

CSFB.2024-25/213

August 07, 2024

BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051
Maharashtra

Scrip Code: 544120, 951995 & 953739

Symbol: CAPITALSFB

Subject: Notice convening the 25th Annual General Meeting

Dear Sir/Madam,

Pursuant to SEBI (LODR) Regulations, 2015, please find enclosed herewith Notice of the 25th Annual General Meeting (AGM) of the Company, the same is available on the website of the Company i.e. www.capitalbank.co.in.

The Schedule of 25th AGM of the company is as under: -

Event	Date	Time (IST)
Cut-off date to determine eligible members for voting on AGM Resolution(s)	Friday, 23 rd August, 2024	NA
Commencement of E-Voting	Tuesday, 27 th August, 2024	09:00 AM
End of E-voting	Thursday, 29 th August, 2024	05:00 PM
Annual General Meeting	Friday, 30 th August, 2024	11:00 AM

This is for your information and record.


Thanking you,

Yours Truly,

For Capital Small Finance Bank Limited

Amit Sharma
Company Secretary
FCS10888

Capital Small Finance Bank Limited

Regd. & Head Off.: 'MIDAS Corporate Park', 3rd Floor, 37, G.T. Road, Jalandhar-144 001, INDIA
Tel.: 0181-5051111, 5052222 | Fax : 0181-5053333 | e-mail : mail@capitalbank.co.in | www.capitalbank.co.in
 www.facebook.com/capitalbankindia | CIN : L65110PB1999PLC022634



Capital Small Finance Bank

CAPITAL SMALL FINANCE BANK LIMITED

Regd. Office: MIDAS Corporate Park, 3rd Floor, 37, G.T Road,
Jalandhar -144001, Punjab INDIA

Ph.: +91 181 5051111, 5052222; Fax: +91 181 5053333

CIN: L65110PB1999PLC022634

E-mail: cs@capitalbank.co.in | Website: www.capitalbank.co.in

NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ("25TH") ANNUAL GENERAL MEETING ("AGM") OF THE SHAREHOLDERS OF CAPITAL SMALL FINANCE BANK LIMITED ("BANK" or "COMPANY") IS SCHEDULED TO BE HELD ON FRIDAY, AUGUST 30, 2024 AT 11:00 A.M. (IST) BY MEANS OF VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

- 1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE BANK FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 TOGETHER WITH THE SCHEDULES AND ANNEXURES THERETO, THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Financial Statements of the Bank for the financial year ended March 31, 2024 together with schedules and annexures thereto and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

- 2. TO DECLARE DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** dividend at the rate of ₹ 1.20/- (One Rupee Twenty Paise only) per equity share of the Bank, having face value of ₹ 10/- (Rupees Ten) each fully paid-up, be and is hereby declared for the financial year ended March 31, 2024, as recommended by the Board of Directors."

- 3. TO RE-APPOINT MR. MAHESH PARASURAMAN (DIN: 00233782), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT AS A DIRECTOR**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the

Companies Act, 2013 and the rules made thereunder, Mr. Mahesh Parasuraman (DIN: 00233782), who retires by rotation at this meeting and who being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director liable to retire by rotation."

- 4. TO RE-APPOINT AND FIX THE REMUNERATION OF STATUTORY AUDITORS**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Banking Regulation Act, 1949, applicable rules, circulars and guidelines issued by the Reserve Bank of India (RBI), in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), M/s S C V & Co. LLP, Chartered Accountants (Firm Registration No.: 000235N/N500089), be and is hereby re-appointed as the Auditors of the Bank from the conclusion of this Annual General Meeting to hold such office for a period of two (02) financial years starting from Financial Year 2024-25, subject to approval from the Reserve Bank of India on yearly basis, on such remuneration as may be mutually agreed upon between the Board of Directors of the Bank and the Auditors, basis the recommendation of the Audit Committee of the Bank, not exceeding ₹ 67,50,000/- (Rupees Sixty-Seven Lakhs & Fifty Thousand Only) for FY25 and ₹ 78,00,000/- (Rupees Seventy-Eight Lakhs Only) for FY26 respectively, plus applicable taxes

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and reimbursement of travelling and out of pocket expenses, payable yearly in one or more installments to conduct the audit for the two financial years starting from Financial Year 2024-25.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board authorised in this behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid.

