



Utkarsh Small Finance Bank



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Aapki Ummeed Ka Khaata

UTKARSH SMALL FINANCE BANK LIMITED

CIN: U65992UP2016PLC082804

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

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

NOTICE

SHORTER NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH (13TH) EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF UTKARSH SMALL FINANCE BANK LIMITED ("USFBL" OR THE "BANK") IS SCHEDULED TO BE HELD ON MONDAY, FEBRUARY 01, 2021 AT 9.30 A.M. FROM REGISTERED OFFICE – S-24/1-2, FIRST FLOOR, MAHAVIR NAGAR, ORDERLY BAZAR, NEAR MAHAVIR MANDIR, VARANASI VIDE VIDEO CONFRENCING (BLUEJEANS VC ID: 255102968/9560) TO INTER ALIA, CONSIDER AND TRANSACT FOLLOWING SPECIAL BUSINESSES:

(IN TERMS OF MCA GENERAL CIRCULAR NO.14/2020 F.NO.2/1/2020-CL-V DATED APRIL 08, 2020)

Special Business

ITEM No. 1:

APPROVAL FOR ADOPTION OF REVISED ARTICLES OF ASSOCIATION OF THE BANK

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

"RESOLVED THAT subject to the approval of the Reserve Bank of India and the listing requirements of the stock exchange where the equity shares of the Bank may be listed and pursuant to the provisions of sections 5 and 14 and other applicable provisions of the Companies Act, 2013, including the rules framed thereunder and in accordance with the enabling provisions of the Memorandum and Articles of Association and subject to the applicable provisions of any other applicable law including the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by Reserve Bank of India from time to time, the updated Articles of Association consisting of Part A Part B, a copy of which has been tabled before the meeting, duly initialled by the Chairman of the meeting, consent of the members of the Bank be and is hereby accorded to approve and adopt as the Articles of Association of the Bank in total exclusion and substitution of the existing Articles of Association of the Bank in order to align the Articles of Association with the extant statutory and regulatory provisions and business requirements of the Bank.

RESOLVED FURTHER THAT the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary, be and are hereby severally authorized and empowered to do all such acts, deeds, matters and things and to execute such documents as may be necessary, proper or expedient, including filing of necessary forms/documents with the Reserve Bank of India and/or with the Registrar of Companies, for the purpose of giving effect to this resolution and for matters connected therewith or ancillary or incidental thereto.



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RESOLVED FURTHER THAT the Managing Director & CEO and the Chief Financial Officer and the Chief Compliance Officer and the Company Secretary be and are hereby severally authorized to furnish certified true copies of the aforesaid resolutions and issue the same to all concerned parties or regulatory authorities.”

ITEM No. 2

TO APPROVE THE ISSUANCE OF EQUITY SHARES BY WAY OF PREFERENTIAL ISSUE ON PRIVATE PLACEMENT BASIS AND EXECUTION OF TRANSACTION DOCUMENTS IN RESPECT THEREOF:

To consider and if though fit, to pass with or without modifications the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of section 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification thereto or re-enactment thereof for the time being in force) (the “Act”) and in accordance with any other applicable laws, regulations, including the Foreign Exchange Management Act, 1999, Depositories Act, 1996, to the extent applicable to unlisted dematerialized securities, the Memorandum of Association and the Articles of Association of the Bank, and in accordance with the provisions of any rules/regulations/guidelines/circulars issued/framed by or under the Central Government or the Reserve Bank of India, in this regard and such conditions and modifications as may be prescribed or imposed by the Reserve Bank of India and any of the regulatory authority or institution while granting any approval, permission and sanction if required, on the basis of the recommendation of Board, the approval of the Shareholders of the Bank be and is hereby accorded for proposed fund raise by the Bank by way of preferential issue of Equity Shares on Private Placement basis (**“Proposed Issuance”**) to certain identified investors set out below (**“Identified Investors”**) as set out below upto Rs. 350 crore in whole/ tranches subject to the overall limit of 4.99% post issue paid-up share capital per Identified Investor.

