



NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH (18TH) EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF UTKARSH SMALL FINANCE BANK LIMITED ("USFBL" OR THE "BANK") IS SCHEDULED TO BE HELD ON TUESDAY, JULY 19, 2022 AT 4:00P.M. (IST) THROUGH VIDEO CONFRENCING AT (MICROSOFT TEAMS MEETING IS : 49725435980) [TO BE INITIATED FROM REGISTERED OFFICE UTKARSH TOWER, NH - 31 (AIRPORT ROAD), SEHMALPUR, KAZI SARAI, HARHUA, VARANASI, UTTAR PRADESH, PIN - 221105] TO INTER ALIA, CONSIDER AND TRANSACT FOLLOWING SPECIAL BUSINESSES:

Special Businesses:

Item No. 1:

Approval required for super majority items specified under the Articles of Association

"RESOLVED THAT pursuant to sub-clauses (i) to (xix) of clause 32.3(b) under Part B of the Articles of Association (AOA) adopted by the Bank and subject to the receipt of the requisite approvals, market conditions and certain other considerations, to undertake an initial public offer (IPO) of the securities of the Bank through fresh issue of equity shares by refiling of fresh Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI), the consent and approval of the Shareholders be and is hereby accorded to undertake super majority items as given below:

- (i) Any alteration in the capital structure of the Company in relation to the IPO and / or pre IPO placement by the Bank.
- (v) Authorising or undertake any Listing of the Equity Shares of the Company and appointment of the Appointed Banker(s).
- (viii) Changes in the terms of the existing employee stock option scheme or plan of the Company to align the plan/scheme in with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (xix) Enter into any binding agreement to take any of the actions mentioned above in relation to the IPO.

"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."



Registered & Corporate Office:

Utkarsh Tower, NH - 31 (Airport Road) Sehmalspur, Kazi Sarai, Harhua Varanasi - Uttar Pradesh 221105
CIN: U65992UP2016PLC082804 | Tel.: 0542-6605555 | Website: www.utkarsh.bank



Item No. 2:

Adoption of revised USFBL MD & CEO Employee Stock Option Plan 2020

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

“RESOLVED THAT pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and all other applicable provisions of the Companies Act, 2013, to the extent notified, including any statutory modification or re-enactment thereof, for the time being in force and subject to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI SBEB & SE Regulations”**) for the time being in force and as may be modified from time to time, and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Law”**) and subject to all applicable approvals and permissions of regulatory authorities, including Reserve Bank of India, as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Bank (hereinafter referred to as the **“Board”**, which term shall include a committee constituted by the Board to exercise its powers including the powers conferred by this resolution), [the USFBL MD & CEO Employee Stock Option Plan 2020] has been amended to ensure compliance with the SEBI SBEB & SE Regulations.

“RESOLVED FURTHER THAT to give effect to the above resolutions Managing Director & CEO, the Chief Financial Officer, the Chief Compliance Officer and the Company Secretary & Compliance Officer be and are hereby jointly and severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary.”

“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. 3:

Adoption of revised [USFBL Employee Stock Option Plan 2020] and USFBL Employee Stock Option Plan 2020 Scheme1

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

“RESOLVED THAT pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and all other applicable provisions of the Companies Act, 2013, to the extent notified, including any statutory modification or re-enactment thereof, for the time being in force and subject to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI SBEB & SE Regulations”**) for the time being in force and as may be modified from time to time, and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Law”**) and subject to all applicable approvals and permissions of regulatory authorities, including Reserve Bank of India, as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Bank (hereinafter referred to as the **“Board”**, which term shall include a committee constituted by the Board to exercise its powers including the powers conferred by this resolution), [the **USFBL Employee Stock Option Plan 2020 and USFBL Employee Stock Option Plan 2020 Scheme1**] has been amended to ensure compliance with the SEBI SBEB & SE Regulations.

“RESOLVED FURTHER THAT to give effect to the above resolutions Managing Director & CEO, the Chief Financial Officer, the Chief Compliance Officer and the Company Secretary & Compliance Officer be and are hereby jointly and severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary.”

