



Utkarsh Small Finance Bank

November 14, 2024

The BSE Limited  
543942, 958095, 959644, 968226, 975790

National Stock Exchange of India Limited  
UTKARSHBNK

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) – Notice of Postal Ballot (Notice)**

Pursuant to the Regulation 30 and other applicable provisions of SEBI Listing Regulations, the Notice along with Explanatory Statement thereto, dated November 09, 2024 is being sent to the Members of Utkarsh Small Finance Bank Limited (Bank) who have registered their e-mail addresses with the Bank's Registrar and Transfer Agent, KFin Technologies Limited ('KFINTECH') / Depositories Participants, and whose names appear in the Register of Members / List of Beneficial Owners as on the **cut-off date i.e., Friday, November 01, 2024**, for seeking approval of the Members on following Special businesses through remote electronic voting ('remote e-voting') only, in compliance with the General Circulars issued by Ministry of Corporate Affairs, in this regard:-

S.No.	Description of Resolutions	Type of Resolution
1.	Appointment of Mr. Pramod Kumar Dubey (DIN: 10174154) as a Whole-time Director of the Bank and fixation of his remuneration	Ordinary
2	Approval for the increase in the limit of share pool of USFBL Employee Stock Option Plan 2020 and implementation of USFBL Employee Stock Option 2024 - Scheme II	Special

The Bank has engaged the services of KFINTECH to provide the platform for facilitating remote e-voting. **The remote e-voting period commences on Friday, November 15, 2024 at 9:00 A.M. IST and ends on Saturday, December 14, 2024 at 5:00 P.M. IST.** During this period, members holding shares as on cut-off date, may cast their vote electronically. The e-voting module shall be disabled by KFINTECH for voting thereafter.

The results of the remote e-voting will be announced in compliance with the SEBI Listing Regulations.

The Postal Ballot notice is also being made available on the website of the Bank at <https://www.utkarsh.bank/investors/>

This is for your information and record.

For **Utkarsh Small Finance Bank Limited**

**Muthiah Ganapathy**  
Company Secretary & Compliance Officer  
ICSI Membership No: F5674

Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmapur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221105.  
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank



## Utkarsh Small Finance Bank

*Aapki Ummeed Ka Khaata*

**UTKARSH SMALL FINANCE BANK LIMITED**

CIN: L65992UP2016PLC082804

Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh,  
PIN – 221105

Tel No +91-542-6605555 | Website: [www.utkarsh.bank](http://www.utkarsh.bank) | Email: [shareholders@utkarsh.bank](mailto:shareholders@utkarsh.bank)

### **NOTICE OF POSTAL BALLOT**

***(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014)***

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**NOTICE** is hereby given pursuant to Section 108 and Section 110 of the Companies Act, 2013, as amended from time to time (hereinafter referred to as the "**Act**") read together with Rule 20 and Rule 22 of the Companies (Management and Administration Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Secretarial Standards on General Meeting ("**SS-2**") issued by the Institute of Company Secretaries of India and the relaxations and clarifications issued by Ministry of Corporate Affairs vide General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, latest being 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ("**MCA Circulars**") and the Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/ P/2020179 dated May 12, 2020 and SEBI/HO/CFD/ CMD2/CIR/P/ 2021 /11 dated January 15, 2021 ("**SEBI Circulars**") and other applicable laws and regulations, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with the equity listing agreement executed with the stock exchanges on which the equity shares of the Bank are listed, for seeking approval of members of Utkarsh Small Finance Bank Limited ("**the Bank / "Company"**") to the proposed resolutions appended below through Postal Ballot by remote e-voting process only ("**remote e-voting**").

The Explanatory Statement pursuant to Section 102 and other applicable provisions, if any, of the Act pertaining to the said resolution setting out the material facts and related particulars is annexed hereto.

