIDBI Venture Capital Limited (SVCL), Micro Units Development & Refinance Agency Limited (MUDRA), India SME Technology Services Limited and Receivables Exchange of India Limited.

The Bank has also received from Mr. Ajay Kumar Kapur (taken at the time of appointment on the Board): -

- (i) the consent in writing to act as Director and
- (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013

Mr. Ajay Kumar Kapur, being proposed as Independent Director, is not liable to retire by rotation and is eligible for payment of sitting fees for attending the meetings of the Board and its Committees.

Except, Mr. Ajay Kumar Kapur, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.2 of the Notice

Accordingly, your Directors recommend the Resolution No.2, for the approval of the shareholders, the appointment of Mr. Ajay Kumar Kapur as Independent Director of the Bank, for a period of five (5) years from March 02, 2021 till March 01, 2026 by way of Ordinary Resolution.

Item No. 3

TO APPOINT, MR. MURALIDHARAN RAJAMANI (DIN: 016903963) AS NON EXECUTIVE AND NON INDEPENDENT DIRECTOR OF THE BANK

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Muralidharan Rajamani as an Additional Director (Non-Executive and Non-Independent Category) DIN 01690363 from March 02, 2021 under Section 161 of the Companies Act, 2013.

The Nomination and Remuneration Committee ('NRC') had assessed the profile of Mr. Muralidharan Rajamani and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, recommended his appointment as an Additional Director (in Non-Executive and Non-Independent Category) to the Board of Directors vide Circular Resolution dated March 02, 2021.

In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the NRC, reviewed the profile of Mr. Muralidharan Rajamani and meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Non-Executive and Non-Independent Director.

Considering his vast expertise and knowledge in the field of Banking and Finance, it would be in the interest of the Bank that Mr. Muralidharan Rajamani is appointed as an Independent Director on the Board of the Bank.

Mr. Muralidharan Rajamani's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

Mr. Muralidharan has over 35 years of experience in the Banking Financial Services and Insurance Sector. Over the last decade, he has held CEO/COO / Top Leadership positions across institutions such as ICICI Bank, Dhanlaxmi Bank and L&T Financial Services. Presently, he is serving as Practice Head- Leadership Development at the Leadership Centre (www.leadershipcentre.in). He also mentors two Tech start-ups one in Delhi, India and another in the Silicon Valley. He does pro-bono

work with organizations that provide opportunities and better environment for People with Disabilities.

He has had long tenures with the country's largest Public and Private Sector Banks - State Bank of India (9 years) and ICICI Bank (13 years). His wide experience spans Corporate Banking, Retail Banking, Branch and Digital Channels, Strategy, Technology, Operations and Transformational Projects in Customer Experience some of which were industry-first initiatives. At ICICI Bank, he was a part of the team that set up the Bank in 1994 and went on to become General Manager – Global Operations Group. His transformational work in Dhanlaxmi Bank where he was the President and Chief Operating Officer won him The Asian Banker Award in 2012.

He retired as the Group Head at L&T Financial Services (Financial Services arm of the Engineering Giant Larsen & Toubro) where he led the Operations, Technology, Credit Mid office and Corporate Social Responsibility across the entire spectrum of Infrastructure and Project Finance, Retail Lending and Rural Finance, Asset Management, Wealth Management and Insurance businesses. Mr. Muralidharan was the member of the Group Executive Council, the Apex Body of the group.

Mr. Muralidharan Rajamani has sectoral experience in Banking and Finance as per the requirements of Banking Regulation Act, 1949 and has been found suitable for appointment.

Pursuant to compliance of Section 152 (6) of the Companies Act, 2013, currently the Board of the Bank has Ms. Anita Ramachandran (the nominee director of Utkarsh CoreInvest Limited) as Non-Executive Non Independent Director liable to retire by rotation. Considering the requirement of 2/3rd of the eligible directors of the Board to be liable to retire by rotation i.e. excluding Independent Directors and Nominee Director appointed by financial institution (SIDBI) wherein the said Nominee Director's appointment is not eligible to be considered to be liable to retire by rotation, the Bank hereby considers the office of Mr. Muralidharan Rajamani to be liable to retire by rotation.

The payment of sitting fees to the Non-Executive Directors of the Bank will be at the discretion of the Board and subject to relevant provisions of the Companies Act, 2013.

The Bank has also received from Mr. Muralidharan Rajamani: - (at the time of appointment of Additional Director in the Board)

- (i) the consent in writing to act as Director and
- (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013

Mr. Muralidharan Rajamani, being proposed as Non-Executive and Non-Independent Director, is liable to retire by rotation and is eligible for payment of sitting fees for attending the meetings of the Board and its Committees.

Except, Mr. Muralidharan Rajamani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.3 of the Notice

Accordingly, your Directors recommend the Resolution No.3, for the approval of the shareholders, the appointment of Mr. Muralidharan Rajamani as Non-Executive and Non-Independent Director of the Bank by way of Ordinary Resolution.