“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 4

Approval of the initial public offer of equity shares, discount, if any and reservation contemplated in the offer

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

"RESOLVED THAT in accordance with 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 (**"DPIIT"**), 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 shareholders (which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the shareholders including the powers conferred by this resolution), the consent and approval of the shareholders be and is hereby accorded to create, issue 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 ₹ 5,00,00,00,000 [Rupees Five Hundred Crore Only] (the **"Issue"**) (with an option to the Bank to retain an over-subscription to the extent of 1% of the net Issue (*not including any Reservation*) 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) 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 shareholders may, 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 Issue 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 Issue 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 the Equity Shares issued pursuant to the Issue shall be listed on one or more recognized stock exchanges in India"

"RESOLVED FURTHER THAT the Board and such other persons as may be authorised by the Board be and is hereby authorised on behalf of the Bank to make available for allocation 1% of the estimated Issue size to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees ("**Reservation**") or to provide a discount to the Issue 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 in accordance with the provisions of Section 23, Section 42, Section 62(1)(c) and any other applicable provisions, if any, of the Companies Act, the SEBI ICDR Regulations and other applicable laws, regulations, policies or guidelines, and subject to such further corporate and other approvals as may be required, the Board be and is hereby authorized, on behalf of the Bank, to allot such number of securities as may be decided by it, to certain Investors prior to filing of the red herring prospectus with SEBI ("**Pre-IPO Placement**"), at such price as the Board may, in consultation with the BRLMs, underwriters, placement agent(s) and/or other advisor(s) appointed for the Issue, determine in light of the then prevailing market conditions, and do all such other acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion deem fit and including, without limitation, negotiating, finalising and executing any document or agreement, including without limitation any private placement offer letters, placement 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 and incidental to the Pre-IPO Placement and to settle any question, difficulty, or doubt that may arise with regard thereto. In the event of consummation of the Pre-IPO Placement, the size of the Issue 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 and allotment of Equity Shares pursuant to the Issue, 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 Issue including the class of investors to whom the Equity Shares are to be allotted, issue 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 Issue 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 Issue and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the Issue 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 Issue 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 Issue, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the shareholders pursuant to these resolutions may be exercised by the shareholders thereof as the shareholders may constitute in its behalf.”

“RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, Managing Director & CEO, the Chief Financial Officer, the Chief Compliance Officer and the Company Secretary & Compliance Officer 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 Issue; 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.”





Utkarsh Small Finance Bank

"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."

For Utkarsh Small Finance Bank Limited



A handwritten signature in blue ink, appearing to read "Muthiah Ganapathy".

**Muthiah Ganapathy
Company Secretary**

**Place: Mumbai
Date : July 15, 2022**



NOTES: -

1. In view of the continuing COVID-19 pandemic, and the consequent restrictions and requirements like social distancing the Ministry of Corporate Affairs ("MCA") vide General Circular No. 14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, Circular No. 28/2020 dated August 17, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and General Circular No.03/2022 dated May 05, 2022 has allowed Companies to hold their General Meeting ("GM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") during the calendar year 2022. In terms of the said circular read with the applicable provisions of the Companies Act, 2013, the EGM of the Company will be held through VC or OAVM and the members can attend and participate in the EGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM Facility is mentioned hereunder in this notice. The deemed venue for the aforesaid EGM shall be the Registered Office of the Company.
2. In view of the continuing COVID-19 pandemic and in line with the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 F. NO. 2/6/2020-CL-V and SEBI Circulars issued in this regard, the Notice calling the EGM has been uploaded on the website of the Bank at <https://www.utkarsh.bank>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com.

EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circular issued in this respect so far. The AGM will be convened over Microsoft Teams Video Conferencing platform vide Meeting ID.: **472 487 250 786**. Alternatively the Members can click on the link to join the meeting [Click here to join the meeting](#).
3. In case any member faces any difficulty in joining the meeting, please reach out to Mr. Muthiah Ganapathy at muthiah.ganapathy@utkarsh.bank or on his contact number +91 9702244762.
4. Please note that the proceedings at the meeting held through VC will be recorded for future record and audit purposes and for disclosure of the same on the website of the Bank.
5. The Notice is being electronically sent to all the members of the Bank, whose names appear on the Register of Members/List of Beneficial Owners, as received from National Security Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL).
6. The Members can join the EGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM without restriction on account of first come first served basis.





7. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Since the EGM will be held through VC, there would be no requirement of appointing proxy in accordance with the MCA circular. Accordingly, appointment of proxies by the members will not be applicable and hence Proxy Form and Attendance Slip are not annexed to the Notice. However, the Body Corporate members are entitled to appoint authorised representatives and are requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend and vote at the EGM, pursuant to Section 113 of the Companies Act, 2013.
9. The resolutions as set out in this Notice are being conducted through 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 e-voting system.
10. With a view to using natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, bank details covering name of the bank and branch details, bank account number, MICR code, IFSC code, etc. with their depository participants to enable the Bank to send all the communications electronically including Annual Report, Notices, Circulars, etc.
11. The physical copies of the documents will also be available at the Bank's registered office with the Secretarial department for inspection during the normal business hours between 10:00 AM and 5:00 PM on working days up to the date of the EGM. Members having any queries, may please write to us at secretarial.usfb@utkarsh.bank/muthiah.ganapathy@utkarsh.bank
12. Since the EGM will be held through VC/OAVM, hence, the route map is not attached to this Notice.
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.





EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1

The Bank had filed a draft red herring prospectus (DRHP) dated March 04, 2021 with Securities and Exchange Board of India ('SEBI') and received the final observations from SEBI on June 07, 2021. However, the IPO could not be concluded till date due to non-conducive market conditions. The validity of the said final observations expired on June 06, 2022. It is now proposed by the Bank, subject to receipt of the requisite approvals, market conditions and certain other considerations, to undertake an initial public offering of its equity shares (IPO) to eligible investors, through fresh issue of equity shares and to refile a fresh DRHP with SEBI in July 2022. The IPO is proposed to be undertaken by way of fresh issuance of Equity Shares by the Bank ("**Fresh Issue**") [for cash either at par or premium such that the amount being raised pursuant to the fresh issue aggregates up to ₹500 crores]. It is pertinent to mention that in accordance with Schedule XVI of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, subject to market conditions and other relevant factors, the Bank may increase or decrease the size of the Fresh Issue by 20%.

The Bank therefore request its shareholders to provide their consent for the super majority items as given in the resolution above in connection with the refiling the DRHP and IPO.

Consent of the Shareholders is being sought by way of special resolution pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable laws from time to time.

None of the other Directors, Key Managerial Personnel and their relatives, except Mr. Govind Singh, are concerned or interested in the proposed resolution.

Item No.2

The Shareholders of the at the Extraordinary General Meeting held on January 12, 2020 had adopted the USFBL MD & CEO Employee Stock Option Plan 2020 ("**MD & CEO ESOP Plan**") which was in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"). SEBI has now notified the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**") and repealed the SEBI SBEB Regulations.

Accordingly, to ensure compliance with the requirements of the SEBI SBEB & SE Regulations, it is proposed to make amendments to the existing MD & CEO ESOP Plan (**Annexure I**)

The Nomination & Remuneration Committee and the Board of Directors have recommended to the Members of the Bank. Consent of the Shareholders is being sought by way of special resolution pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable laws from time to time. None of the other Directors, Key Managerial Personnel and their relatives, except Mr. Govind Singh, are concerned or interested in the proposed resolution.





Item No. 3

The Shareholders of the at the Extraordinary General Meeting held on January 12, 2020 had adopted the **USFBL Employee Stock Option Plan 2020** and **USFBL Employee Stock Option Plan 2020 Scheme1** which was in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"). SEBI has now notified the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**") and repealed the SEBI SBEB Regulations.

Accordingly, to ensure compliance with the requirements of the SEBI SBEB & SE Regulations, it is proposed to make amendments to the existing USFBL Employee Stock Option Plan 2020 (**Annexure II**) and USFBL Employee Stock Option Plan 2020 Scheme1 (**Annexure III**).