In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, read with (i) Rule 20 and Rule 22 of the Rules, as amended; (ii) Regulation 44 of the SEBI Listing Regulations and (iii) MCA Circulars, the Bank has provided Remote e-Voting facility to its members to enable them to cast their votes electronically. For this purpose, **the Bank has engaged the services of KFin Technologies Ltd (Kfin / KFINTECH / RTA) as the agency to provide Remote e-Voting facility.** The instructions for Remote e-Voting are appended to this Notice.

The Notice will also be placed on the website of the Bank at <https://www.utkarsh.bank/investors/>, the e-Voting website of Kfin and also shall be communicated to stock exchanges; BSE Limited ("**BSE**") at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited ("**NSE**") at [www.nseindia.com](http://www.nseindia.com), where the Bank's Equity Shares are listed.

The Board of Directors of the Bank ("**Board**") at their meeting held on Saturday, November 09, 2024, had appointed CS Avinash Bagul (FCS No.5578, COP No.19862), Partner of M/s BNP & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot through remote e-voting in a fair and transparent manner.

In accordance with the provisions of the MCA Circulars referred to above, the Bank is sending a Postal Ballot Notice (the "Notice") only by e-mail to all its members whose email address is/are registered with the Bank / Depository / Depository Participant / Registrar and Transfer Agent ('RTA') as on **Friday, November 01, 2024("cut-off date")**.

The Postal Ballot Notice is being sent only by electronic mode, to those members whose email addresses are registered with the Bank/Depositories, in accordance with the aforesaid MCA and SEBI Circular. Accordingly, physical copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot process.

**The remote e-voting period commences on Friday, November 15, 2024, at 9:00 A.M. IST and ends on Saturday, December 14, 2024, at 5:00 P.M. IST.** During this period, members holding shares on cut-off date, may cast their vote electronically. The remote e-Voting facility will be blocked by KFINTECH immediately thereafter and the Members will not be allowed to cast their votes beyond the said date and time

After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman/Managing Director & CEO of the Bank, or any person authorised by the Chairman. The results of the voting conducted through Postal Ballot through the Remote e-Voting process will be announced by the Chairman/Managing Director & CEO or such person as authorised, by Tuesday, December 17, 2024 at Registered Office.

The results along with the Scrutinizer's Report will be displayed on the website of the Bank at <https://www.utkarsh.bank/investors/> , the e-Voting website of KFINTECH and also shall be communicated to stock exchanges; BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), where the Bank's Equity Shares are listed, and will be made available on their respective websites. The Bank will also display the results of the Postal Ballot at its Registered Office.

**Item no. 1:**

**Appointment of Mr. Pramod Kumar Dubey (DIN: 10174154) as a Whole-Time Director of the Bank and fixation of his remuneration**

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

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**"RESOLVED THAT** pursuant to Sections 152, 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Section 35B and other relevant provisions, if any, of the Banking Regulation Act, 1949, and the relevant circulars and notifications issued by the Reserve Bank of India ("RBI") from time to time including any amendments, modifications, variations or re-enactments thereof and the provisions of the Articles of Association and/or such other approval(s) as may be necessary and the approval of Reserve Bank of India vide their letter dated September 19, 2024 and the recommendations of the Nomination and the Remuneration Committee and the Board of Directors, Mr. Pramod Kumar Dubey (DIN: 10174154), who was appointed as an Additional Director – (Whole-time Director) of the Bank be and is hereby appointed as the Whole-time Director of the Bank on the terms and conditions as given below:

**A. Period:**

For a period of 3 years w.e.f. September 20, 2024 to September 19, 2027

**B. Remuneration**

• **Fixed Compensation**

Not exceeding Rs. 1.63 crore per annum including perquisites.

Grant of joining bonus in the form of ESOPs fair valued at Rs.1.93 crore on the date of grant using Black-Scholes model.

• **Variable pay**

Variable Pay will be decided post finalization of the financial statements and completion of the annual appraisal cycle for FY 24-25.