SPECIAL BUSINESS

5. TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER FROM APRIL 01, 2024 to APRIL 23, 2025

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable

provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (“BR Act”) and the rules, guidelines and circulars issued by the Reserve Bank of India (‘RBI’), from time to time, and any other applicable Laws, Rules and Regulations (including any statutory amendment(s), modification(s) or re-enactment(s) thereof) and in accordance with the Compensation Policy of the Bank and subject to the approval of the RBI and all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by RBI or any other statutory authority/Regulator while granting such approvals, the below mentioned annual remuneration of Mr. Sarvjit Singh Samra (DIN : 00477444) as recommended by the Nomination and Remuneration Committee (“NRC”) and Board of Directors of the Bank (hereinafter referred to as the ‘Board’, which expression includes a Committee of the Board), be and is hereby approved from April 01, 2024 to April 23, 2025:

Part- A:	Fixed Pay (including perquisites)	Amount (₹)	Additional details, if applicable
1	Salary	81,00,000	
1.1	Basic		
1.2	Basic arrears		
2	Dearness allowance		
3	Retiral/Superannuation benefits	11,09,423	
	(a) Provident Fund	7,20,000	12% of Basic Salary, with upper cap of ₹ 60,000 per month
	(b) Gratuity	3,89,423	15 days for each completed year of Service, however the same is not subject to any Upper Limit
	(c) Pension	-	
4	Leave Fare Concession/ Allowance	-	
5	Other fixed allowances, if any (please specify)*	25,00,000	
(i)	Special Allowance	25,00,000	
(ii)	Professional Allowance		
(iii)	Arrears others		
6	Perquisites:		
(i)	Free Furnished House and its maintenance/House Rent Allowance	32,40,000	40% of the Basic Pay
(ii)	Conveyance Allowance/Free use of bank's car for		
	(a) Official purposes	-	Car with Driver for Official Purpose
	(b) Private purposes	-	By compensating the Bank along with suitable amount



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Part- A:	Fixed Pay (including perquisites)	Amount (₹)	Additional details, if applicable
(iii)	Driver(s)' salary	-	Car with Driver for Official Purpose
(iv)	Club Membership(s)	-	
(v)	Reimbursement of medical expenses	-	
(vi)	Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy
	Total Fixed Pay (including perquisites)	1,49,49,423	
Part- B:	Variable Pay		<ul style="list-style-type: none"> i. upto 60% of annual fixed pay, subject to approval of the Reserve Bank of India. ii. The variable pay shall be paid in cash in terms of the Compensation Policy of the Bank and the RBI guidelines. iii. The variable pay will be subject to the deferral and malus/ clawback clauses in terms of the Compensation Policy of the Bank and the RBI guidelines.

RESOLVED FURTHER THAT the remuneration of the Mr. Sarvjit Singh Samra shall be subject to annual review by the Board and to such other approvals as may be required.

RESOLVED FURTHER THAT pursuant to the applicable RBI Circular(s), the Board be and is hereby authorised to make suitable adjustments, if any, between Fixed Pay & Variable Pay including its components while keeping the overall remuneration within limits given hereinabove in compliance of RBI circulars and in compliance of changes that the RBI may instruct in this regard.

RESOLVED FURTHER THAT the variable remuneration shall be payable to Mr. Sarvjit Singh Samra subject to Malus and Claw back clause as laid down in the Compensation Policy of the Bank and guidelines issued by the RBI from time to time.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits, Mr. Sarvjit Singh Samra shall be paid only fixed pay as mentioned above.

RESOLVED FURTHER THAT the Board of the Bank be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, to file requisite forms or applications with statutory/ regulatory authorities, with power to alter and vary the above terms and conditions including remuneration and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and

to delegate all or any of its powers herein conferred to other Committee(s)/ Director(s)/ Officer(s) of the Bank, to give effect to this resolution.”

6. TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), EXECUTIVE DIRECTOR FROM APRIL 01, 2024 TO AUGUST 27, 2026

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (“BR Act”) and the rules, guidelines and circulars issued by the Reserve Bank of India (“RBI”), from time to time, and any other applicable Laws, Rules and Regulations (including any statutory amendment(s), modification(s) or re-enactment(s) thereof) and in accordance with the Compensation Policy of the Bank and subject to the approval of the RBI and all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by RBI or any other statutory authority/ Regulator while granting such approvals, the below mentioned annual remuneration of Mr. Munish Jain (DIN : 10132430) as recommended by the Nomination and Remuneration Committee (“NRC”) and Board of

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Directors of the Bank (hereinafter referred to as the 'Board', which expression includes a Committee of the Board), be and is hereby approved from April 01, 2024 to August 27, 2026 :

