

**Transcript of 14<sup>th</sup> Extra Ordinary General Meeting of Utkarsh Small Finance Bank Limited held at 12.30 pm on March 03, 2021 (at shorter notice)**

**Corporate Participants:**

Mr. Puranam Hayagreeva Ravikumar	Independent Director (Attended through VC from Mumbai)
Ms. Anita Ramachandran	Nominee Director (Attended through VC from Mumbai)
Mr. Kajal Ghose	Independent Director (Attended through VC from Navi Mumbai)
Ms. Kalpana Prakash Pandey	Independent Director (Attended through VC from Mumbai)
Mr. Nagesh Dinkar Pinge	Independent Director (Attended through VC from Mumbai)
Mr. Mangilal Agiwal	Associate Director of Haribhakti (Attended through VC from Mumbai)
Mr. Mukund Barsagade	Chief Financial Officer (Attended through VC from Chembur Office, Mumbai)
Mr. Sachin Shamkant Patange	Chief Compliance Officer (Attended through VC from Chembur office, Mumbai)
Ms. Nutan Anand Rane	Company Secretary (Attended through VC from Mumbai)
Ms. Varsha Hardasani	Chief Manager – Company Secretary (Attended through VC from Chembur Office, Mumbai)
Ms. Ankita Khetan	Assistant Manager II - Secretarial (Attended through VC from Varanasi Head Office)

**Ms. Nutan Rane, Company Secretary**

Good Afternoon, to all the Shareholders and Directors present.

I welcome you all on behalf of Utkarsh Small Finance Bank Limited to the 14<sup>th</sup> Extra Ordinary General meeting of the Utkarsh Small Finance Bank Limited which is being held today through video conferencing. We have kept the VC connection open half an hour before the scheduled time of EGM which is 12.30 pm. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting.

This Extra Ordinary General Meeting is being held through video conferencing in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Subsequent to the MCA circular of April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM. However, the body corporate is entitled to appoint authorized representatives to attend the EGM through VC or other audio/video means. The

registered office of the Bank situated at Varanasi, Uttar Pradesh, shall be deemed as the venue for this EGM. To transact the businesses as mentioned in the notice, the Members were provided an opportunity to inspect all documents referred in the notice and the explanatory statement by writing to the company at its email ID, i.e., [secretarial.usfb@utkarsh.bank](mailto:secretarial.usfb@utkarsh.bank) till the date of EGM.

Ms. Nutan Rane further informed that as per Article of Association of Bank, if Chairman of Board is absent in Meeting then Directors may elect any person present as Chairman of the Meeting. Thereafter, the Members present in the meeting unanimously elected Mr. Puranam Hayagreeva Ravikumar, the Independent Director and Chairman of Board to act as Chairman of the Meeting.

### **Mr. Puranam Hayagreeva Ravikumar, Independent Director**

Good Afternoon to all the Shareholders and the Directors present. I welcome you all to the 14<sup>th</sup> Extra-ordinary General Meeting of your Bank. I would like to mention that in view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, and therefore, this EGM today has been convened through video conferencing or other audio/visual means in compliance with the Companies Act 2013, read with specific circulars issued by MCA thereto. The quorum being present, I declare the meeting open.

The notice convening this meeting had already been emailed to all shareholders and with the permission of member's present the notice is taken as read. Further the Board of Directors present in the meeting are:

1. **Mr. Puranam Hayagreeva Ravikumar**, Independent Director & Chairman of the Board joining this EGM from his residence Mumbai.
2. **Ms. Anita Ramachandaran**, Nominee Director, joining this EGM from his residence Mumbai.
3. **Mr. Kajal Ghose**, Independent Director and Chairman of the Nomination & Remuneration Committee joining this EGM from his residence Kharghar, Navi Mumbai.
4. **Ms. Kalpana Prakash Pandey**, Independent Director & Chairperson of Stakeholders Relationship Committee joining this EGM from her residence Mumbai.
5. **Mr. Nagesh Dinkar Pinge**, Independent Director and Chairman of the Audit Committee joining this EGM from his residence Mumbai.

Further, from Management side, Mr. Mukund Barsagade, Chief Financial Officer and Mr. Sachin Shamkant Patange, Chief Compliance Officer have also joined the EGM.

The Register of Director and Key Managerial Personnel and their Shareholding and Register of Contracts in which Directors are interested, are available and will remain accessible to the Members for inspection electronically, if they so desire.