**"RESOLVED FURTHER THAT** in case of absence or inadequacy of profits in any financial year, remuneration as recommended by the Committee and approved by the Board and the RBI shall be the minimum remuneration payable to Mr. Pramod Kumar Dubey."

**"RESOLVED FURTHER THAT** the Managing Director & CEO or the Chief Financial Officer or the Chief Human Resources Officer or the Chief Compliance Officer or the Company Secretary & Compliance Officer be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution and to authorize company secretary to take necessary actions on behalf of the Bank in this regard."

Item no. 2:

**Approval for the increase in the limit of share pool of USFBL Employee Stock Option Plan 2020 and implementation of USFBL Employee Stock Option 2024 - Scheme II**

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

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**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Bank, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SBEB Regulations”**), the provisions of Foreign Exchange Management Act, 1999 (**“FEMA”**), the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by the Reserve Bank of India (**“RBI”**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) listing agreements entered into with the stock exchanges, the provisions of any regulations/guidelines prescribed by the Securities and Exchange Board of India (**“SEBI”**) and other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time) and subject to any applicable approval(s), consent(s), permission(s) and sanction(s) of any authority(ies) including condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting such approval(s), consent(s), permission(s) and sanction(s), and the acceptance of such condition(s) or modification(s) by the Board of Directors of the Bank (hereinafter referred to as the **“Board”** which term shall be deemed to include any Board Committee, including the Nomination & Remuneration Committee (**“NRC”**), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 and of SEBI SBEB Regulations), the consent of the Members be and is hereby accorded to the Board to increase the existing share pool of **“USFBL Employee Stock Option Plan 2020 (‘Plan’)** from 6,07,41,778 options to 11,58,00,893 options and implement **USFBL Employee Stock Option 2024 Scheme II (‘Scheme II’)**, and to create, offer, grant, issue, vest, allot such number of new options convertible to equity shares of the Company which shall not exceed 5,50,59,115 (Five crores fifty lakhs fifty nine thousand one hundred and fifteen only) equity shares of face value Rs.10 each, in one or more tranches, from time to time, to the permanent employees of the Bank, whether working in India or out of India, present or future, as may be decided by the Board and permitted under the SBEB Regulations but does not include an employee who is a promoter or a person belonging to the promoter group (**“Eligible Employees”**), with each option giving a right, but not an obligation, to the Eligible Employees and that the grant of options, vesting and exercise thereof shall be in and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and the Scheme, the accounting policies, SBEB Regulations and in due compliance with the applicable laws and regulations in force.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot equity shares directly to the Eligible Employees upon exercise of options from time to time in accordance with the Plan and Scheme II by way of issue of fresh equity shares of the Company and such equity shares shall rank *pari passu* in all respects with the existing Equity Shares of the Bank.”

**“RESOLVED FURTHER THAT** the Nomination and Remuneration Committee (NRC) be designated as the Compensation Committee in accordance with Regulation 5(1) of the SBEB Regulations for the purposes of administration of the Plan and Scheme II.”

**“RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/undertaking or other re-organization, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price, as applicable and that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Eligible Employees.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to make any modifications / changes revisions in the Plan or suspend / withdraw / revive the Plan as deem fit, from time to time, provided that the same is in conformity with the Companies Act 2013 and the rules made thereunder and SEBI SBEB Regulations, as amended, the Memorandum and Articles of Association of the Bank and any other applicable laws, rules and regulations thereunder and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Plan.”.

