



September 20, 2024

BSE Limited
543942, 958095, 959644, 968226, 975790

National Stock Exchange of India Limited
UTKARSHBNK

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on September 20, 2024

Pursuant to Regulation 30 and 51 and other applicable regulations, if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") we would like to inform that the Board of Directors of Utkarsh Small Finance Bank Limited at their meeting held today i.e., September 20, 2024, have inter-alia considered and:

1. approved the scheme of amalgamation ("**Scheme**") of Utkarsh CoreInvest Limited ("**Transferor Company**") / ("**UCL**") with Utkarsh Small Finance Bank Limited ("**Transferee Company**") / ("**USFBL**") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") and the rules made thereunder, based on the recommendations of the Audit Committee and the Independent Directors of USFBL.

The effectiveness of the Scheme is conditional upon and subject to:

- (a) the receipt of the approval of Reserve Bank of India ("**RBI**") in terms of the Paragraph 14 of Chapter- IV of the RBI Amalgamation Directions and the certification from the RBI in terms of Section 44(B)(1) of the Banking Regulation Act, 1949;
- (b) the receipt no-objection/ no-adverse observation letter by the Transferee Company from the stock exchanges in relation to the Scheme pursuant to Regulation 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant master circulars issued by the Securities and Exchange Board of India ("**SEBI**");
- (c) the receipt of approval from any other relevant governmental authority as may be required under the applicable law;
- (d) the expiry of the lock-in restriction on 21,97,52,029 (twenty-one crore ninety-seven lakhs fifty-two thousand twenty-nine) equity shares held by the Transferor Company in the Transferee Company under Regulation 16(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, which restriction / lock-in period expires on January 19, 2025;
- (e) the Scheme being approved by the respective requisite majority (in number and value) of such class of persons including the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under applicable law, either at a meeting or through consent or no-objection letters or otherwise, and as may be directed by the National Company Law Tribunal, Allahabad bench ("**NCLT**") under Sections 230 to 232 of the Companies Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors or any applicable law permitting the respective parties not to convene the meetings of its members and/or creditors;
- (f) the Scheme being approved by e-voting by the requisite majority of the public shareholders of the Transferee Company as required under the master circular issued by the SEBI dated June 20, 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 read with SEBI circular dated January 3, 2022 bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/003 (since the Scheme involves amalgamation of a listed entity with its promoter);
- (g) the Scheme being approved by e-voting by the requisite majority of the debenture holders of the Transferee Company as required under the under Chapter XII of the master circular issued by SEBI dated May 21, 2024 bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48;
- (h) the Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Companies Act;

- (i) the certified copy of the order of the NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by the Transferor Company and Transferee Company;
- (j) fulfilment of any compliance(s), conditions(s) etc., if any, stipulated by the RBI, stock exchanges and/or any other relevant government authority prior to effecting the Scheme; and
- (k) the requisite sanction or approval of the government authority being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.

Appointed Date as defined in the Scheme is April 01, 2025, or such other date as may be fixed mutually by the board of directors of the Transferor Company and the Transferee Company, or such other date as may be fixed or approved by the NCLT or such other competent authority.

The share exchange ratio for the amalgamation of the Transferor Company into and with the Transferee Company shall be 699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up.

*Information as required under Regulation 30 of Listing Regulations read with SEBI Master Circular bearing reference no SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is provided as **Annexure -1***

2. approved raising of funds by issuance of Tier II Capital aggregating up to Rs. 200 crores through issue of Non- Convertible Debentures (NCDs). The proposed issue is within the borrowing limit(s) as provided for under Section 180(1)(c) of the Companies Act, 2013.
3. authorised as per policy for determination of materiality, Mr. Govind Singh, Managing Director & CEO (MD & CEO) to determine whether an event / information is material and for the purpose of making disclosures to stock exchange(s), authorised severally MD & CEO, Mr. Sarju Simaria, Chief Financial Officer and Mr. Muthiah Ganapathy, Company Secretary under the said Regulations:

Address	Contact Number	E-mail
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105	0542-6134000	mdceo@utkarsh.bank secretarial.usfb@utkarsh.bank

4. took on record Reserve Bank of India (RBI) letter dated September 19, 2024 approving the proposal for appointment of Mr. Pramod Kumar Dubey as (DIN: 10174154) as Whole Time Director (Additional).