## **Special Businesses:**

### **Appointment of Mr. Nagesh Dinkar Pinge (DIN: 00062900) as Independent Director of the Bank.**

Ms. Nutan Anand Rane, Company Secretary,

Dear Members,

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

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

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

The Company Secretary further informed that considering his vast expertise and knowledge in the field of accountancy and law, it would be in the interest of the Bank that Mr. Nagesh Dinkar Pinge is appointed as Independent Director on the Board of the Bank. Mr. Nagesh Dinkar Pinge's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

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

A brief profile of Mr. Nagesh Dinkar Pinge was given to the members in the explanatory statement. It was also informed that Mr. Nagesh Dinkar Pinge has sectoral experience in Accountancy and Law as per the requirements of Banking Regulation Act, 1949 and has been found suitable for appointment in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

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

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

Accordingly, approval of the shareholders is sought for the appointment of Mr. Nagesh Dinkar Pinge as Independent Director of the Bank, for a period of five (5) years from 20<sup>th</sup> July, 2020 till 19<sup>th</sup> July, 2025.

The Chairman put the motion to vote on show of hands and declared the resolution is approved unanimously.

## **2. Appointment of Mr. Ajay Kumar Kapur (DIN: 00108420) as Independent Director of the Bank**

Ms. Nutan Anand Rane, Company Secretary,

Dear Members,

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

The Nomination and Remuneration Committee ('NRC') had assessed the profile of Mr. Ajay Kumar Kapur and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks dated May 23, 2011, recommended his appointment as an Additional Director (in Independent Category) to the Board of Directors through circular resolution dated March 2, 2021.

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

The Company Secretary further informed that considering his vast expertise and knowledge in the field of Banking and Finance, it would be in the interest of the Bank that Mr. Ajay Kumar Kapur be appointed as Independent Director on the Board of the Bank. Mr. Ajay Kumar Kapurs' appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

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

A brief profile of Mr. Ajay Kumar Kapur was given to the members in the explanatory statement.

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

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

Accordingly, approval of the shareholders is sought for the appointment of Mr. Ajay Kumar Kapur as Independent Director of the Bank, for a period of five (5) years from March 02, 2021 till March 01, 2026.

The Chairman put the motion to vote on show of hands and declared the resolution is approved unanimously.

### **3. Appointment of Mr. Muralidharan Rajamani (DIN: 01690363) as a Non-Executive and Non Independent Director of the Bank.**

Ms. Nutan Rane, Company Secretary

Dear members,

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

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

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

The Company Secretary further informed that considering his vast expertise and knowledge in the field of Banking and Finance, it would be in the interest of the Bank that Mr. Muralidharan Rajamani is appointed as Non-Executive and Non-Independent Director on the Board of the

Bank. Mr. Muralidharan Rajamani's appointment is following the provisions of Section 10A of the Banking Regulation Act, 1949.

A brief profile of Mr. Muralidharan was given in the explanatory statement.

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

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

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

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

Accordingly, approval of the shareholders was sought for the appointment of Mr. Muralidharan Rajamani as Non-Executive and Non-Independent Director of the Bank.

The Chairman put the motion to vote on show of hands and declared the resolution is approved unanimously.

#### **4. Approval of the Initial Public Offer of Equity Shares, any Discount and Reservation contemplated in the Offer**

Ms. Nutan Rane, Company Secretary

Dear members,

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

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

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

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

Accordingly, approval of the shareholders is sought on the resolution as mentioned in item no. 4 of the notice.

The Chairman put the motion to vote on show of hands and declared the resolution is approved unanimously.

#### **5) Increase in NRI and OCI limits, as required**

Ms. Nutan Rane, Company Secretary

Dear members,

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

Further, as part of the Bank's capital augmentation plans & regulatory requirements, the Board of Directors of the Bank have considered to go for Initial Public Offering (IPO) of shares with listing on the Stock Exchange. In this context, the Board of Directors considers it appropriate that necessary approval of the shareholders by way of special resolution be obtained in the general meeting for acquiring the shares of the Bank by Non-Resident Indians (NRIs) by way of purchase or acquisition on the recognized stock exchange or in any other manner including investment under the Portfolio Investment Scheme (PIS), subject to the conditions that the

aggregate holding of the NRIs shall not exceed 24% of the paid up equity share capital of the Bank or such other limit prescribed by Reserve Bank of India, from time to time. Hence, the special resolution is proposed which is commended for approval by the members.

The Chairman put the motion to vote on show of hands and declared the resolution is approved unanimously.

#### Acknowledgements

Ms. Nutan Rane, Company Secretary

Finally, on behalf of the Board of Directors and management of Utkarsh Small Finance Bank Limited, I convey our sincere thanks to all the Members and the Directors present, for attending and participating at this meeting. Please stay healthy and stay safe and take care of yourselves. Thank you very much, have a good day.