Sr. No.	Identified Investors	Official Address
1.	Olympus ACF PTE. LTD and / or affiliates	6 Battery Road, #29-01, Singapore (049909)
2.	responsAbility Participations Mauritius and / or affiliates	Edith Cavell Street, Les Cascades Building, Port Louis, Mauritius
3.	Aavishkaar Bharat Fund and / or affiliates	13B, 6 th floor, Techniplex, IT Park, Off Veer Savarkar Flyover, Goregaon (W), Mumbai – 400062.
4.	Triodos Sicav II - Triodos Microfinance Fund (“TMF”) and / or affiliates	11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg



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5.	Triodos Funds B.V. in its capacity as legal owner Triodos Fair Share Fund and / or affiliates	Nieuweroordweg 1, 3704 EC, Zeist, The Netherlands
6.	Growth Catalyst Partners LLC and / or affiliates	Lee Cascades, Edith Cavell Street, Port Louis, Mauritius

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Bank and shall rank pari passu with the existing Equity Shares of the Bank in all respects.

RESOLVED FURTHER THAT pursuant to the provisions of the Act, the name of the Identified Investors be recorded for the issue for invitation to subscribe to the Equity Shares as a whole or in tranches as may be deemed fit by the Board of the Directors/ Stakeholders Relationship Committee of the Bank.

RESOLVED FURTHER THAT the private placement offer letter (in **Form PAS-4**) tabled before the members of the Bank be and is hereby approved for the purpose of issuance of the same to the Identified Investors subscribing to the Equity Shares of the Bank.

RESOLVED FURTHER THAT the list of allottees i.e. Identified Investors in **Form PAS-5** as mentioned above be and is hereby recorded and to be filed along with Form PAS 3.

RESOLVED FURTHER THAT the monies received by the Bank from the Identified Investors as towards application for subscribing to the Equity Shares pursuant to this private placement shall be kept by the Bank in an **escrow bank account with RBL Bank (Bank A/c no. 409001438353 at Lower Parel Branch)** and shall be utilized by the Bank in accordance with Section 42 of the Act.

RESOLVED FURTHER THAT the members of the Bank be and is hereby accord its approval to authorise the members of the **Capital Restructuring & Fund Raising Committee** of the Bank to make necessary amendments in the Share Subscription Agreement ("SSA")/Investment Agreement ("IA") in the best interest of the bank and other Stakeholders.

RESOLVED FURTHER THAT the members of the Bank be and is hereby accord its approval to authorise the members of the **Stakeholders Relationship Committee of the Bank** to allot the shares to the Identified Investors either in whole or in tranches as may be deemed fit by the Committee and to do all such deeds, acts, matters and things as it may be necessary to give effect to the resolution.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give effect to the resolution and to settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of Equity Shares of the Bank and to negotiate, finalize, execute and amend any other agreement(s) or document(s) and writings, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Managing Director & CEO or the Chief Financial Officer or the Chief Compliance Officer or the Company Secretary of the Bank be and are hereby authorised severally to submit certified copies of these resolutions under the seal of the Bank."



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RESOLVED FURTHER THAT the Managing Director & CEO or the Chief Financial Officer or the Company Secretary or the Chief Compliance Officer be and are hereby severally authorised to file the necessary resolutions and forms with Registrar of the Companies and do all such acts, deeds and things as are necessary to give effect to the resolutions and the matters connected therewith or incidental thereto."

Date: January 30, 2021

Place: Mumbai

By Order of the Board
for Utkarsh Small Finance Bank Limited

Nutan Anand Rane
Company Secretary

NOTES: -

This Extra Ordinary General Meeting is being convened by Video Conferencing in furtherance of compliance MCA General Circular No.14/2020 F.NO.2/1/2020-CL-V dated April 08, 2020 to transact the first business of the urgent nature. The meeting will be convened over Bluejeans Video Conferencing (VC) platform vide Meeting <https://bluejeans.com/255102968/9560>

1. 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.
2. 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.
3. 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.
4. 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.