Accordingly, subject to the approval of Shareholders, the Board of Directors approved the appointment for a period of 3 (three) years effective from September 20, 2024. The Bank will seek shareholders' approval for the said appointment as provided for under the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Mr. Pramod Kumar Dubey (DIN: 10174154) is not debarred from holding office of director by virtue of any SEBI order or any other such authority and he is not related to any Director of the Bank.

*Information as required under Regulation 30 of Listing Regulations read with SEBI Master Circular bearing reference no SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is provided as **Annexure -2***

5. approved postal ballot notice for appointment & remuneration to be paid to Mr. Pramod Kumar Dubey (DIN: 10174154), Whole Time Director (Additional) of the Bank.
6. took on record resignation of Mr. Chandra Shekhar Thanvi (DIN: 00563531), Nominee Director of the Bank as he superannuated from Small Industries Development Bank of India (SIDBI).

*Information as required under Regulation 30 of Listing Regulations read with SEBI Master Circular bearing reference no SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and copy of his resignation letter is provided as **Annexure -2 & 3.***

7. took on record resignation of Mr. Trilok Nath Shukla, Head Micro Banking (Senior Management Personnel) of the Bank, copy of his resignation letter is provided as **Annexure -4**.

The Board Meeting commenced at 3.00 pm and concluded at 9.50 pm. ____

For Utkarsh Small Finance Bank Limited

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

Sr. No.	Particulars	Description																
1.	name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>The Scheme contemplates amalgamation of Utkarsh CoreInvest Limited into Utkarsh Small Finance Bank Limited.</p> <p>Details of total assets, turnover and net-worth of the Transferor Company and Transferee Company is as under:</p> <p><i>As of June 30, 2024:</i></p> <table border="1" data-bbox="613 416 1608 584"> <thead> <tr> <th data-bbox="613 416 1010 474">Name of the Entity</th> <th data-bbox="1010 416 1167 474">Turnover (in Cr)</th> <th data-bbox="1167 416 1335 474">Total Assets (in Cr)</th> <th data-bbox="1335 416 1608 474">Net-worth (in Cr)</th> </tr> </thead> <tbody> <tr> <td data-bbox="613 474 1010 501">Utkarsh CoreInvest Limited</td> <td data-bbox="1010 474 1167 501">Rs. 1.11</td> <td data-bbox="1167 474 1335 501">Rs. 844.77</td> <td data-bbox="1335 474 1608 501">Rs. 824.14</td> </tr> <tr> <td data-bbox="613 501 1010 528">Utkarsh Small Finance Bank Limited</td> <td data-bbox="1010 501 1167 528">Rs. 1,070.57</td> <td data-bbox="1167 501 1335 528">Rs. 24,891.32</td> <td data-bbox="1335 501 1608 528">Rs. 2,722.20*</td> </tr> <tr> <td data-bbox="613 528 1010 584">*as per RBI guidelines</td> <td data-bbox="1010 528 1167 584"></td> <td data-bbox="1167 528 1335 584"></td> <td data-bbox="1335 528 1608 584"></td> </tr> </tbody> </table>	Name of the Entity	Turnover (in Cr)	Total Assets (in Cr)	Net-worth (in Cr)	Utkarsh CoreInvest Limited	Rs. 1.11	Rs. 844.77	Rs. 824.14	Utkarsh Small Finance Bank Limited	Rs. 1,070.57	Rs. 24,891.32	Rs. 2,722.20*	*as per RBI guidelines			
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2.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>Yes, the proposed amalgamation would fall within the related party transactions under the Listing Regulations, however, in accordance with the clarifications provided in General Circular No. 30/2014 dated July 17,2014 issued by Ministry of Corporate Affairs, compliance with the requirements of Section 188 of the Companies Act will not be required in relation to the proposed amalgamation.</p> <p>The Transferor Company is the holding Company and promoter of the Transferee Company. The consideration for the Scheme will be discharged on an arm's length basis. The share exchange ratio for the Scheme is based on the valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP Further, DAM Capital Advisors Limited, a merchant banker, has provided a fairness opinion dated September 20, 2024 certifying the valuation.</p> <p>Further, M/s Deloitte Haskins & Sells, Chartered Accountants and M/s. Kirtane & Pandit, LLP, Chartered Accountants, the joint statutory auditors of the Transferee Company have confirmed that the accounting treatment provided in the Scheme is in conformity with the accounting standards provided under Section 133 of the Companies Act, the Banking Regulation Act, 1949, and the guidelines and circulars issued by the RBI with respect to accounting.</p> <p>The Audit Committee and the Independent Directors of USFBL have also provided their reports recommending the Scheme.</p>																
