



May 14, 2024

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001 Scrip Code: 543942, 958095, 958226, 959644	National Stock Exchange of India Limited 5th Floor, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 NSE symbol: UTKARSHBNK
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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 provisions of Regulation 30 and other applicable provisions of SEBI Listing Regulations, the Notice along with Explanatory Statement thereto, dated April 26, 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, May 10, 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.	Amendments to the Articles of Association of the Bank	Special
2	Payment of Compensation/Remuneration to the Non-Executive Directors of the Bank	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 Wednesday, May 15, 2024 at 9:00 A.M. IST and ends on Thursday, June 13, 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



Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

UTKARSH SMALL FINANCE BANK LIMITED

CIN: U65992UP2016PLC082804

(The Bank is yet to receive approval from the Registrar of Companies for the change of CIN)
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh, PIN – 221105

Tel No +91-542-6605555 | Website: www.utkarsh.bank | Email: shareholders@utkarsh.bank

NOTICE OF POSTAL BALLOT

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

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, General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 ("**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**") to the proposed resolution appended below through Postal Ballot by remote e-voting process only ("**remote e-voting**").

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, May 10, 2024 ("**cut-off date**").

The Board of Directors of the Bank ("**Board**") at their meeting held on Friday, April 26, 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.

The Bank has engaged the services KFin Technologies Limited ('KFINTECH' / 'Kfin') to provide the platform for facilitating the remote e-voting.

The remote e-voting period commences on Wednesday, May 15, 2024 at 9:00 A.M. IST and ends on Thursday, June 13, 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 explanatory statement pursuant to Sections 102, and other applicable provisions, if any, of the Act pertaining to the aforesaid resolutions setting out the material facts concerning the proposed resolutions appended below, is annexed hereto for your consideration.

Members 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 to cast their vote electronically. Members are requested to cast their vote through the remote e-voting process not later than 05:00 p.m. IST on Thursday, June 13, 2024 to be eligible for being considered, failing which it will be strictly considered that no votes have been received. The last date for receipt of votes vide e-voting will be deemed to be the date of passing of the resolution, if passed by requisite majority.

The Scrutinizer will submit his report to the Chairman or the Managing Director or the Company Secretary of the Bank after completion of scrutiny of the remote e-voting. The results shall be declared on or before Monday, June 17, 2024 and will be communicated to BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") (together the "Stock Exchanges and KFINTECH and will also be displayed on the Bank's website at www.utkarsh.bank/investors/

ITEM No. 1:

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE BANK

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

"RESOLVED THAT pursuant to the sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and read with the rules made thereunder, Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Regulation 23 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") and applicable regulations including amendments thereof from time to time, and pursuant to the advice and approval received from the RBI in this regard, the shareholders of the Bank give their consent to amend the Articles of Association (AOA) by addition of Articles 12.4 and 15.2 and renumbering the clauses, if any, thereof in the manner given below:

12.4 Any trust deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A person nominated by the debenture trustee(s) in accordance with the trust deed shall be appointed as a Director by the Board under this Article read with Regulation 15(1)(e) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, in the event of:

- 1. two consecutive defaults in payment of interest to the debenture holders; or*
- 2. default in creation of security for debentures; or*
- 3. default in redemption of debentures.*

A Director appointed in accordance with this Article may be referred to as "Debenture Director" which shall mean a Director for the time being in office under this Article. A "Debenture Director" shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.

15.2 Subject to the Act and applicable law:

- a) any Shareholder (including Utkarsh CoreInvest Limited (UCL)) who (along with its Affiliates) owns at least nine per cent. (9%) or more Shares on a Fully Diluted Basis, shall have the right to nominate one (1) Director on the Board of the Bank.
- b) In the event, any Shareholder (excluding UCL) nominates a Director on the Board of the Bank pursuant to Article 15.2(a), then UCL shall have a right to nominate one more Director on the Board of the Bank (i.e. in addition to the director nominated by UCL under Article 15.2(a)) such that the total number of directors nominated by UCL on the Board of the Bank at any point of time does not exceed two (2) Directors, till the time UCL's shareholding in the Bank is above twenty six per cent. (26%) on Fully Diluted Basis, which additional right shall cease to exist upon UCL's shareholding in the Bank being reduced to twenty six per cent (26%) or less than twenty six per cent (26%) of the total paid-up Shares on Fully Diluted Basis.