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

SD/-

**Muthiah Ganapathy  
Company Secretary & Compliance Officer  
ICSI Membership No: F5674**

**November 09, 2024  
Mumbai**

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### General Notes & Instructions:

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1. The explanatory statement pursuant to Sections 102 and 110 of the Companies Act, 2013 stating all material facts and the reasons for the proposal set out in resolution no. 1 and 2 is annexed herewith.
2. In accordance with the provisions of the MCA Circulars referred to above, the Bank is sending a Postal Ballot Notice (the "Notice") only by e-mail to all its members whose email address is/are registered with the Bank / Depository / Depository Participant / Registrar and Transfer Agent ('RTA') as on **Friday, November 1, 2024 ("cut-off date")**.
3. Members whose names appear on the Register of members/List of Beneficial Owners as on cut-off date will be considered for the purpose of remote e-voting. A person who is not a member on the relevant date should treat this notice for information purposes only.
4. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date.
5. The Notice will also be placed on the website of the Bank at <https://www.utkarsh.bank/investors/>, the e-Voting website of Kfin and also shall be communicated to stock exchanges; BSE Limited ("BSE") at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com), where the Bank's Equity Shares are listed.
6. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s).
7. In accordance with the provisions of the MCA Circulars, members can vote only through the remote e-voting process. Physical copies of the Postal Ballot Notice and pre-paid business reply envelopes are not being sent to members for this Postal Ballot.
8. Resolutions passed by the members through the postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
9. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the Members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Members as on cut-off date. Once the vote on the resolution is cast by the Members, the Members will not be allowed to change them subsequently.
10. Members holding multiple folios / demat account shall choose the voting process separately for each folios / demat account
11. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has provided the facility to the members to exercise their votes electronically and vote on the resolutions through the remote e-voting service facility arranged by KFINTECH. The instructions for remote e-voting are provided as part of this Postal Ballot Notice.
12. Members desiring to exercise their vote through the remote e-voting process are requested to read the instructions in the Notes under the section "*General information and instructions relating to remote e-voting*" in this Postal Ballot Notice.

13. **The remote e-voting period commences on Friday, November 15, 2024, at 9:00 A.M. IST and ends on Saturday, December 14, 2024, at 5:00 P.M. IST.** During this period, Members holding shares on cut-off date, may cast their vote electronically. The remote e-Voting facility will be blocked by KFINTECH immediately thereafter and the Members will not be allowed to cast their votes beyond the said date and time.
14. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
15. After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman/Managing Director & CEO of the Bank, or any person authorised. The results of the voting conducted through Postal Ballot through the Remote e-Voting process will be announced by the Chairman/Managing Director & CEO or such person as authorised, by Tuesday, December 17, 2024 at Registered Office. The results along with the Scrutinizer's Report will be displayed on the website of the Bank at <https://www.utkarsh.bank/investors/> , the e-Voting website of KFINTECH and also shall be communicated to stock exchanges; BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), where the Bank's Equity Shares are listed, and will be made available on their respective websites. The Bank will also display the results of the Postal Ballot at its Registered Office.
16. The resolution, if passed by the requisite majority, shall be deemed to have been passed on Saturday, December 14, 2024, i.e., the last date specified for receipt of votes through the remote e-voting process.
17. All the material documents referred to in the explanatory statement will be available for inspection electronically until the last date for receipt of votes through the remote e-voting process. Members seeking to inspect such documents can send an email to [shareholders@utkarsh.bank](mailto:shareholders@utkarsh.bank).
18. Brief profile and other additional information of the proposed appointee pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is furnished as annexure to this Notice.
19. Pursuant to Section 124 of the Act, the dividends / interests that are unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF). The information regarding the unclaimed dividends / interest already transferred, and due to be transferred, to IEPF Authority, is/shall be available on the website of the Bank. All the Shareholders / Debenture holders who have not claimed the Dividend / interest in FY 22-23, FY 23-24 are requested to claim from the Bank.



**A. Procedures for login and remote e-voting for shareholders holding shares in physical mode and non- individual shareholders holding shares in demat form**

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1. Shareholders should log on to the e-voting website: <https://evoting.kfintech.com>.

- Enter the login credentials i.e., user id and password mentioned below:

**For Members holding shares in Demat Form :-**

- a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
- b) For CDSL: 16 digits beneficiary ID

- For Members holding shares in Physical Form:
- **Event no. i.e. 8485**, followed by Folio Number registered with the Company.
- Password: If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using Kfin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Members who have not registered their email addresses can follow the steps provided at serial no xiii below to obtain the User ID and password.
- Captcha: Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

2. After entering the details appropriately, click on LOGIN.

3. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the Password change menu you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. You need to login again with the new credentials.