3.	area of business of the entity(ies);	<p>Transferor Company: The Transferor Company is registered as a Non-Banking Financial Company Non- Deposit taking Systemically Important Core Investment Company (NBFC-NDSI-CIC) with the RBI. Being an investment Company, the main objects of the Transferor Company is to carry on the business of making investments in group companies and to carry on financial activities in the nature of investment in bank deposits and other permissible securities. The Transferor Company currently holds the Transferee Company, as its only subsidiary, wherein it holds 69.02% (as on June 2024) of the total paid-up equity share capital of the Transferee Company.</p> <p>Transferee Company: The Transferee Company commenced its business of providing wide range of banking and financial services including retail banking with focus on micro-finance, lending to small businesses & MSMEs, loans for CV & CE, housing loans, loans to small corporates and financial institutions.</p>																
4.	rationale for amalgamation/ merger;	<p>1. As per the Small Finance Bank (SFB) Guidelines and RBI Clarifications (<i>as defined in the Scheme</i>) read with the RBI Acquisition Directions (<i>as defined in the Scheme</i>), the promoter (in this case the Transferor Company) of a small finance bank (being the Transferee Company) is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.</p>																

		<p>2. Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of, a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by the SEBI. The RBI vide its letter dated July 9, 2021 issued to the 'Association of Small Finance Banks of India', had allowed the amalgamation of a holding Company (being promoter Company) into and with the small finance bank (being subsidiary of promoter Company) as a mode of achieving such exit for the first time.</p> <p>3. In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, USFBL submitted its dilution plan to the RBI on December 28, 2023 for complying with the dilution requirements mentioned in paragraph 1 above (which included an option of a reverse merger of the Transferor Company into the Transferee Company). This dilution plan was acknowledged by the RBI on 9 February 2024 and thereafter, on March 20, 2024, the Transferee Company confirmed to the RBI that the board of directors of both the Transferee Company and the Transferor Company had considered the option of reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger.</p> <p>4. This Scheme has been formulated in view of the foregoing, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines and the RBI Acquisition Directions as referred in paragraph 1 above.</p> <p>The amalgamation of the Transferor Company with the Transferee Company would <i>inter-alia</i> have the following benefits:</p> <p>(a) <i>The Scheme will result in compliance with the RBI mandated dilution requirements (under the SFB Guidelines and the RBI Acquisition Directions) in the most efficient manner.</i></p> <p>(b) <i>The Scheme will create value for stakeholders including respective shareholders, and employees as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances and optimal utilization of common resources.</i></p> <p>(c) <i>The Transferor Company currently carries on financial activity business in the nature of investments in bank deposits or other permissible securities (including shares of the Transferee Company) and derives its value primarily from its investment in the Transferee Company. Pursuant to the amalgamation, shareholders of the Transferor Company will receive shares of a listed Company in lieu of their holdings in the Transferor Company.</i></p> <p>In view of the above, the Scheme will be beneficial and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and the Transferee Company. The board of directors of the Transferee Company and the Transferor Company have accordingly formulated this Scheme pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act.</p>
5.	in case of cash consideration – amount or otherwise share exchange ratio;	The share exchange ratio for the amalgamation of the Transferor Company into and with the Transferee Company shall be 699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up
6.	brief details of change in shareholding pattern (if any) of listed entity	<p>Upon the Scheme becoming effective, Utkarsh Small Finance Bank Limited will issue equity shares (in the share exchange ratio as mentioned in row 5 above) to the shareholders of Utkarsh CoreInvest Limited as on the Record Date (as defined in the Scheme).</p> <p>Considering that Transferor Company is a Company with no identifiable promoter and all its shareholders are public shareholders, issue of shares under the Scheme would result in increase of public shareholding in USFBL from 30.98 % as on June 2024 to 100%.</p>