For the purposes of this Article, for computing shares on a Fully Diluted Basis unvested options granted under the ESOP schemes/ plan of the Bank shall be excluded."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

ITEM No. 2:

PAYMENT OF COMPENSATION/REMUNERATION TO THE NON-EXECUTIVE DIRECTORS OF THE BANK

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

"RESOLVED THAT pursuant to and subject to the applicable provisions of the Banking Regulation Act, 1949 and other laws including Reserve Bank of India's ("RBI") Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021 and RBI's circular on review of fixed remuneration granted to Non-Executive Directors ("NEDs") dated February 9, 2024, and any other relevant RBI guidelines, each of the aforesaid as may be amended, restated, replaced or modified, from time to time, and all applicable provisions of the Companies Act, 2013 and the rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended, restated, replaced or modified, from time to time, the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Bank, the consent of the Members be and is hereby accorded for the payment of compensation/remuneration to each Non-Executive Director of the Bank {except Part Time Non-Executive Chairperson and Nominee Director(s)}, by way of fixed remuneration up to ₹ 30,00,000 (Rupees Thirty Lakhs Only) per annum, as may be determined by the Nomination and Remuneration Committee or Board of Directors of the Bank ('Board'), from time to time, with effect from the Financial Year 2024-25, (however in case of any change in the limits in this regard under applicable law / relevant RBI guidelines or any other remuneration or compensation including in different form being allowed under applicable law / relevant RBI guidelines, then payment of the fixed remuneration and/or such compensation per such NED at the highest of the then applicable limits in this regard under such

applicable law/RBI guidelines, from time to time); and subject to and in accordance with the decisions in this regard and/or the applicable / relevant policy, if any, of the Board or the relevant Committee thereof.”

“RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Non-Executive Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and the reimbursement of expenses for participation in the Board and Committee meetings.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

**Date: April 26, 2024
Place: Mumbai**

Sd/-
**Muthiah Ganapathy
Company Secretary**

NOTES:

1. The explanatory statement pursuant to Sections 102 and 110 of the Companies Act, 2013 stating all material facts and the reasons for the proposals set out in resolution no. 1, 2 is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members of the Bank whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on cut-off date.
3. In line with the MCA Circulars, the Postal Ballot Notice is being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.utkarsh.bank/investors/ websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin at <https://evoting.KFINTECH.com>.
4. 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).
5. Members holding shares in physical form are requested to register/update their KYC details including email address by submitting duly filled and signed Form ISR-1 along with self-attested copy of the PAN card and such other documents as prescribed in the Form. The said form is available on the website of KFin at https://ris.KFINTECH.com/clientservices/isc/default.aspx#isc_download_hrd duly filled form can be submitted in person at any of the branches of KFIN, details of which are available on the link: <https://www.KFINTECH.com/contact-us/>

Forms can be e-signed and submitted online along with requisite documents by following the link: <https://ris.KFINTECH.com/clientservices/isc/default.aspx#> or physical forms can be sent through post to the address of our RTA - KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) , Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.
6. 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.
7. 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.
8. Resolution(s) passed by the Members through 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.
10. A person who is not a member on the relevant date should treat this notice for information purpose only.
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 KFin Tech. 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. Members are requested to cast their vote through the remote e-voting process not later than 05:00 p.m. IST on Thursday, June 13, 2024. Any postal ballot received from the members beyond the said date will not be valid and voting by electronic means shall not be allowed beyond the said date.
14. The Scrutinizer will submit his report to the Chairman or the Managing Director or the Company Secretary of the Bank after the completion of scrutiny, and the result of the voting by postal ballot through remote e-voting process will be announced by the Chairman or the Managing Director or the Company Secretary of the Bank on or before Monday, June 17, 2024 and will also be displayed on the website of the Company www.utkarsh.bank/investors/, besides being communicated to the Stock Exchanges, Depositories and the Registrar and Share Transfer Agent.
15. The resolution, if passed by the requisite majority, shall be deemed to have been passed Thursday, June 13, 2024 i.e., the last date specified for receipt of votes through the remote e-voting process.
16. 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.
17. 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 Debenture holders who have not claimed the interest for FY 2022-23 are requested to claim from the Bank.