Part- A:	Fixed Pay (including perquisites)	Amount (₹)	Additional details, if applicable
1	Salary	90,00,000	
1.1	Basic	-	
1.2	Basic arrears	-	
2	Dearness allowance	-	
3	Retiral/Superannuation benefits	11,52,692	
	(a) Provident Fund	7,20,000	12% of Basic Salary, with upper cap of ₹ 60,000 per month
	(b) Gratuity	4,32,692	15 days for each completed year of Service, however the same is not subject to any Upper Limit
	(c) Pension	-	
4	Leave Fare Concession/ Allowance	-	
5	Other fixed allowances, if any (please specify)*	5,42,000	
	(i) Special Allowance		
	(ii) Professional Allowance	5,42,000	
	(iii) Arrears others		
6	Perquisites:		
	(i) Free Furnished House and its maintenance/House Rent Allowance	45,00,000	
	(ii) Conveyance Allowance/Free use of bank's car for		
	(a) Official purposes	-	Car with Driver for Official Purpose
	(b) Private purposes	-	By compensating the Bank along with suitable amount
	(iii) Driver(s)' salary	-	Car with Driver for Official Purpose
	(iv) Club Membership(s)	-	
	(v) Reimbursement of medical expenses	-	
	(vi) Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy
	Total Fixed Pay (including perquisites)	1,51,94,692	
Part- B:	Variable Pay		<ul style="list-style-type: none"> i. upto 92.5% of annual fixed pay, subject to approval of the Reserve Bank of India. ii. The variable pay shall be paid in cash/ESOP/ESOS in terms of the Compensation Policy of the Bank and the RBI guidelines. iii. The variable pay will be subject to the deferral and malus/ clawback clauses in terms of the Compensation Policy of the Bank and the RBI guidelines.



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RESOLVED FURTHER THAT the remuneration of the Mr. Munish Jain shall be subject to annual review by the Board and to such other approvals as may be required.

RESOLVED FURTHER THAT pursuant to the applicable RBI Circular(s), the Board be and is hereby authorised to make suitable adjustments, if any, between Fixed Pay & Variable Pay including its components while keeping the overall remuneration within limits given hereinabove in compliance of RBI circular and in compliance of changes that the RBI may instruct in this regard.

RESOLVED FURTHER THAT the variable remuneration shall be payable to Mr. Munish Jain subject to Malus and Claw back clause as laid down in the Compensation Policy of the Bank and guidelines issued by the RBI from time to time.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits, Mr. Munish Jain shall be paid only fixed pay as mentioned above.

RESOLVED FURTHER THAT the Board of the Bank be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, to file requisite forms or applications with statutory/ regulatory authorities, with power to alter and vary the above terms and conditions including remuneration and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to other Committee(s)/ Director(s)/ Officer(s) of the Bank, to give effect to this resolution.”

7. APPROVAL FOR PAYMENT OF REMUNERATION TO MR. SHAHBAZ SINGH SAMRA, RELATED PARTY, FOR HOLDING THE OFFICE OR PLACE OF PROFIT

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013, Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and applicable clauses of the Articles of Association of the Company, and in accordance with the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors, the approval of the Members be and is hereby accorded to

Mr. Shahbaz Singh Samra (Related party being son of Mr. Sarvjit Singh Samra, Managing Director, Key Managerial Personnel as defined under section 2(76) of the Companies Act, 2013 and SEBI LODR) to hold the office or place of profit in the Bank and for payment of remuneration as set out in the explanatory statement attached hereto, subject to the maximum remuneration not exceeding ₹ 3,00,000/- (Rupees Three Lakh only) per month, in any calendar year effective from January 01, 2024, subject to such alteration and variation in the terms and conditions of the appointment and remuneration, from time to time, by Board of Directors (which term shall be deemed to include any Committee of the Board authorised in this behalf) in line with the applicable policies of the Bank and within the limits approved by the Members and subject to such approvals, as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

8. TO PAY REMUNERATION TO NON-EXECUTIVE DIRECTORS

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Regulation 17(6) and other applicable provision(s), if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provision(s), if any, of the Companies Act, 2013, applicable provisions of the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the Reserve Bank of India, from time to time, and any other applicable Laws, Rules and Regulations (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Compensation Policy of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Bank, be and is hereby accorded to pay ₹ 15,00,000/- (Rupees Fifteen Lakh Only) per annum to Mr. Navin Kumar Maini, Non-Executive Independent Director and Part time Chairman of the Bank, in addition to payment of sitting fees and reimbursement of expenses for

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attending the Board and Committee meetings, during his term as Part Time Chairman, subject to the approval of the Reserve Bank of India.

RESOLVED FURTHER THAT Non-Executive Independent Directors other than Mr. Navin Kumar Maini, would be paid remuneration of ₹ 9,00,000/- (Rupees Nine Lakh Only) per annum, in addition to payment of sitting fees and reimbursement of expenses for attending the Board and Committee meetings, during their term as Non-Executive Independent Directors.

RESOLVED FURTHER THAT Mr. Dinesh Gupta, Non-Executive Non-Independent Director of the Bank would be paid remuneration of ₹ 20,00,000/- (Rupees Twenty Lakh Only) per annum, in addition to payment of sitting fees and reimbursement of expenses for attending the Board and Committee meetings, during his term as Non-Executive Director.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits, the above said remuneration shall be paid to all the Non-Executive Directors, which shall be deemed to be the minimum remuneration pursuant to section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do or cause to do all acts, matters, deeds and things and to execute all documents and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the above resolution."