The Nomination & Remuneration Committee and the Board of Directors have recommended to the Members of the Bank. Consent of the Shareholders is being sought by way of special resolution pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable laws from time to time.

None of the other Directors, Key Managerial Personnel and their relatives, except Mr. Govind Singh, are concerned or interested in the proposed resolution.

Item No.4

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. The previous SEBI card of the Bank expired on June 06, 2022 and hence the Bank is refiling a fresh DRHP with SEBI seeking its approval for the IPO.

In light of the above, the Bank intends to undertake the Initial Public Offer by way of a fresh issue 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 5,00,00,00,000 (Rupees Five Hundred crore only), 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. 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 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 and applicable law.

(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.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary

Place: Mumbai

Date : July 15, 2022





SUMMARY OF CHANGES IN ESOP PLANS

Summary with Rationale for – USFBL MD & CEO Employee Stock Option Plan 2020

Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
1.	Clause 2	s- 24/1-2, 1st Floor, Mahavir Nagar, Orderly Bazaar, Varanasi, Uttar Pradesh, India 221002,	Utkarsh Tower, NH – 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi - 221105, Uttar Pradesh	Registered office of the Bank has changed and same has been notified to ROC and RBI.
2.	3.9	Section 178 of the Companies Act, 2013	Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	For listed companies, the Committees have to be constituted in accordance with LODR Regulations.
3.	3.13	3.13 "Employee" means a Key Management Personnel who has been working in India or outside India and who is subject to control and direction of the Company with respect to work to be performed, manner and method of performance; or a) a director of the Company, whether a whole-time director or not, but excluding an Independent Director 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	3.13 " <u>Employee</u> " means a Key Management Personnel who has been working in India or outside India and who is subject to control and direction of the Company with respect to work to be performed, manner and method of performance; or a) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director ⁸ but does not include- (i) an	Amended in accordance with explanation to Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 2(1)(f) of the SEBI Regulations



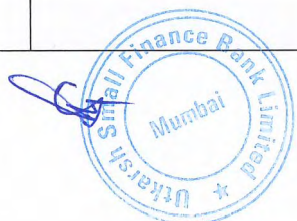


Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
		through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;	employee who is a Promoter or a person belonging to the Promoter Group; or (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 equity shares of the Company;	
4.	3.20	3.20 "Grant Date" means the date on which the grant of Options are approved and granted to the Participant by the Board/Committee/ Company under the Plan;	3.22 "Grant Date" means the date on which the Grant is approved by the Committee ; Explanation, —For accounting purposes, the grant date will be determined in accordance with applicable accounting standards	To comply with Regulation 2(1)(q) of the SEBI Regulations
5.	3.36	"SEBI Regulations" refers to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time;	"SEBI Regulations" refers to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time;	In accordance with Regulation 1 of the SEBI Regulations
6.	3.41	"Trustee" means trustee as defined under the SEBI SBEB Regulations	"Trustee" means trustee as defined under the SEBI Regulations	Amended in accordance with SBEB Regulations, 2021
7.	5.1	This Plan shall be administered by the Committee which may delegate its duties and powers in whole or in part as it may determine to the Trust. The Committee is authorized to interpret the Plan, to establish, amend	This Plan shall be administered by the Committee which may delegate its duties and powers in whole or in part as it may determine to the Trust. Provided that if the Plan is to be implemented through a	For listed companies, the Committees have to be constituted in accordance with LODR Regulations.





Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
		<p>and rescind any rules and regulations relating to the Plan, in accordance with the Applicable Law, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan and take any action which the Committee is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan. No member of the Committee may act upon matters under the Plan specifically relating to such member.</p>	<p>Trust, the same has to be decided upfront at the time of taking approval of the shareholders for setting up the Plan. Provided further that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Plan subject to the condition that a fresh approval of the shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the employees. Provided further that if the Plan involves secondary acquisition or gift or both, then it shall be mandatory for the Company to implement such Plan through a Trust. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, in accordance with the Applicable Law, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems</p>	



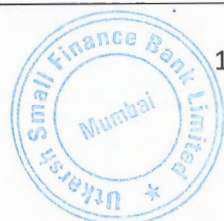


Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
			necessary or desirable and to resolve any difficulty in relation to implementation of the Plan and take any action which the Committee is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan. No member of the Committee may act upon matters under the Plan specifically relating to such member.	
8.	5.4(k)	To frame the modalities of the buy-back of shares from employees to provide liquidity, subject to Applicable Laws.	To frame the modalities of the buy-back of shares from employees to provide liquidity, subject to Applicable Laws. Frame the procedure for buy-back of Shares, if to be undertaken at any time by the Company, and the applicable terms and conditions, including: (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and (iii) limits upon quantum of specified securities that the Company may buy-back in a financial year;	Amended in accordance with Schedule I Part B Point k of the SBEB Regulations, 2021
9.	9.1	Subject to Clause 11, 50% of Options granted shall	Subject to Clause 11, 50% of Options granted	Amended in accordance



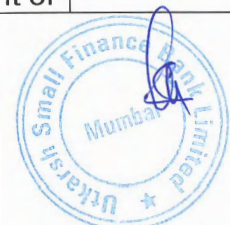


Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
		vest on first anniversary from Grant Date and balance 50% of Options granted on second anniversary from Grant date	shall vest on the end of one year from Grant Date and balance 50% of Options granted on the end of two years from Grant date. A Provided further that in the event of death or Permanent Disability of an Employee, the minimum vesting period of one year shall not be applicable.	with Regulation 18 of the SBEB Regulations, 2021
10.	11.1	In the event of death of a Participant while in employment with the Company, all the Options granted to him till such date and lying Unvested shall Vest in the Beneficiary of the deceased Participant. Notwithstanding anything contained in Clause 10.3 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 10 above within 4 years from the date of Vesting or before the expiry of the Exercise Period, whichever is earlier unless the Board/Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.3 above shall stand automatically terminated without surviving any right/ liability for any party.	In the event of death of a Participant while in employment with the Company, all the Options granted to him till his death and lying Unvested shall Vest in the Beneficiary of the deceased Participant with effect from the date of his/her death . Notwithstanding anything contained in Clause 10.3 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 10 above within 4 years from the date of Vesting or before the expiry of the Exercise Period, whichever is earlier unless the Board/Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.3 above shall stand automatically terminated without surviving any	In accordance with Rule 12(8)(d) of the Companies (Share Capital and Debentures) Rules 2014 and Regulation 9(4) of the SEBI Regulations





Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
			right/ liability for any party.	
11.	11.2	In case the Employee suffers a permanent incapacity while in employment, all the Options granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him on that day subject to Clause 10 above. Subject to Clause 10.5 and Clause 10.11 above, all the Vested Options shall be permitted to be exercised in accordance with Clause 10 above within 4 years from the date of termination or before the expiry of the Exercise Period, whichever is earlier unless the Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.3 above shall stand automatically terminated without surviving any right/ liability for any party.	In case the Employee suffers a permanent incapacity while in employment, all the Options granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him on that day . Subject to Clauses above, all the Vested Options shall be permitted to be exercised in accordance with Clause 10 above within 4 years from the date of Vesting or before the expiry of the Exercise Period, whichever is earlier unless the Committee decides otherwise. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 8.3 above shall stand automatically terminated without surviving any right/ liability for any party.	To comply with Rule 12(8)(e) of the Companies (Share Capital and Debentures) Rules 2014 and Regulation 9(5) of the SEBI Regulations
12.	11.6	-	In the event that a Participant who has been granted Options under the Notified Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of	Added in accordance with Regulation 9 Clause (8) of the SBEB Regulations, 2021





Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
			Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Participant.	
13.	21.3	The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 as applicable	The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 as applicable and as set forth under the provisions of the SEBI Regulations.	To comply with Regulation 15 of the SEBI Regulations
14.	22.3	Provided that no variation, alteration, addition or amendment to the Plan can be made if it is detrimental to the interests of the Grantee/ Participant/ Beneficiary and the approval of the shareholders, in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements	Provided that no variation, alteration, addition or amendment to the Plan can be made if it is detrimental to the interests of the Grantee/ Participant/ Beneficiary and the approval of the shareholders, by way of special resolution, in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements	To comply with Regulation 7(1) of the SEBI Regulations
15.	22.6	-	Notwithstanding Clauses 24.1 to 24.4 above, the Company shall be entitled to vary the terms of the Schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.	Added in accordance with Regulation 7 Clause (2) of the SBEB Regulations, 2021



USFBL Employee Stock Option Plan 2020

Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
	Clause 2	S- 24/1-2, 1st Floor, Mahavir Nagar, Orderly Bazaar, Varanasi, Uttar Pradesh, India 221002,	Utkarsh Tower, NH – 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi - 221105, Uttar Pradesh	Registered office of the Bank has changed and same has been notified to ROC and RBI.
	3.10	Section 178 of the Companies Act, 2013	Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	For listed companies, the Committees have to be constituted in accordance with LODR Regulations
	3.14	3.14 "Employee" means a) a permanent employee of the Company who is exclusively working in India or outside India; or b) a director of the Company, whether a whole-time director or not, but excluding an independent director ⁸ or c) an employee as defined in clauses (a) or (b) of a Holding Company of the company; 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	3.14 "Employee" means a) an employee as designated by of the Company who has been is exclusively working in India or outside India; or b) a director of the Company, whether a whole-time director or not including a non- executive director who is not a promoter or member of the promoter group, but excluding an independent director ⁸ or c) an employee as defined in sub- clauses (a) or (b) of a Holding Company of the Company; but does not include- (i) an employee who is a promoter or a person	Amended in accordance with Regulation 2 Clause i of the SBEB Regulations , 2021





Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
		or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company;	belonging to the promoter group; or (ii) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company;	
	3.17	3.17 Participant/Beneficiary should Exercise his right to apply for allotment of Shares against the Vested Option in pursuance of the Plan and Notified Scheme(s);	3.17 Participant/Beneficiary can Exercise his right to apply for allotment of Shares against the Vested Option in pursuance of the Plan and Notified Scheme(s);	Amended in accordance with Regulation 2 Clause m of the SBEB Regulations , 2021
	3.22	3.22 "Grant Date" means the date on which the Options are approved and granted to the Participant by the Committee/ Trust under the relevant Notified Scheme of the Plan;	3.22 "Grant Date" means the date on which the grant of Options Grant is approved by the Committee and Granted to the Participant by the Committee/ Trust under the relevant Notified Scheme of the Plan; Explanation —For accounting purposes, the Grant Date will be determined in accordance with applicable accounting standards;	Amended in accordance with Regulation 2 Clause q of the SBEB Regulations , 2021
	3.27	"Independent Director" shall have the meaning as defined under the Companies Act, 2013 until the Listing and thereafter it shall have same meaning as assigned to it in SEBI Regulations; [SAMCo Note: Deleted, as not used]	This clause is deleted.	Deleted as the term 'independent directors' has not been used in the Plan.
	3.36	3.39 "SEBI Regulations" refers to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as	3.36 "SEBI Regulations" refers to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)	The SBEB Regulations , 2014 has been repealed and SBEB





Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
		amended from time to time as14 along with circulars issued thereunder, including SEBI circular bearing number CIR/CFD/POLICY CELL/2/2015 and dated June 16, 2015, amended from time to time;	Regulations, 2021, as amended from time to time	Regulations , 2021 is the new regulation.
8	6	6.1 This Plan and the Notified Schemes shall be administered by the Committee which may delegate its duties and powers in whole or in part as it may determine to the Trust or designate any other committee of the Company (subject to compliance with Section 178 of the Companies Act, 2013). The Committee is authorized to interpret the Plan and notify Schemes, to establish, amend and rescind any rules and regulations relating to the Plan or any Notified Scheme(s), and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan and any Notified Scheme(s) in accordance with Applicable Law. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan or any Notified Scheme(s) in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan or any Notified Scheme(s) and take any action which the Committee	6.1 This Plan and the Notified Schemes shall be administered by the Committee which may delegate its duties and powers in whole or in part as it may determine to the Trust or designate any other committee of the Company (subject to compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Provided that if the Schemes is to be implemented through a Trust, the same has to be decided upfront at the time of taking approval of the shareholders for setting up the Plan/Schemes. Provided further that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Schemes subject to the condition that a fresh approval of the shareholders by a special resolution is obtained prior to implementing such a change and that such a change is not prejudicial to the interests of the employees. Provided further that if the Schemes involves secondary acquisition or gift or both, then it shall be mandatory for the Company to implement	For listed companies, the Committees have to be constituted in accordance with LODR Regulations .





Sr. No	Change in Clause	Existing	Revised clause	Reason for change
		is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan/Scheme(s). No member of the Committee may act upon matters under the Plan/Scheme(s) specifically relating to such member.	such Schemes through a Trust. The Committee is authorized to interpret the Plan and notify Schemes, to establish, amend and rescind any rules and regulations relating to the Plan or any Notified Scheme(s), and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan and any Notified Scheme(s) in accordance with Applicable Law. The Committee may correct any defect, omission or reconcile any inconsistency in the Plan or any Notified Scheme(s) in the manner and to the extent the Committee deems necessary or desirable and to resolve any difficulty in relation to implementation of the Plan or any Notified Scheme(s) and take any action which the Committee is entitled to take. The acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Plan/Scheme(s). No member of the Committee may act upon matters under the Plan/Scheme(s) specifically relating to such member.	
9	6.4	k) To frame the modalities of the buy-back of Shares from Employees to	k) To frame the modalities of the buy-back of Shares from Employees to	Amended in accordance with





Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
		provide liquidity, subject to Applicable Laws;	provide liquidity, subject to Applicable Laws. Frame the procedure for buy-back of Shares, if to be undertaken at any time by the Company, and the applicable terms and conditions, including: (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and (iii) limits upon quantum of specified securities that the company may buy-back in a financial year;	Schedule I Part B Point k of the SBEB Regulations , 2021
10	7.1	7.1 Subject to Clause 18 below, the maximum number of Shares that may be issued pursuant to Exercise of Options Granted to the Participants under this Plan shall not exceed 6,07,41,778 Shares. Subject to compliance with Applicable Law, the Company reserves the right to increase or reduce such number of Shares as it deems fit.	Subject to Clause 18 below, the maximum number of Shares that may be issued pursuant to Exercise of Options Granted to the Participants under this Plan shall not exceed [6,07,41,778] Shares. Subject to compliance with <u>Applicable Law</u> , the Company reserves the right to increase or reduce such number of Shares as it deems fit.	There is no change to the same
11	10.1	10.1 Subject to Clause 10.4 and Clause 13 below and compliance with the requirement of a minimum vesting period of one year stipulated under the SEBI Regulations, the Unvested Options shall Vest with the Participant in accordance with the Notified Scheme(s) under the Plan.	10.1 Subject to Clause 10.4 and Clause 13 below and compliance with the requirement of a minimum vesting period of one year stipulated under the SEBI Regulations, the Unvested Options shall Vest with the Participant in accordance with the Notified Scheme(s) under the Plan. Provided further that in the event of death or Permanent Disability	Amended in accordance with Regulation 18 of the SBEB Regulations , 2021





Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
			of an Employee, the minimum vesting period of one year shall not be applicable.	
12	13.1	<p>13.1 On death of a Participant In the event of death of a Participant while in employment with the Company, subject to the relevant Notified Scheme(s), all the Options granted to him till such date and lying Unvested shall Vest in the Beneficiary of the deceased Participant on that day. Subject to the relevant Notified Scheme(s) and Clause above, all the Vested Options shall be permitted to be Exercised within 2 years from the date of Vesting or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party.</p>	<p>13.1 On death of a Participant In the event of death of a Participant while in employment with the Company, subject to the relevant Notified Scheme(s), all the Options granted to him till his death and lying Unvested shall Vest in the Beneficiary of the deceased Participant with effect from the date of his/her death,. Subject to the relevant Notified Scheme(s) and Clause above, all the Vested Options shall be permitted to be Exercised within 2 years from the date of Vesting or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/liability for any party.</p>	Amended in accordance with Regulation 9 Clause (4) of the SBEB Regulations , 2021
13	13.2	<p>In case the Employee suffers a permanent incapacity while in employment, subject to the relevant Notified Scheme(s), all the Options Granted to him till such date of permanent incapacitation and lying Unvested, shall Vest in him</p>	<p>13.2 On Permanent disability of Participant In case the Employee suffers a permanent incapacity while in employment, subject to the relevant Notified Scheme(s), all the Options Granted to him till such date of permanent</p>	Amended in accordance with Regulation 9 Clause (5) of the SBEB Regulations , 2021



Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
		on that day subject to Clause 12 above. Subject to relevant Notified Scheme(s) and Clause 12.3 above, all the Vested Options shall be permitted to be Exercised within 2 years from the date of termination or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party.	incapacitation and lying Unvested, shall Vest [in him/her on that day] [IndusLaw note: As per regulation 9(5) of the SEBI Regulations, all Options or any other benefit granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day .] Subject to relevant Notified Scheme(s) and Clauses above, all the Vested Options shall be permitted to be Exercised within 2 years from the date of Vesting or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Committee decides otherwise. Any Vested Options not Exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period and the contract referred to in Clause 9.3 above shall stand automatically terminated without surviving any right/ liability for any party.	
14	13.7	-	13.7 In the event that a Participant who has been granted Options under the Plan/Notified Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement,	Added in accordance with Regulation 9 Clause (8) of the SBEB Regulations , 2021





Sr . No	Change in Clause s	Existing	Revised clause	Reason for change
			amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Participant.	
15	23.3	23.3 Accounting Standards: The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013, as applicable 41.	23.3 Accounting Standards: The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013, as applicable 41 and as set forth under the provisions of the SEBI Regulations.	Amended in accordance with Regulation 15 of the SBEB Regulations , 2021
16	24.5	-	24.5 Notwithstanding Clauses 24.1 to 24.4 above, the Company shall be entitled to vary the terms of the Schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.	Added in accordance with Regulation 7 Clause (2) of the SBEB Regulations , 2021



USFBL Employee Stock Option Plan 2020 – Scheme 1

Serial No.	Change in Clauses	Existing	Revised clause	Reason for change
1.	3.2	Subject to Clause 7 and Clause 18 of the Plan and in accordance with Clause 8 of the Plan, the maximum number of Options Granted to any Grantee during one year under this Scheme 1 shall not exceed 1 percent of the total share capital of the Company at the time of the Grant unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.	Subject to Clause 7 and Clause 18 of the Plan and in accordance with Clause 8 of the Plan, the maximum number of Options Granted to any Grantee during one year under this Scheme 1 shall not be equal to or exceed 1 percent of the total share capital of the Company at the time of the Grant unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.	Further elaborated.
2.	5.1	Subject to Clause 10 and 13 of the Plan, the minimum Vesting Period shall be one year from the date of Grant.	Subject to the below and Clause 10 and 13 of the Plan, the minimum Vesting Period shall be one year from the date of Grant.	Further elaborated.
3.	5.3	Subject to Clause 7.1 below, in case the employment of the Participant with the Company ceases due to the Participant's Retirement on attaining the superannuation age or an extended date, or early retirement after approval from the Company, the Options will continue to Vest in accordance with the Plan and the Notified Scheme and applicable law.	Subject to Clause 7.1 below, in case the employment of the Participant with the Company ceases due to the Participant's Retirement on attaining the superannuation age or an extended date, or early retirement after approval from the Company, the Options will continue to Vest in accordance with the Plan and the Notified Scheme and applicable law.	Amended in accordance with SBEB Regulations, 2021