GENERAL INFORMATION AND INSTRUCTIONS RELATING TO REMOTE E-VOTING ARE AS UNDER:

- a. A person whose name is recorded in the register of members or in register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- b. Any Members who holds the shares as on the cut-off date may obtain the User ID and password in the manner as mentioned below:
 - i. Members may call KFin-tech's toll free number 1-800-309-4001
 - ii. Members may send an e-mail request to inward.ris@KFINTECH.com. If the Members is already registered with the KFin tech e-voting platform, such Members can use his/her existing User ID and password for casting the vote through remote e-voting.
 - iii. If e-mail address of the Members is registered against Folio No./DP ID Client ID, on the homepage of <https://evoting.KFINTECH.com>, the Members may click "Forgot password" and enter Folio No. or DP ID Client ID and Permanent Account Number ("PAN") to generate a password.
- c. The remote e-voting facility will be available during the following period:
 - i. **Commencement of E-Voting:** 09:00 a.m. (IST) **on Wednesday, May 15, 2024**
 - ii. **End of E-Voting:** 05:00 p.m. (IST) **on Thursday, June 13, 2024.**

Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin tech upon expiry of the aforesaid period.

A. PROCEDURES FOR REMOTE E-VOTING FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING EQUITY SHARES IN DEMAT MODE AND MEMBERS HOLDING EQUITY SHARES IN PHYSICAL FORM:

Members whose email address is/are registered with the Company / Depository / Depository Participant / Registrar and Transfer Agent ('RTA'), will receive an email from KFin Tech which will include details of E-Voting Event Number, USER ID and password.

Members are requested to follow the below process:

- a. Launch internet browser by typing the URL: <https://evoting.KFINTECH.com/>.
- b. Enter the login credentials provided in the email and click on Login.
- c. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
- d. The new password should 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 (@, #, \$, etc.,).
- e. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a 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 it confidential.
- f. Login again with the new credentials.
- g. On successful login, the system will prompt you to select the "EVENT"
- h. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any numbering "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios may choose to vote differently for each folio / demat account.
- j. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "Ok" to confirm or "Cancel" to modify.
- k. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter.
- l. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "Submit".

B. IN CASE OF ANY QUERIES/GRIEVANCES, YOU MAY REFER THE FREQUENTLY ASKED QUESTIONS (FAQS) FOR MEMBERS AT [F.A.Q'S \(KFINTECH.COM\)](http://F.A.Q'S(KFINTECH.COM)) OR CALL KFIN TECH ON 1-800-309-4001 (TOLL FREE).

PROCEDURE FOR LOGIN AND REMOTE E-VOTING FOR INDIVIDUAL MEMBERS HOLDING SECURITIES IN DEMAT MODE

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Members holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants.

Members are advised to update their mobile number and email Id in their Demat accounts in order to access e-voting facility.

Login method for **Individual Members holding securities in Demat mode** is given below:

<p>Individual Members holding securities in Demat mode with National Securities Depository Limited ("NSDL")</p>	<p>A. User already registered for IDeAS facility:</p> <ul style="list-style-type: none"> - Open https://eservices.nsd.com - Click on the "Beneficial Owner" icon under 'IDeAS' section. - On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" - Click on Company Name or e-voting service provider 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 & voting during the Meeting. <p>B. User is not registered for IDeAS e-Services:</p> <ul style="list-style-type: none"> - To register, open https://eservices.nsd.com/ either on a Personal Computer or on a mobile. - Select "Register Online for IDeAS" Portal or click on https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. - Proceed with completing the required fields: - After successful registration, please follow steps given under serial number A above to cast your vote.
	<p>- C. By visiting the e-voting website of NSDL:</p> <ul style="list-style-type: none"> - Open https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. - Click on the icon "Login" which is available under 'Members/Member' section - A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. - Post 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.
<p>Individual Members holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")</p>	<p>A. Existing user who have opted for Easi/Easiest</p> <ul style="list-style-type: none"> - Click at https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com - Click on New System Myeasi. - Login with user ID and Password - After successful login of Easi / Easiest, Option will be made available to reach e-voting page - Click on e-voting service provider name to cast your vote <p>B. User not registered for Easi/Easiest</p> <ul style="list-style-type: none"> - Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiestRegistration - Proceed to complete registration using the required fields.