Sr. No.	Details	Particulars	Particulars
1.	Name of the Director	Mr. Pramod Kumar Dubey	Mr. Chandra Shekhar Thanvi
2.	Reason for change	Appointment: In compliance with the RBI circular no: RBI/2023-24/70 DOR. HGG. GOV. REC. 46/29.67. 001/ 2023-24 October 25, 2023, Mr. Pramod Kumar Dubey (DIN: 10174154) has been appointed as Additional Whole Time Director (Executive) of the Bank for a period of 3 years, subject to approval of the shareholders.	Resignation: Resignation of SIDBI Nominee Director as his term has been completed.
3.	Date of appointment / cessation	September 20, 2024	September 20, 2024
4.	Term of appointment	Three years with effect from September 20, 2024.	Not Applicable
5.	Brief Profile	<p>Mr. Pramod Kumar Dubey is a seasoned professional with more than 26 years of experience in 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, P&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>	Not Applicable
6.	Disclosure of relationships between directors (In case of appointment of a director)	Nil	Not Applicable

Annexure 3

September 20, 2024

The Company Secretary
Utkarsh Small Finance Bank
Mumbai.

Dear Sir,


**Cessation of directorship on the Board of
Utkarsh Small Finance Bank**

Consequent upon my superannuation from the services of Small Industries Development Bank of India, I would like to step down from the directorship on the Board of Utkarsh Small Finance Bank with immediate effect.


I take this opportunity to thank the Board of Utkarsh Small Finance Bank for its support and cooperation as also to the Senior Management of the Bank for their cooperation.

I request you to take this on record.

Yours faithfully


(C.S. Thanvi)
Ex-CGM and Director 20/9/24




20/9/2024

Annexure - 4

Sr. No.	Details	Particulars
1.	Name of the Senior Management Personnel	Mr. Trilok Nath Shukla
2.	Reason for change	Resignation: Tender his resignation
3.	Date of appointment / cessation	September 20, 2024
4.	Term of appointment	NA.
5.	Brief Profile	NA
6.	Disclosure of relationships between directors (In case of appointment of a director)	NA

To,

Utkarsh Small Finance Bank Limited
Utkarsh Tower, Kazi Sarai, Harhua
Varanasi, Uttar Pradesh, PIN – 221105

Sub: Resignation Letter

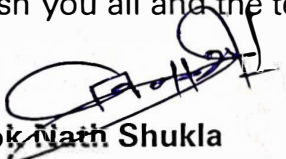
Dear Sir,

As we discussed I would like to resign from the services of the bank. I am thankful for the last 15 + years of association with the bank and the original MFI and I am grateful for the learnings and opportunities I got here.

At this point of my career I feel that I should go out and explore my entrepreneurial journey.

I would be available to ensure a smooth transition and would thank all the team at Utkarsh for all the support I got.

I wish you all and the team at Utkarsh all the very best.


Trilok Nath Shukla
Head Micro Banking
Date: 20/09/2024