

**TRANSCRIPT OF 18<sup>TH</sup> EXTRA ORDINARY GENERAL MEETING OF UTKARSH SMALL FINANCE BANK LIMITED HELD AT 4:00 PM, ON JULY 19, 2022 INITIATED FROM THE REGISTERED OFFICE – UTKARSH TOWER, NH - 31 (AIRPORT ROAD), SEHMALPUR, KAZI SARAI, HARHUA, VARANASI, UTTAR PRADESH, PIN – 221105**

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

Good Evening everyone and welcome you all to the 18<sup>th</sup> Extra Ordinary General Meeting (EGM) of the Bank being conducted through Video Conferencing (VC/OAVM) at 4.00 PM Indian Standard Time the assigned time for EGM, in terms of MCA Circular dated May 05, 2022.

I would take this opportunity to introduce the Members of the Board attending the EGM. We have:

- i) Mr. Parveen Kumar Gupta, Chairman of the Board (attending from Mumbai)
- ii) Mr. Kajal Ghose, NRC Chairman (attending from Ranchi)
- iii) Mr. Nagesh Pinge, Audit Committee Chairman, (attending from Mumbai)
- iv) Mr. Muralidharan Rajamani, Chairman, Stakeholders Relationship Committee (attending from Mumbai)
- v) Mr. Ajay Kapur, Chairman, Risk Management Committee Meeting (attending from Delhi),
- vi) Ms. Kalpana Prakash Pandey, Chairperson, Customer Service Committee (attending from Mumbai), and
- vii) Mr. Govind Singh, Managing Director & CEO (from Varanasi)

From the management, we have Mr. Mukund Barsagade, Chief Financial Officer of the Bank, Mr. Sachin Patange, Chief Compliance Officer, Mr. Hitain Sharma, Chief Human Resources Officer, from Mumbai and my Team Members Mr. Kartik Agrawal, Ms. Ankita Khetan, Ms. Hiral Borkar & Ms. Stuti Vyas.

We extend a warm welcome to the Shareholders present and are thankful to them for making it convenient to attend the present meeting.

In terms of provisions of Article 18.4 of the Articles of Association of the Bank, the Chairman of the Board, Mr. Parveen Kumar Gupta would chair the present meeting.

I would like to welcome Chairman and thank him for making it convenient to attend the present meeting.

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

Chairman, this is to confirm that the requisite quorum i.e. minimum 5 Members for the meeting is present, and also states that requisite consents for holding the EGM at shorter notice in accordance with the Companies Act, 2013 have been received.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

Muthiah, you may please proceed.

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

Thank you, Chairman Sir.

Dear Members, the notice of 18<sup>th</sup> EGM of the Bank was duly circulated to all the Members in accordance with the provisions of Companies Act, 2013 and with your permission the same may be taken as read.

Now may I request the Chairman to address the meeting.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

Dear Shareholders, warm welcome to all of you to the 18<sup>th</sup> Extra Ordinary General Meeting of the Bank. Since the requisite quorum is present for the EGM, we will proceed with the businesses listed for the EGM.

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

Thank you. With the permission of the Chairman, we shall now be proceeding with the agenda of the meeting.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

Yes Muthiah. You may please proceed.

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

I now request the members to consider the Agenda no.1 which is:

**APPROVAL REQUIRED FOR SUPER MAJORITY ITEMS SPECIFIED UNDER THE ARTICLES OF ASSOCIATION: (to be approved by Special Resolution)**

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 to undertake an initial public offering (IPO) through issue of equity shares and refile a 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 aggregating up to Rs.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, as required under Part B of the Articles of Association (AOA) of the Bank:

- (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.

I would now request members to raise any query if any, so that it can be addressed.

Thank you, since there were no queries raised/queries raised duly addressed, with permission of Chairman we now place the resolution for Agenda No. 1 for voting by the shareholders.

Request the Members to propose and second the resolution.

All those who are in favour, to vote

All those who are not in favour please let know

**Mr. Praveen Kumar Gupta, Chairman of the Board**

Is any member dissenting to the resolution? Since no body has dissented, can we consider the resolution as approved unanimously.