4. On successful login, the system will prompt you to select the **EVENT i.e., 8485**

5. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

6. Any person who becomes a member of the Company after dispatching the Notice of the Meeting and holding shares as on the cut-off, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

- a) Send SMS: MYEPWD <space>

E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:  
MYEPWD <SPACE> IN12345612345678

Example for CDSL :  
MYEPWD <SPACE> 1402345612345678

Example for Physical:  
MYEPWD <SPACE> XXXX1234567890

- b) On the home page of <https://evoting.kfintech.com>, click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take the utmost care to keep it confidential.

## **B. Procedure for login and remote e-voting for *individual members holding securities in Demat mode***

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In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers (“ESPs”), thereby facilitating seamless authentication and convenience of participating in e-voting process.

### **Individual Shareholders holding securities in Demat mode with CDSL**

- **Users who have opted for CDSL Easi / Easiest facility**, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <http://www.cdslindia.com> and click on login icon & New System Myeasi Tab.
- After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there are links provided to access the system of all ESPs, so that the user can visit the ESPs’ website directly.
- **If the user is not registered for Easi/Easiest**, option to register is available at [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
- Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.

### **Shareholders holding securities in Demat mode with NSDL**

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nSDL.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com>. Select "Register Online for IDeAS" portal or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>.
- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

### **Individual Shareholders (holding securities in demat mode) login through their Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

***Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.***

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

<b>Login type</b>	<b>Helpdesk details</b>
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000.

## EXPLANATORY STATEMENT

The following Statement sets out all material facts relating to the Special Businesses mentioned in the Notice:

### Item No. 1

The Reserve Bank of India vide its circular RBI/2023-24/70 DOR.HGG. GOV.REC.46/29.67.001/2023-24 dated October 25, 2023 on appointment of Whole-Time Director(s) (WTD) had advised Banks to ensure presence of at least two WTD, including MD & CEO on their Boards. In this regard, the Bank after considering the recommendations of the Nomination and Remuneration Committee and the Board of Directors had applied to Reserve Bank of India (RBI) for considering the candidature of Mr. Pramod Kumar Dubey as Whole-time Director of the Bank in accordance with section 35B of the Banking Regulation Act, 1949.

RBI, vide its letter dated September 19, 2024, conveyed their approval for the appointment of Mr. Pramod Kumar Dubey (DIN: 10174154) as Whole-time Director (designated as Executive Director) of the Bank for a period of 3 (three) years with effect from the date of taking charge. Accordingly, the Board of Directors at their meeting held on September 20, 2024, subject to approval of Shareholders of the Bank, had appointed Mr. Pramod Kumar Dubey as Additional Director – Whole-time Director (ED) on the terms and conditions as given below:

1. Fixed Compensation – Not exceeding Rs.1.63 crore p.a. including perquisites
2. Grant of joining bonus in the form of ESOPs fair valued at Rs. 1.93 crores on the date of grant using Black-Scholes model
3. Variable Pay will be decided post finalization of the financial statements and completion of the annual appraisal cycle for FY 24-25.
4. Period: for a period of 3 years from September 20, 2024 to September 19, 2027

The breakup of the cost to Company (CTC) is given below:

SI	Salary Components	Amount in Rs.
1	Basic Pay	60,90,000
2	HRA	36,54,000
3	Medical Allowance	10,00,000
4	Transport Allowance	5,00,000
5	Driver Allowance	2,50,000
6	Food allowance	6,00,000
7	Statutory Bonus	48,000
8	Leave Travel Allowance	12,50,000
9	Children Education Allowance	12,50,000
10	Special Allowance	2,79,411
	<b>Gross Salary</b>	<b>1,49,21,411</b>
11	PF	7,30,800
12	Gratuity	2,92,788
	<b>CTC</b>	<b>1,59,45,000</b>

	Reimbursement of medical expenses	<b>55,000</b>
13	Fuel Reimbursement	3,00,000
	<b>Total CTC</b>	<b>1,63,00,000</b>

The payment of variable pay in each financial year is subject to the specific prior approval of the RBI in terms of Section 35B of the Banking Regulation Act, 1949 and Nomination and Remuneration Policy of the Bank.