	<p>- After successful registration, please follow steps given under serial no. A above to cast your vote.</p> <p>C. By visiting the e-voting website of CDSL</p> <ul style="list-style-type: none"> - Visit https://evoting.cdslindia.com/Evoting/EvotingLogin - Provide Demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. <p>After successful authentication you will enter the e-voting module of CDSL. Click on Company name or e-voting service provider and you will be redirected to KFINTECH website for casting the vote during the remote e-voting period.</p>
Individual Members (holding securities in Demat mode) login through their depository participants	<ul style="list-style-type: none"> - You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. - Once logged in, 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.

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

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

Login type	Helpdesk details
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542/43.

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

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

ITEM No. 1

APPROVAL FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE BANK

1. The Board had originally approved the amendment to the Articles of Association of the Bank (“**AoA**”) at their meeting held on August 8, 2023, pursuant to which the Bank had submitted an application to the Reserve Bank of India (“**RBI**”) on September 2, 2023 for seeking its approval regarding the proposed amendments to the AoA. The proposed amendments to the AoA included deletion of Part B of the AoA and addition of Articles 12.4 and 15.2 to the AoA which pertained to:
 - i. Nomination of a person as a Director by the Debenture Trustee, in accordance Regulation 15 (1)(e) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (“**Debenture Trustees Regulations**”) in the event of default made by the Bank.
 - ii. Providing special rights to the shareholders, including Utkarsh CoreInvest Limited regarding nomination of directors on the Board.
2. The Shareholders of the Bank subject to the approval of the RBI, *vide* a special resolution passed by way of a postal ballot on September 23, 2023 had approved the aforementioned amendments to the AoA.
3. Subsequently, pursuant to various discussions with the RBI, it had approved the deletion of Part B of the AoA and suggested the following modifications to the proposed amendment to the AoA.
 - a) **Article 12.4:** *To specify the events/conditions which may trigger the appointment of nominee director by the debenture trustee, in the event of default made by companies in accordance with Securities Exchange Board of India (SEBI) circular no SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/028 dated February 9, 2023.*
 - b) **Article 15.2:** *To re-examine the clause which would restore the special rights of the Promoter Company, i.e., Utkarsh CoreInvest Limited & Institutional Investors to appoint Nominee Director, from the perspective that such right does not affect having majority of Independent Directors and the Board is not bloated/inflated with large no. of directors.*
4. In terms of the recent amendment to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Debenture Trustees Regulations existing issuers whose debt securities are already listed are required to amend their articles of association to incorporate the provisions with respect to appointment of nominee director by the debenture trustee in the event of:
 - a) two consecutive defaults in payment of interest to the debenture holders; or
 - b) default in creation of security for debentures; or
 - c) default in redemption of debentures.
5. The Bank has issued listed non-convertible debentures and is required to amend its AoA to include a clause for appointment of a person nominated by the debenture trustee(s) as a director on its Board. Accordingly, the earlier approved Article 12.4 of the AoA is now proposed to be amended to specify the events/conditions which may trigger the appointment of nominee director by the debenture trustee (*as mentioned in Regulation 15(1)(e) of the Debenture Trustees Regulations*).
6. Furthermore, the earlier approved Article 15.2 of the AoA is now proposed to be amended to the extent that the Promoter entity, Utkarsh CoreInvest Limited may nominate a maximum of two directors on the Board till the time its shareholding in the Bank is above 26% on fully diluted basis.

7. The details of the Articles proposed to be modified / amended are provided below:

Article	Earlier Article (as approved by the Shareholders <i>vide</i> a special resolution passed by way of a postal ballot on September 23, 2023)	Proposed Article
12.4	<p>Any Trust Deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed.</p> <p>A Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means a Director for the time being in office under this Article. A “Debenture Director” shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.</p>	<p>Any trust deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed.</p> <p>A person nominated by the debenture trustee(s) in accordance with the trust deed shall be appointed as a Director by the Board under this Article read with Regulation 15(1)(e) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, in the event of:</p> <ol style="list-style-type: none"> 1. two consecutive defaults in payment of interest to the debenture holders; or 2. default in creation of security for debentures; or 3. default in redemption of debentures. <p>A Director appointed in accordance with this Article may be referred to as “Debenture Director” which shall mean a Director for the time being in office under this Article. A “Debenture Director” shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.</p>
15.2	<p>Subject to the Act and Applicable Law:</p> <p>(a) any Shareholder who (along with its Affiliates) owns at least nine per cent. (9%) or more Shares on a Fully Diluted Basis (excluding: (i) any employee stock options granted by the Company; and (ii) any Shares issued by the Company pursuant to an exercise of such employee stock options), shall have the right to nominate one (1) Director on the Board; and</p> <p>(b) Utkarsh CoreInvest Limited (UCL) shall have the right to appoint such number of Directors which is one (1) more than the total number of Directors appointed pursuant to Articles 15.2 (a) (excluding any</p>	<p>Subject to the Act and applicable law:</p> <p>a) any Shareholder (including Utkarsh CoreInvest Limited (UCL)) who (along with its Affiliates) owns at least nine per cent. (9%) or more Shares on a Fully Diluted Basis, shall have the right to nominate one (1) Director on the Board of the Bank.</p> <p>b) In the event, any Shareholder (excluding UCL) nominates a Director on the Board of the Bank pursuant to Article 15.2(a), then UCL shall have a right to nominate one more Director on the Board of the Bank (i.e. in addition to the director nominated by UCL under Article 15.2(a)) such that the total number of directors nominated by UCL</p>