Item No.4

APPROVAL OF THE INITIAL PUBLIC OFFER OF EQUITY SHARES, ANY DISCOUNT AND RESERVATION CONTEMPLATED IN THE OFFER

As per the Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014 ("**SFB Guidelines**"), issued by the Reserve Bank of India ("**RBI**") and the license issued to the Bank by the RBI pursuant to its letter bearing no. DBR.NBD.(SFB-UMFL) No. 5993/16.13.216/2016-17 dated November 25, 2016 ("**RBI Letter**"), the Bank is required to list its equity shares on a recognised stock exchange/s within three years of its net worth crossing ₹500 crores, i.e., by June 17, 2021.

Additionally, as per the provisions of the RBI Letter read with the SFB Guidelines, our Promoter, Utkarsh CoreInvest Limited's ("**UCL**") shareholding in our Bank, is required to be reduced to 40% on completion of 5 years of commencement of banking operations by the SFB i.e. by January 22, 2022.

In light of the above, the Bank intends to undertake the Initial Public Offer (including offer for sale by UCL) at an opportune time in consultation with the book running lead managers appointed for the Offer and subject to applicable regulatory and other approvals, to the extent necessary.

Accordingly, the Bank proposes to create, offer and issue fresh equity shares of the Bank of face value Rs.10 (the "Equity Shares") each up to an aggregate amount not exceeding Rs.7,500 million (included Pre – IPO component), in the course of an initial public offering ("IPO") on such terms, in such manner, at such time and at such price or prices and as may be discovered in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, foreign portfolio investors and/ or eligible employees, as permitted under the SEBI ICDR Regulations and other applicable laws. Further, the Board may also invite the existing members of the Bank to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with SEBI ICDR Regulations, as the Board may determine. The equity shares allotted shall rank in all respects pari passu with the existing equity shares of the Bank. Material information pertaining to the IPO is as follows:

(i) Issue Price: The price at which the equity shares will be allotted through the IPO shall be determined and finalized by the Bank (and the Selling Shareholders, if relevant) in consultation with the book running lead manager(s) (BRLMs) in accordance with the SEBI ICDR Regulations, on the basis of the book building process.

(ii) The object(s) of the issue are: The proceeds of the IPO are to be utilized for the purposes that shall be disclosed in the Draft Red Herring Prospectus to be filed with the Securities and Exchange Board of India and the stock exchanges in connection with the IPO. The Board, or any committee thereof has the authority to modify the above objects on the basis of the requirements of the Bank.

(iii) Intention of Promoters/Directors/Key managerial personnel to subscribe to the offer: The Bank has not made and will not make an offer of equity shares to any of the promoters, directors or key managerial personnel. However, the directors or the key managerial personnel may apply for the equity shares in the various categories under an IPO in accordance with the SEBI ICDR Regulations including the Utkarsh Employee Stock Option Plan 2020 (Scheme I) as approved by the Shareholders on December 28, 2020.

(iv) Whether a change in control is intended or expected: No change in control of the Bank or its management is intended or expected pursuant to the IPO.

The Board recommends the resolution for your approval. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, 2013, SEBI ICDR Regulations, any other law or if recommended by various advisors to the Bank in connection with the IPO, the Board will make necessary amendments.

All the Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) may be deemed to be concerned or interested in the proposed resolution to the extent shares may be subscribed for and allotted in their names.

Item No 5

INCREASE IN NRI AND OCI LIMITS, AS REQUIRED.

As per the Consolidated Foreign Direct Investment Policy Circular of 2020 ("Consolidated FDI Policy"), the permissible limit under portfolio investment schemes through exchanges/any other manner for NRIs is restricted to 10 percent of the paid up capital of the Bank and the same can be raised to 24 percent of the total paid up capital of the Bank through a resolution by the Board of the Bank followed by a special resolution to that effect by the General Meeting provided the aggregate holding of non-resident investors shall not exceed 74 % of the paid up capital of the Bank or such other limit as may be stipulated by Reserve Bank of India, from time to time.

As part of the Bank's capital augmentation plans & regulatory requirements, the Board of Directors of the Bank have considered to go for Initial Public Offering (IPO) of shares with listing on the Stock Exchange. In this context, the Board of Directors considers it appropriate that necessary approval of the shareholders by way of special resolution be obtained in the general meeting for acquiring the shares of the Bank by Non-Resident Indians (NRIs) by way of purchase or acquisition on the recognized stock exchange or in any other manner including investment under the Portfolio Investment Scheme (PIS), subject to the conditions that the aggregate holding of the NRIs shall not exceed 24% of the paid up equity share capital of the Bank or such other limit prescribed by Reserve Bank of India, from time to time. Hence, the special resolution is proposed which is commended for approval by the members.

No Directors or any of the Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 5.

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



**Nutan Anand Rane
Company Secretary**

**Date: March 02, 2021
Place: Mumbai**

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 AND GENERAL CIRCULAR NO.39/2020 F.NO.2/6/2020-CL-V DATED DECEMBER 31, 2020 to transact the first business of the urgent nature. The meeting will be convened over Bluejeans Video Conferencing (VC) platform vide Meeting ID: [https://bluejeans.com/: /504426719/3563/](https://bluejeans.com/:/504426719/3563/)
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 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 to start the meeting, i.e. from 12.15 P.M 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.
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: March 02, 2021
Place: Mumbai