In terms of Section 161(1) of the Companies Act, 2013, and Regulation 17(1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Mr. Pramod Kumar Dubey shall hold office up to the date of next General Meeting or for a period of three months from the date of appointment, whichever is earlier.

While considering the appointment of Mr. Pramod Kumar Dubey as a Whole-time Director, the Committee and the Board reviewed that:

- a. He is a fit and proper person to be appointed as a Director of the Bank in accordance with the norms prescribed by the RBI.
- b. He is not disqualified from being appointed as a Whole-time Director (designated as Executive Director) in terms of Section 164 of the Act, Section 10 A and other applicable provisions of the Banking Regulation Act, 1949 and other applicable Acts, Rules and Regulations and he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 and other guidelines issued by the RBI, from time to time.
- c. He is not debarred from holding office by virtue of any order of Securities and Exchange Board of India or any other such authority.
- d. He has the requisite qualifications, skills, experience and expertise in functional areas.

The Board recommends the resolution in relation to the appointment of Mr. Pramod Kumar Dubey as a Whole-time Director of the Bank and also the terms and conditions of his appointment as set out in Item No. 1 of the notice for approval of the Shareholders by way of an Ordinary Resolution by means of this postal ballot in terms of Section 152, 196, 197 and other applicable provisions of the Act and Regulation 17 (1C) of the SEBI Listing Regulations.

Except Mr. Pramod Kumar Dubey or his relatives, none of the Directors or Key Managerial Personnel(s) of the Bank and/ or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 1 of this notice.

**Additional information pursuant to regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standard-2 ("SS-2") with respect to the Directors seeking appointment / re-appointment:**

Name	Mr. Pramod Kumar Dubey
DIN	10174154
Educational Qualification	<ul style="list-style-type: none"> <li>• MBA (International Business), FMS- Banaras Hindu University,</li> <li>• CAIIB – Indian Institute of Bankers,</li> <li>• M.Sc. (Botany), Department of Botany, Banaras Hindu University,</li> <li>• B. Sc (Botany), Faculty of Science, Banaras Hindu University</li> </ul>
Date of Birth	15/07/1972
Age (in years)	51
Brief Profile	<p>Mr. Pramod Kumar Dubey is a seasoned professional with more than 26 years of experience in the banking industry and has worked in Federal Bank and ICICI Bank. He holds Master of International Business Administration (MIBA) from Faculty of Management Studies, Banaras Hindu University and CAIIB from Indian Institute of Bankers.</p> <p>Before joining the Bank, Pramod was with ICICI Bank for 24 years, where he last served as the Head of Operations. His tenure at ICICI Bank saw him lead various initiatives in business development for retail liability and assets, including rural assets. He has extensive experience in branch banking and P&amp;L management as Group Product Head of Rural Assets and spearheaded several transformation projects.</p> <p>Additionally, Pramod has served as an observer on the Board of Midland Microfin Limited, showcasing his broad expertise and leadership in the financial sector.</p>
Date of appointment on the Board	September 20, 2024
Nature of his experience in specific functional areas	Seasoned Banker with 26 years of experience in branch banking, sales management, product management, operations, compliance and P/L ownership
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Directors, Manager, Key Managerial Personnel of the Bank.
Shareholding	Nil
No. of Board Meetings attended during the year (FY 2024-25 till date) (Attended/conducted)	2.
Terms and conditions of appointment or reappointment including remuneration	<p>Appointment as Whole-Time Director (Executive Director), for a period of three (3) years with effect from September 20, 2024, to September 19, 2027.</p> <p>- Fixed pay not exceeding Rs.1.63 crore per annum including perquisites</p>