Article	Earlier Article (as approved by the Shareholders <i>vide</i> a special resolution passed by way of a postal ballot on September 23, 2023)	Proposed Article
	<p>Director nominated by UCL under Article 15.2(a) provided that this right of UCL to appoint such additional Directors shall cease to exist upon UCL holding is reduced to forty per cent (40%) or less than forty per cent (40%) of the total paid-up shares of the Bank.</p>	<p>on the Board of the Bank at any point of time does not exceed two (2) Directors, till the time UCL's shareholding in the Bank is above twenty six per cent. (26%) on Fully Diluted Basis, which additional right shall cease to exist upon UCL's shareholding in the Bank being reduced to twenty six per cent. (26%) or less than twenty six per cent (26%) of the total paid-up Shares on Fully Diluted Basis.</p> <p>For the purposes of this Article, for computing shares on a Fully Diluted Basis unvested options granted under the ESOP schemes/ plan of the Bank shall be excluded.</p>

8. The RBI through its letter dated March 26, 2024 and email dated April 10, 2024 has approved and taken on record the aforementioned amendments to the AoA.
9. The Board of Directors of the Bank at its meeting held on Friday, April 26, 2024 has approved the aforementioned amendments to the AoA and recommends passing of Special Resolution for matter set out in item no 1 of the Notice
10. A copy of the proposed new AOA of the Bank would be available for inspection by the Members at the Registered Office of the Bank during the normal business hours between 10:00 AM (IST) to 5:00 PM (IST) on working days up to last date for receipt of votes.
11. None of the Director / Key Managerial Personnel of the Bank or their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out in Item No. 1 of the Notice.

ITEM No. 2

1. In terms of the RBI Circular DoR.HGG.GOV.REC.75/29.67.001/2023-24 dated February 09, 2024, in addition to sitting fees and expenses related to attending meetings of the Board and its Committees as per extant statutory norms/ practices, the Bank may provide for payment of compensation / remuneration to Non-Executive Directors in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals, however, such fixed remuneration for each of the Non-Executive Directors, other than the Chairman of the Board and Nominee Director(s), shall not exceed ₹ 30,00,000 (Rupees Thirty Lakh Only) per annum.
2. In recent years, the Board/Committee meetings are being held very frequently and the Non-Executive Directors of the Bank devote a considerable amount of time & efforts to ensure meaningful deliberations at the Board/ Committee meetings of the Bank. The NEDs have largely contributed to the Bank's growth over the years. Furthermore, in view of the enhanced Corporate Governance requirements under the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") coupled with the growing operations of the Bank, the role and responsibilities of the Board, particularly independent directors have become more arduous, requiring greater time commitments, attention and a higher level of oversight.
3. As per regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Board of Directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders.
4. The aforesaid remuneration is exclusive of the fees payable to the Non-Executive Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.
5. The Board of Directors of the Bank at its meeting held on Friday, April 26, 2024 has approved the payment of compensation/remuneration to the non-executive directors of the bank and recommends passing of Special Resolution for matter set out in item no 2 of the Notice
6. NEDs of the Bank and their relatives are interested in the above resolution. None of the Executive Directors, Part Time Non-Executive Chairman, Key Managerial Personnel of the Bank or their relatives are interested in this resolution.

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

**Date: April 26, 2024
Place: Mumbai**

Sd/-
**Muthiah Ganapathy
Company Secretary**