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5. The facility for joining the meeting will be open from 15 minutes before the time scheduled to start the meeting, i.e. from 9.15 A.M. and will remain open till the entire duration of the meeting.
6. 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 maintain social distance while attending the meeting in person.
7. The meeting will also be attended by at least one of the independent directors of the Bank and representative of the Statutory Auditors of the Bank. The Independent Director/s and the Statutory Auditors will also be using the same meeting id and follow the same process for attending the meeting over VC as the members are required to observe and detailed in Sr.No.2 above.
8. 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.
9. 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.
10. 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.
11. Due to ongoing COVID-19 situation, the notice of this meeting shall be served over email.
12. 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: January 30, 2021
Place: Mumbai

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EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Extra-Ordinary General Meeting of the Bank:

ITEM No. 1

Revised Articles of Association of the Bank

In order to undertake the process of fund raising by way of preferential allotment through private placement and the proposed Initial Public Offer by way of fresh issues and offer for sale, the Bank will be required to ensure the Articles of Association of the Bank ("**the Articles of Association**") conform to the requirements and directions of the RBI and the relevant stock exchanges prior to the filing of Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India ("SEBI") and the relevant stock exchanges.

Therefore, it is proposed to adopt the updated Articles of Association which are proposed to be divided into two parts wherein, the first part contains provisions in accordance with the requirements prescribed under the Companies Act, 2013 and by SEBI and the RBI for a public listed company (hereinafter referred to as "Part A") and the second part contains provisions incorporating the special rights proposed to be granted to investors participating in the proposed fund raise of the Bank by way of private placement (hereinafter referred to as "Part B"). Part B will automatically terminate upon listing of the Bank's equity shares.

Copy of existing and new Articles of Association will be made available for inspection at the Registered Office of the Bank during working hours of the Bank on any working day up to the date of the Extra-Ordinary General Meeting of the members of the Bank.

Pursuant to the provisions of section 5 and 14 of the Companies Act, 2013, any amendment in Articles of Association requires approval of the members of the Bank.

The Board recommends the resolution for approval of members of the Bank.

None of the Directors or Key Managerial Personnel of the Bank or their relatives (as defined in the Companies Act, 2013) are interested in the proposed resolution, except in the ordinary course of business.

The draft of Revised Articles of Association of the Bank is enclosed as **Annexure A**.



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Item No. 2

TO APPROVE THE ISSUANCE OF EQUITY SHARES BY WAY OF PREFERENTIAL ISSUE ON PRIVATE PLACEMENT BASIS

The Bank has planned to expand its commercial operations. Therefore, the purpose of this fund raise is to enhance capital adequacy and also to achieve partial promoter shareholding dilution as required by the RBI in terms of the license granted to the Bank to operate as a Small Finance Bank.

The Bank proposes to raise up to ₹350 crore from the Identified Investors by issuance of equity shares to the Identified Investors as set out below ("**Equity Shares**") at an issuance price of ₹ 27 (at a face value of ₹ 10 and a premium of ₹17 per equity share) subject to the overall limit of 4.99% post issue paid-up share capital per Identified Investor.

Sr. No.	Identified Investors	Official Address
1.	Olympus ACF PTE. LTD and / or affiliates	6 Battery Road, #29-01, Singapore (049909)
2.	responsAbility Participations Mauritius and / or affiliates	Edith Cavell Street, Les Cascades Building, Port Louis, Mauritius
3.	Aavishkaar Bharat Fund and / or affiliates	13B, 6 th floor, Techniplex, IT Park, Off Veer Savarkar Flyover, Goregaon (W), Mumbai – 400062.
4.	Triodos Sicav II - Triodos Microfinance Fund ("TMF") and / or affiliates	11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg
5.	Triodos Funds B.V. in its capacity as legal owner Triodos Fair Share Fund and / or affiliates	Nieuweroordweg 1, 3704 EC, Zeist, The Netherlands
6.	Growth Catalyst Partners LLC and / or affiliates	Lee Cascades, Edith Cavell Street, Port Louis, Mauritius

The Board has approved the issue and offer of the aforesaid equity shares of the Bank at its meeting held on January 30, 2021.