9. RATIFICATION OF CSFB LIMITED - EMPLOYEE STOCK OPTION PLAN FOR MATERIAL RISK TAKERS

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

"RESOLVED THAT pursuant to provisions of Section 62(1)(b) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations"), the Memorandum of Association and Articles of Association of the Bank and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject to such other approval(s), consent(s), permission(s), and/or sanction(s) as

may be necessary from the appropriate regulatory authority(ies) / institution(s) including the Reserve Bank of India and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution), the CSFB Limited - Employee Stock Option Plan for Material Risk Takers ('CSFB ESOP for MRTs' or 'the Plan' or 'the Scheme') of the Bank originally approved by the members of the Bank vide their meeting dated July 11, 2020 via Postal ballot notice dated on June 01, 2020 ("Postal Ballot"), prior to the Initial Public Offer ("IPO") of the Bank, be and is hereby ratified and the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank to create, grant, offer, issue, reissue and allot 74,316 (Seventy Four Thousand Three Hundred Sixteen) ungranted options in the ESOP Pool under the Plan, from time to time, in one or more tranches, to or for the benefit of the MRTs of the Bank, as defined under the Plan and as permitted under the applicable laws and regulations prevailing from time to time.

RESOLVED FURTHER THAT the Plan shall be implemented through direct route, for extending the benefits to the MRTs by way of fresh allotment.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee for this purpose be and is hereby further authorised to issue and allot Equity Shares upon exercise of ESOPs from time to time in accordance with the CSFB ESOP for MRTs and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Bank.

RESOLVED FURTHER THAT the Bank shall confirm to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to any MRT, in any financial year and in aggregate under CSFB ESOP for MRTs shall be less than 1% of the issued Equity Share capital (excluding outstanding warrants and conversions) of the Bank.



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RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to take necessary steps for listing of Equity Shares to be allotted under CSFB ESOP for MRTs on BSE Limited and National Stock Exchange of India Limited as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (SBEB & SE) Regulations and other applicable laws and regulations.

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-organisation, the outstanding options to be granted under the Plan shall be suitably adjusted for the number of options as well as the exercise price, as applicable and the Board of Directors of the Bank is hereby authorised 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 Plan are passed on to the MRTs.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and are hereby authorised at any time 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 & SE) 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.

RESOLVED FURTHER THAT for the purpose of bringing into effect and implementing the Plan and generally for giving effect to these resolutions, Board of Directors of the Bank be and are hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose, including but not limited to filing of necessary forms with appropriate authorities, admission of Equity Shares allotted under the CSFB ESOP for MRTs with the depositories, listing of Shares with the Stock exchanges etc. and also to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Plan and to make applications to the appropriate Authorities including Stock Exchanges, for their requisite approvals and to take all necessary actions and with power on behalf of the Bank to settle all such questions, issues, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary and may delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Bank to do all such acts, deeds, matters and things as also to execute such documents as may be necessary in this regard."

**By Order of the Board
For Capital Small Finance Bank Limited**

Sd/-

Amit Sharma

Company Secretary

Membership No: F10888

Place: Jalandhar

Date: June 20, 2024

NOTICE

Important Notes:

1. The Explanatory Statement under Section 102 of the Companies Act, 2013, as amended, in respect of the special businesses is annexed herewith and forms part of the notice. The Board of Directors of the Bank at its meeting held on June 20, 2024 considered that the special business under Item No. 5, 6, 7, 8 & 9 being considered unavoidable, be transacted at the Annual General Meeting ("AGM") of the Bank. Pursuant to the Ministry of Corporate Affairs ("MCA") Circulars No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020, No. 02/2021 dated January 13, 2021, No. 19/2021 dated December 08, 2021, No. 21/2021 dated December 14, 2021, No. 02/2022 dated May 05, 2022 and No. 10/2022 dated December 28, 2022 and latest being 09/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars"), and Securities and Exchange Board of India ("SEBI") vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated October 06, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by the Securities Exchange Board of India ("SEBI Circulars") prescribing the procedures and manner of conducting the AGM through video conferencing ("VC") or other audio visual means ("OAVM"). The physical attendance of the Shareholders at the AGM Venue is not required and the AGM will be held through VC or OAVM. In compliance of the above MCA circulars and SEBI Circulars, the forthcoming AGM will thus be held through VC or OAVM. The deemed venue for the AGM shall be the Registered Office of the Bank.
2. The information required pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations'), read with Secretarial Standards 2 issued by Institute of Company Secretaries of India, regarding the Directors seeking appointment/re-appointment in the Annual General Meeting are annexed hereto and forms part of the Notice.
3. IN TERMS OF THE MCA CIRCULARS AS MENTIONED ABOVE, THE PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed with this Notice.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and MCA Circulars, the Bank is providing facility of remote e-voting to its Shareholders in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, being the authorised agency for conducting e-voting. The facility of casting votes by a Shareholder using remote e-voting as well as the e-voting system during the AGM will be provided by Link Intime India Private Limited.
6. The Shareholders can join the AGM through VC/OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutin er, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
7. The attendance of the Shareholders attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. The Notice is being sent electronically to all the Shareholders of the Bank, whose name appear as on Friday, August 02, 2024 on the Register of Members/ List of Beneficial Owners, as received from Central Depository Services (India) Limited (CDSL) / National Securities Depository Limited ("NSDL") ("Depositories") and who have registered their e-mail addresses with the Bank and/or with the Depositories. It is however, clarified that all the persons who are Shareholders of the Bank as on Cut-off date i.e., Friday, August 23, 2024 (including those members who may not have received this Notice due to non- registration of their e-mail IDs with the Bank or the Depositories) shall be entitled to vote in relation to the resolutions specified in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.