	<ul style="list-style-type: none"> <li>- Grant of joining bonus in the form of ESOPs fair valued at Rs.1.93 crore on the date of grant using Black-Scholes model</li> <li>- Variable Pay will be decided post finalization of the financial statements and completion of the annual appraisal cycle for FY 24-25.</li> </ul>
Last Drawn Remuneration (for FY 23-24)	Not Applicable.
Names of the entities (other than Utkarsh Small Finance Bank Limited) in which the person also holds the directorship and the membership of Committees of the Board along with listed entities from which the person has resigned in the past three years	<p>Dec'21 – Present; 2 years: Observer on Board of Midland Microfin Limited</p> <p>June'23 – Jan'24; 8 months: Nominated Director on Board of National E-Repository Limited</p>
Skills and capabilities required for the role in terms of Section 10A(2) of Banking Regulation Act, 1949. The manner in which the proposed Director meets such requirements.	<p>Skill set includes:</p> <p>Banking, Business Management, Strategic Planning, Marketing, and compliance. Seasoned Banker with 26 years of experience in branch banking, sales management, product management, operations, compliance and P/L ownership</p>

## Item No. 2

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The Employee Stock Option Scheme (ESOP) is a tool to motivate the employees of the Company and its Group companies for their contribution towards the growth of the Company, to foster a spirit of entrepreneurial mindset, and to retain them for ensuring sustained growth. ESOP enables the alignment of personal goals of the employees with organizational objectives by allowing their participation in the ownership of the Company.

The Bank with the approval of the Board and Members had formulated an ESOP Plan & Scheme in December 2020 (under the nomenclature "USFBL Employee Stock Option Plan & USFBL Employee Stock Option 2020 - Scheme I) and had created a pool of 6,07,41,778 options.

As the pool is nearing exhaustion, it is proposed to increase the existing Pool size to 11,58,00,893 options by creation and addition of 5,50,59,115 options being 5% of the paid-up capital of the Bank as on September 20, 2024. Additionally, it is proposed to formulate a new ESOP Scheme (i.e. USFBL Employee Stock Option 2024 - Scheme II) to regulate the grant of additional pool in accordance with the SBEB Regulations.

Keeping the aforesaid objectives in mind and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on Saturday, November 09, 2024 approved for increase in the limit of the share pool of **"USFBL Employee Stock Option Plan 2020 ("Plan") and implementation of USFBL Employee Stock Option 2024 - Scheme II" ("Scheme II")** subject to the approval of the Members and the provisions of the SBEB Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof.

The Board recommends the resolution as set out in Item No. 2 of the notice for approval of the Members by way of a Special Resolution.

None of the Directors or Key Managerial Personnel(s) of the Bank and/ or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 2 of this notice except to the extent of ESOPs already granted and to be granted in future.

The salient features of the Plan and Scheme II are as under:

Sr. No.	Particulars	Description
a.	Brief description of the scheme(s)	The Bank has structured this Plan for the benefit of the Employees with the objective to : Attract new talent Reward Employees for extraordinary performance Motivate and retain employees Driving performance of the Employees and the Bank Align Employee interests with Members' interest Wealth creation for the Employee