The approval of the Members is being sought by way of a **Special Resolution** under Sections 42 and 62 of the Act read with the rules made there under, to issue equity shares as preferential allotment on private placement basis. In case the offer is declined, or no response is received from any of the prospective Identified Person, the above offer shall expire with respect to such identified person. Any further offer shall require the revised approval of the members.



Registered & Corporate Office:



The funds raised from this fresh equity issuance in whole or tranches shall be deployed by the Bank for expansion, working capital requirement as well as strengthening the capital base.

In this respect, the Bank has obtained below mentioned valuation report, the note on valuation report is attached as **Annexure B**.

The draft of Share Subscription Agreement ("SSA") / Investment Agreement ("IA") is attached as **Annexure C**.

The Specimen of PAS 4 is attached as **Annexure D**.

The Bank has obtained NOC from lenders for the issue of Equity Shares to Identified Investors to the extent of 15% of the current paid up capital of the Bank.

The Board recommends the resolution for approval of members of the Bank.

None of the Directors or KMPs of the Bank is, in any way, concerned or interested in the Resolution.

Disclosures as required under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 are given here in below:

(i). The objects of the issue:

The Bank has planned to expand its operations. For meeting the expansion as well as working capital requirements of the Bank, the Bank needs more capital funds.

(ii). Intention of Promoters, Directors of Key Managerial Personnel to subscribe to the offer:

None of the Promoters, Directors and Key Managerial Personnel of the Bank intend to subscribe this Private Placement offer authorised by the resolution.

(iii) The total number of securities to be issued:

As determined by the Stakeholders Relationship Committee and as consequently set out in PAS 4 (offer letter) to be issued to the Identified Investors.

(iv) Amount which the company intends to raise by way of securities:

Rs. 350 crore (Rupees Three Hundred and Fifty Crore Only) against the shares being issued to Identified persons.

(v) Basis on which the price has been arrived at along with report of the registered valuer:

Valuation Report dated October 14, 2020 prepared by M/s Incwert Advisory Private Limited

(vi) Relevant date with reference to which the price has been arrived at: October 1, 2020

(vii) The proposed time within which the allotment shall be completed: within 30 days from the approval of allotment by Board/ Committee.

(viii) The names of the proposed allottees: as aforesaid mentioned in the notice.

(ix) The number of persons to whom allotment on private placement have already been made during the year, in terms of number of securities as well as price:



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Sr. No.	Name of the Person	Type of Security	Consideration (₹)
1	IDFC First Bank Limited	Non-Convertible Debentures	195,00,00,000

(x) The pre-issue and post issue shareholding pattern of the Bank is as follows:

The pre shareholding pattern of the Bank is as follows:

Sr.No.	Category	Pre Shareholding	
		No. of Persons	No. of Shares
1	Body Corporate	1	75,92,72,216
2	Individuals	6	6

The post shareholding pattern will be as is set out in PAS 4 (offer letter) to be issued to Identified Investor upon determination of the number of Equity Shares by the Stakeholder Relationship Committee.

(xi) The change in control, if any, in the Bank that would occur consequent to the preferential offer:

There shall be no change in the management or control of the Bank pursuant to the present issue of equity shares.

The Board of Directors of the Bank believes that the proposed Private Placement issue is in the best interest of the Bank and its members. The Board of Directors, therefore, recommends the special resolution for your approval at Item No. 1 and Item No. 2 of this Notice.

By Order of the Board
for Utkarsh Small Finance Bank Limited




Nutan Anand Rane
Company Secretary

Date: January 30, 2021

Place: Mumbai

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