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9. In view of the "Green Initiatives in Corporate Governance" introduced by MCA & in terms of the MCA Circulars and applicable SEBI Circulars, the Bank will send the Annual report and AGM notice in electronic form only. The hard copy of Annual Report and AGM notice along with annexures will not be sent to the members in accordance with the requirements specified under the MCA Circulars. Members who are holding shares of the Company in physical mode are required to register their email addresses, to enable the Company to send all notices / reports / documents / intimations and other correspondences etc., through emails in the electronic mode. Members holding shares in dematerialised form, who have not registered their email addresses with Depository Participant(s) are requested to register / update their email addresses with their Depository Participant(s).
10. Only those Shareholders, who are present in the meeting through VC or OAVM facility and have not cast their vote on resolutions through remote e-voting before the AGM and are otherwise not barred from doing so, shall be allowed to vote through e-voting system at the AGM. Once the vote on a resolution is casted by the Member, he / she shall not be allowed to change it subsequently or cast the vote again.
11. All documents referred to in the Notice calling the AGM and the Explanatory Statement shall be available for inspection by the Shareholders.
12. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Bank at www.capitalbank.co.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
13. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility may kindly write to Company's Registrar & Transfer Agent for nomination form by quoting their folio number.
14. The Company's Registrar & Transfer Agent is Link Intime India Private Limited having its registered address at C-101, 1st Floor 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai, 400 083, Maharashtra, India.
15. Shareholders holding shares in electronic form are, therefore, requested to submit their PAN and KYC details to their Depository Participants with whom they are maintaining their demat account. Shareholders holding shares in physical form can submit their PAN and KYC details including details of their bank accounts to the Bank at the following address:

Link Intime India Private Limited C-101, 1st Floor
247 Park Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai, 400 083, Maharashtra, India
16. Institutional / Corporate shareholders intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board or governing body resolution/ authorisation etc. authorising their representatives to attend and vote on their behalf at e-mail ID cs@capitalbank.co.in from their registered e-mail ID.
17. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form. Accordingly, the Shareholders are requested to demat their physical holding. However, the Shareholders can continue to make request for transmission of the securities held in physical form.
18. Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
19. The Register of Members and Share Transfer Books of the Bank shall remain closed from Saturday, August 17, 2024 to Friday, August 30, 2024 (both days inclusive) for the purpose of AGM.
20. Member seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
21. Members holding shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R&T Agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
22. The Register of Directors and Key managerial Personnel and their shareholding maintained under

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Section 170 of Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode from the date of circulation of this Notice upto the date of AGM i.e., Friday, August 30, 2024. Members seeking to inspect such documents can send an email to cs@capitalbank.co.in.

23. Pursuant to applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is providing VC / OAVM facility to its members to attend the AGM.

24. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING BEFORE AGM ARE AS UNDER:

In compliance with the provisions of Section 108 of Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Link Intime India Private Limited, on all the resolutions set forth in this Notice. As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

I. LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

- (i) **Individual Shareholders holding securities in demat mode with NSDL:**

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- Enter user id and password. Post successful authentication, click on "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime

InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post registration, user will be provided with Login ID and password.
- After successful login, click on "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- Visit URL: <https://www.evoting.nsdl.com/>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

- (ii) **Individual Shareholders holding securities in demat mode with CDSL:**

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- Click on New System Myeasi



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- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

(iii) Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

II. LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM/ NON-INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

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C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number. Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

III. CAST YOUR VOTE ELECTRONICALLY:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

IV. GUIDELINES FOR INSTITUTIONAL SHAREHOLDERS ("CORPORATE BODY/ CUSTODIAN/MUTUAL FUND"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>

- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 – Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b. 'Investor's Name - Enter full name of the entity.
 - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
 - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.



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- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of InstaVote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.

- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

V. HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM/ NON-INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - +91 - 22 - 4918 6000.

VI. HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders 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 +91 - 22 - 4886 7000 and +91 - 22 - 2499 7000
Individual Shareholders 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 toll free no. 1800 22 55 33

VII. INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM HAS FORGOTTEN THE PASSWORD:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

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- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

VIII. INSTITUTIONAL SHAREHOLDERS ("CORPORATE BODY/ CUSTODIAN/MUTUAL FUND") HAS FORGOTTEN THE PASSWORD:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'
- o Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain

a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

IX. INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL/ CDSL HAS FORGOTTEN THE PASSWORD:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other e-voting instructions

25. THE INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

Members are entitled to attend the AGM through VC/ OAVM provided by RTA, Link Intime Private Limited, by following the below mentioned process:

- Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.
- Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Scrutiniser and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:



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1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “**Login**”.