		Options granted under the Notified Schemes (as defined in the Plan) under the Plan shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Bank. The Nomination and Remuneration (“NRC”) shall administer the Plan. All questions of interpretation of the Plan shall be determined by the NRC and such determination shall be final, conclusive and binding
b.	the total number of options, SARs, shares or benefits, as the case may be, to be offered and granted	Total pool size including options under the existing plan would be 11,58,00,893 (existing options 6,07,41,778 + additional options 5,50,59,115).  5,50,59,115 (Five crores fifty Lakhs fifty-nine thousand one hundred and fifteen only) exercisable into Equity Shares not exceeding 5,50,59,115 (Five crores fifty Lakhs fifty nine thousand one hundred and fifteen only) In case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/undertaking or other re-organization, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price, as applicable.
c.	identification of classes of employees entitled to participate and be beneficiaries in the scheme(s)	Present and future, permanent employees of the Bank, who qualify for the issue of Options under Plan and the Scheme II and who fulfil the conditions as may be decided by the NRC from time to time.
d.	requirements of vesting and period of vesting	Under the Scheme II, Options granted shall vest within the minimum period of 1 (One) year and maximum period of 4 (Four) years from the date of grant of such options, as may be decided by the Board/Committee.
e.	maximum period (subject to regulation 18(1) and 24(1) of these regulations, as the case may be) within which the options / SARs / benefits shall be vested	Covered in point (d) above.
f.	exercise price, SAR price, purchase price or pricing formula	Each option issued by the Bank to the Eligible Employees would be eligible for allotment of one Equity Share of the Bank on payment of the Exercise Price.

		The Exercise Price shall be as determined by the Board/NRC from time to time and subject to such regulations as may be applicable from time to time (subject to conforming to the accounting policies specified in Regulation 15 of the SEBI Regulations). However, such Exercise Price in any case shall not be less than face value of the equity shares of the Bank.
g.	exercise period/offer period and process of exercise/acceptance of offer	As detailed in the Plan
h.	the appraisal process for determining the eligibility of employees for the scheme(s)	NRC shall grant or vest any or all of the Options granted to an eligible employee conditional upon the fulfilment of such performance criteria whether of the employee and/or any team or group of which he is a part and/or of the Bank, as may be determined by the management from time to time or such other conditions as may be deemed fit by NRC.
i.	maximum number of options, SARs, shares, as the case may be, to be offered and issued per employee and in aggregate, if any	The maximum number of options to be granted to each employee will be decided by NRC based on the grade and annual rating of the employee.
j.	maximum quantum of benefits to be provided per employee under a scheme(s)	The maximum number of options to be granted to each employee will be decided by NRC based on the grade and annual rating of the employee.
k.	whether the scheme(s) is to be implemented and administered directly by the Bank or through a trust	as given in "a" above
l.	whether the scheme(s) involves new issue of shares by the Bank or secondary acquisition by the trust or both	The Plan involves new issue of equity shares
m.	the amount of loan to be provided for implementation of the scheme(s) by the Bank to the trust, its tenure, utilization, repayment terms, etc.	This is not applicable under the Plan and the Scheme.
n.	maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)	This is not applicable under the Plan and the Scheme.
o.	a statement to the effect that the Bank shall conform to the accounting policies specified in regulation 15	The Bank shall value its option at fair value or such other method as permitted by the relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.  [In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the

		employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Bank shall also be disclosed in the Directors' report.].
p.	the method which the Bank shall use to value its options or SARs	The Bank shall value its option as per Black Scholes model or such other method as permitted by accounting standards in force from time to time.
q.	the following statement, if applicable:  In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Bank shall also be disclosed in the Directors' report';	As the Bank is adopting the fair value method the statement is not applicable.
r.	period of lock-in.	The Lock in period, if any, will be decided by Board/ NRC of the Bank from time to time in accordance with the applicable laws.
s.	Conditions under which options vested in employee(s) may lapse	As per the Scheme and the Plan.
t.	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	It is subject to the conditions mentioned in various clauses of the Scheme and the Plan.
u.	Terms & conditions for buyback, if any, of specified securities covered under these regulations.	The NRC has the powers to frame the procedure and other terms and conditions for buy-back of Options granted, if to be undertaken at any time by the Bank, in accordance with applicable laws.

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

**SD/-**

**Muthiah Ganapathy  
Company Secretary & Compliance Officer  
ICSI Membership No: F5674**

**November 09, 2024  
Mumbai**