Mr. Sumit Kumar, Representative of Olympus ACF Pte. Ltd. abstained from voting.

I declare the resolution as passed.

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

**Agenda No.2 is:**

**ADOPTION OF REVISED USFBL MD & CEO EMPLOYEE STOCK OPTION PLAN 2020 (Special Resolution)**

The Shareholders of the Bank 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.

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(1)(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.

Request members to raise any query if any, so that it can be addressed.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

All those who are in favour, to vote and all those who are not in favour please let know. I declare the resolution passed unanimously.

Muthiah, please proceed with the Agenda No.3

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

**Agenda No.3 is:**

**ADOPTION OF REVISED [USFBL EMPLOYEE STOCK OPTION PLAN 2020] AND USFBL EMPLOYEE STOCK OPTION PLAN 2020 SCHEME1 (Special Resolution)**

The Shareholders of the Bank 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 and USFBL Employee Stock Option Plan 2020 Scheme1.

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(1)(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.

CS to request members to raise any query if any, so that it can be addressed.

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**Mr. Praveen Kumar Gupta, Chairman of the Board**

Request the Members to propose and second the resolution. All those who are in favour, to vote and all those who are not in favour, please let know.

I declare the resolution passed unanimously.

Muthiah, please proceed with the Agenda No.4

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

**Agenda No.4 is:**

**APPROVAL OF THE INITIAL PUBLIC OFFER OF EQUITY SHARES, DISCOUNT, IF ANY AND RESERVATION CONTEMPLATED IN THE OFFER (Special Resolution)**

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 Rs.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.

The material information pertaining to IPO was provided in the notice calling EoGM

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.

I request members to raise any query if any, so that it can be addressed.

**Mr. Sumit Kumar, Representative of Olympus ACF Pte. Ltd. raised a query**

I request you to comment on valuation aspects given the present market and economic conditions.

**Mr. Parveen Kumar Gupta, Chairman of the Bank**

The valuation was to be discovered and would be finalized in discussion with all the relevant stakeholders. Also the management is cognizant of the fact that the present market, socio-economic & political conditions are volatile and challenging, however, as mandated by the Reserve Bank of India (RBI) it was proposed to re-file DRHP and come out with IPO at an opportune time in consultation with the BRLMs.

**Mr. Harish Hansubhai Engineer, Shareholder**

Mr. Harish enquired about the reasons for delay in filing fresh DRHP with SEBI.

**Mr. Parveen Kumar Gupta, Chairman of the Bank**

There were multiple reasons for non-initiation of DRHP filing earlier comprising of:

- i) The previous SEBI card was valid till June 06, 2022;
- ii) As per the new SFB licensing guidelines of RBI, 8 years time was provided for listing to the new SFBs. The Bank through Association of Small Finance Banks (ASFBI) wrote to RBI to make the said norms applicable on the earlier SFBs also,;
- iii) Also, the Bank through Association of Small Finance Banks (ASFBI) wrote to SEBI to extend the validity of DRHP by two years given the previous two years washed out in pandemic, however, till the date of meeting the reply from SEBI was awaited.

Further the Bank received a letter from RBI whereby RBI sought clarification from the Bank as to why it should not be taking supervisory action on account non-compliance of RBI guidelines with respect to listing. In response to this letter, then the Bank committed to RBI that it would again initiate the listing process by filing DRHP before end of July 2022. Accordingly, by virtue of this now the Bank decided to file DRHP. Considering all the above factors, the Bank decided to proceed in the matter & refile a fresh DRHP with SEBI.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

Request the Members to propose and second the resolution. All those who are in favour, to vote and all those who are not in favour please let know.

Mr. Sumit Kumar, Representative of Olympus ACF Pte. Ltd. informed that Olympus ACF Pte. Ltd. would abstain from voting on the resolution given the pending directions from their Investment Committee.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

I declare the resolution passed unanimously

**Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer**

Chairman Sir, all the agenda listed for the present EGM have been considered and there is no further agenda for the meeting.

I would request you to kindly conclude the meeting by extending vote of thanks to all the attendees.

**Mr. Praveen Kumar Gupta, Chairman of the Board**

We extend the vote of thanks to the Members and Invitees present and conclude the meeting.

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