Select the “**Company**” and ‘Event Date’ and register with your following details: -

- A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
 - Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

26. THE INSTRUCTIONS FOR SHAREHOLDERS TO SPEAK DURING THE GENERAL MEETING THROUGH INSTAMEET ARE AS UNDER:

1. Shareholders who would like to speak during the meeting must register their request with the Company in advance at least 5 days prior to the Meeting mentioning their name, demat account number/folio number, email id, mobile number by sending e-mail at cs@capitalbank.co.in or amit1.sharma@capitalbank.co.in.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company. First 10 speakers registered with the Company will only be allowed to speak at the AGM for a duration upto 3 minutes each.

3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
6. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
7. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of AGM.
8. The members who do not wish to speak during the AGM but have queries may send their queries in advance on or before Wednesday, August 21, 2024 mentioning their name, demat account number/folio number, email id, mobile number by sending e-mail at cs@capitalbank.co.in or amit1.sharma@capitalbank.co.in. The queries will be replied to by the Company suitably by e-mail.

For smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, shareholders / members who are registered as speakers for the event are requested to download and install Webex application in advance.

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html>

27. THE INSTRUCTIONS FOR SHAREHOLDERS TO VOTE DURING THE GENERAL MEETING THROUGH INSTAMEET ARE AS UNDER:

- (a) Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- (b) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting

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through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

- (c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

28. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES/BANK AND FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. **For Physical shareholders** - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Bank/RTA email id.
2. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP).

For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

29. Other Information:

- a. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, August 23, 2024 only shall be entitled to avail the facility of remote e-Voting as well as e-voting at the AGM.
- b. The remote e-voting period commences on Tuesday, August 27, 2024 (9:00 a.m. IST) and ends Thursday, August 29, 2024 (5:00 p.m. IST). The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

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- c. The Shareholders who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.
- d. The shareholders can opt for only one mode of voting i.e. Remote e-voting or e-voting during the AGM through VC/OAVM.
- e. The Board of Directors have appointed Mr. Brij Kishore Sharma (M. No. : FCS 6206) (COP No. : 12636), Practicing Company Secretary as the Scrutiniser to scrutinise the voting at the AGM and remote e-voting process in a fair and transparent manner.
- f. The Scrutiniser shall after the conclusion of voting at the AGM, will submit consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare results (consolidated) within 48 hours from the conclusion of the meeting.
- g. The result declared along with the Scrutiniser's Report shall be communication to the stock exchanges, and will be placed on the Bank's website at www.capitalbank.co.in within two days of the 25th AGM of the Bank to be held on Friday, August 30, 2024.
- h. The voting rights of Shareholders shall be in proportion to their shares in the paid-up equity share capital of the Bank as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or e-voting during the AGM.
- i. Any person, who acquires shares of the Bank and becomes a Member of the Bank after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at enotices@linkintime.co.in. However, if he/she is already registered for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- j. Pursuant to MCA Circulars companies are directed to credit the dividend of the members directly to the bank accounts of the members using Electronic Clearing Service. Accordingly, members are requested to provide or update (as the case may be) their bank details with the respective depository participants for the shares held in dematerialised form and with the RTA in respect of shares held in physical form. In case of non-availability or non-updation of bank account details of the shareholders, the Bank shall ensure payment of dividend to such member vide dispatch of dividend warrant.
- k. The record date for the dividend payment is Friday, August 16, 2024. In respect of shares held in electronic form, the dividend will be paid to the Shareholders whose names are furnished by the depositories as beneficial owner as on that date and in case of shares held in physical form, the dividend will be paid to those members whose name shall appear on the Register of Members of the Company as on that date. As mentioned in the preceding note, in case of non-availability or non-updation of bank account details of the shareholders, the Bank shall ensure payment of dividend to such member vide dispatch of dividend warrant.
- l. Pursuant to Finance Act 2020, dividend income is taxable in the hands of the shareholders w.e.f. April 1, 2020 and the bank is required to deduct tax at source from dividend paid to the shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. Shareholders are therefore requested to update their PAN with the DP (if shares are held in electronic form) and the Bank's RTA (if shares are held in physical form).
- m. A resident individual shareholder with PAN and who is not liable to pay income tax were required to submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source via email the duly signed scan copy to cs@capitalbank.co.in or before Wednesday, August 14, 2024. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- n. Further, as per the CBDT guidelines, PAN is required to be linked with the Aadhaar. In case, not linked, PAN will be treated as inoperative and tax will be deducted at a higher rate of 20%.
- o. Non-resident shareholders including Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) can avail beneficial rates under tax treaty between India and their country of

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tax residence, subject to providing necessary documents i.e. No Permanent Establishment, Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits or email the duly signed scan copy to cs@capitalbank.co.in on or before Wednesday, August 14, 2024.

- p. Members are requested to address all correspondence, including dividend-related matters, to the Bank. Members wishing to claim dividends that remain unclaimed are requested

to correspond with Bank as mentioned above, or with the Company Secretary, at the Bank's registered office at MIDAS Corporate Park, 3rd Floor, 37, G.T Road, Jalandhar-144001, Punjab INDIA. Members are requested to note that dividends that are not claimed within 7 years from the date of transfer to the Bank's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

ITEM NO. 4

TO RE-APPOINT AND FIX THE REMUNERATION OF STATUTORY AUDITORS

It is hereby informed that the Bank has received the approval of Reserve Bank of India ('RBI') vide its letter dated March 01, 2024 for the appointment M/s S C V & Co. LLP (000235N/N500089), Chartered Accountants as Statutory Auditors of the Bank for the Financial Year 2023-2024 to fill the casual vacancy caused pursuant to the communication received from the RBI that the existing Statutory Auditors of the Bank i.e. M/s T R Chadha & Co. LLP ("TRC & Co.") were found ineligible for the re-appointment for FY24.

It is further informed that the Board of Directors of the Bank at their meeting held on June 20, 2024, basis the recommendation of the Audit Committee of the Bank, recommended to re-appoint M/s S C V & Co. LLP (000235N/N500089), Chartered Accountants as Statutory Auditors of the Bank from the conclusion of this Annual General Meeting to hold such office for a period of two (02) financial years starting from Financial Year 2024-25, subject to approval from the Reserve Bank of India on yearly basis.

Brief profile of S C V & Co. LLP

S C V & Co. LLP is a leading Chartered Accountants LLP setup by Mr. Puri and Mr. Vasudeva. The primary service offerings of S C V & Co. LLP are Assurance, Risk Advisory, Tax Advisory, Corporate Advisory and Outsourcing. The firm has experience of working with clients across various industries in India and from overseas jurisdictions.

The Board of Directors, based on the recommendation of the Audit Committee, proposed the following: -

Proposed Fee payable to Statutory Auditor	On such remuneration as may be mutually agreed upon between Board of Directors of the Bank, basis the recommendation of the Audit Committee of the Bank, and the Auditors not exceeding ₹ 67,50,000/- (Rupees Sixty-Seven Lakhs & Fifty Thousand Only) for FY25 and ₹ 78,00,000/- (Rupees Seventy-Eight Lakhs Only) for FY26, plus applicable taxes and reimbursement of travelling and out of pocket expenses, payable yearly in one or more installments to conduct the audit for the two financial years starting from Financial Year 2024-25.
Terms of Appointment	The assignment of Statutory Auditor includes but not limited to: <ol style="list-style-type: none"> 1. Year-end audit and certification. 2. Limited Review report 3. Long Form Audit Report 4. Such other certification/reporting requirements as may be prescribed by the RBI from time to time.
Material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Considering the profile, experience in statutory audit of banks & financial service sector entities, professional qualified team and staff strength. Further, the scope of audit has also been increased post listing of equity shares of the Bank. Accordingly, there has been an increase in fees payable to the proposed auditors.

The Bank has received all the applicable eligibility certificates and consents from S C V & Co. LLP for acting as the Statutory Auditor of the Bank.

The Board recommends the resolution for re - appointment of Statutory Auditor of the Bank as set out under Item no. 4 of the Notice.

None of the Directors, Key Managerial personnel or their relatives is concerned or interested financially or otherwise, in the said resolution.

NOTICE

ITEM NO. 5**TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER FROM APRIL 01, 2024 to APRIL 23, 2025**

It is hereby informed that based on the recommendation of the Nomination and Remuneration Committee ('NRC') and the Board of Directors, the Shareholders of the Bank in their Extra-Ordinary General Meeting ('EGM') held on March 31, 2022, had approved re-appointment alongwith remuneration of Mr. Sarvjit Singh Samra as Managing Director & Chief Executive Officer (MD & CEO) for three Financial Years (w.e.f. April 24, 2022).

The remuneration of Mr. Sarvjit Singh Samra is subject to the Annual Review of the Board of Directors. Accordingly, based on the recommendation of the NRC, the Board in its meeting held on April 24, 2024 had approved the Annual remuneration of Mr. Sarvjit Singh Samra for the period from April 01, 2024 to April 23, 2025, subject to the approval of the Shareholders.

In view of the above and as per the applicable provisions of the Companies Act, 2013 ('Act'), approval of Shareholders by way of Special Resolution is required for the Annual remuneration of Mr. Sarvjit Singh Samra, MD & CEO for the period from April 01, 2024 to April 23, 2025, as specifically mentioned in the draft resolution set out at the Item No. 5 of the Notice.

The required details in terms of Secretarial Standard on General Meetings are provided in **Annexure I** to the Notice. Further the details as per Schedule V of the Act is annexed herewith as **Annexure II**.

Except Mr. Sarvjit Singh Samra and his relatives, none of the directors, key managerial personnel of the Bank and their respective relatives (as defined in the Companies Act, 2013) are concerned or interested (financially or otherwise) in the proposed resolution.

The Board recommends the Resolution set out at Item No. 5 for the approval of Shareholders by way of Special Resolution.

ITEM NO. 6**TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), EXECUTIVE DIRECTOR FROM APRIL 01, 2024 TO AUGUST 27, 2026**

It is hereby informed that based on the recommendation of the Nomination and Remuneration Committee ('NRC') and the Board of Directors, the Shareholders of the Bank in their Extra-Ordinary General Meeting ('EGM') held on September 25, 2023, had approved the appointment along

with remuneration of Mr. Munish Jain as Executive Director for three Financial Years (w.e.f. August 28, 2023).

The remuneration of Mr. Munish Jain is subject to the Annual Review of the Board of Directors. Accordingly, based on the recommendation of the NRC, the Board in its meeting held on April 24, 2024 had approved the Annual remuneration of Mr. Munish Jain for the period from April 01, 2024 to August 27, 2026, subject to the approval of the Shareholders.

In view of the above and as per the applicable provisions of the Companies Act, 2013 ('Act'), approval of Shareholders by way of Special Resolution is required for the Annual remuneration of Mr. Munish Jain, Executive Director for the period from April 01, 2024 to August 27, 2026, as specifically mentioned in the draft resolution set out at the Item No. 6 of the Notice.

The required details in terms of Secretarial Standard on General Meetings are provided in **Annexure I** to the Notice. Further the details as per schedule V of the Act is annexed herewith as **Annexure II**.

Except Mr. Munish Jain and his relatives, none of the directors, key managerial personnel of the Bank and their respective relatives (as defined in the Companies Act, 2013) are concerned or interested (financially or otherwise) in the proposed resolution.

The Board recommends the Resolution set out at Item No. 6 for the approval of Shareholders by way of Special Resolution.

ITEM NO. 7**APPROVAL FOR PAYMENT OF REMUNERATION TO MR. SHAHBAZ SINGH SAMRA, RELATED PARTY, FOR HOLDING THE OFFICE OR PLACE OF PROFIT**

It is hereby informed that Mr. Shahbaz Singh Samra, a graduate from Loughborough University, UK and Post Graduate in M.Litt. Marketing from University of St. Andrews, UK was appointed on May 17, 2019 as Vice President of the Bank in functional role as a Cluster Head. Mr. Shahbaz Singh Samra has about 5 years' experience in Banking and Financial Services. During his service, he had varied experience in handling various strategic projects for Small Finance Banks, NBFCs and Asset Management Companies and during his tenure with Bank, he has shown remarkable performance. Mr. Shahbaz Singh Samra is son of Mr. Sarvjit Singh Samra, Managing Director & CEO and is covered as a related party u/s 2(76) of the Companies Act, 2013. Being a Related Party Transaction, approval of the Audit Committee was obtained in line with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



NOTICE

Although, Mr. Shahbaz Singh Samra's appointment was purely on merit at par with other employees and on an 'Arm's Length basis', the approval of Shareholders is being sought as a matter of abundant caution and the matter is being placed by way of Ordinary Resolution for payment of remuneration to Mr. Shahbaz Singh Samra.

In view of the above and as per the applicable provisions of the Companies Act, 2013, approval of Shareholders by way of Ordinary Resolution is required for the payment of monthly remuneration to Mr. Shahbaz Singh Samra, (Related party being son of Mr. Sarvjit Singh Samra, Managing Director and CEO) may exceed ₹ 2.50 lakhs per month after the payment of performance linked variable pay to be paid on half yearly basis to all the eligible employees, but not exceeding ₹ 3,00,000/- (Rupees Three Lakh Only) per month in any calendar year. The performance linked variable pay will be calculated after the closure of first calendar half of the year and will be based on the performance of the individual. The remuneration of Mr. Shahbaz Singh Samra shall be at par with the remuneration paid to the employees in the same grade & as per the Compensation Policy of the Bank and as recommended by the Nomination and Remuneration Committee and approved by Board of Directors of the Bank. The Board of Directors is of the opinion that the proposed matter as specifically mentioned in the draft resolution set out at the Item No. 7 of the Notice is in ordinary course of business and at arm's length.

The required disclosure under rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 is presented as under:

1.	Name of the Related Party	Mr. Shahbaz Singh Samra. He is son of Mr. Sarvjit Singh Samra, Managing Director & CEO of the Bank.
2.	Name of the Director or Key Managerial Personnel who is related	Mr. Sarvjit Singh Samra, Managing Director and CEO of the Bank.
3.	Nature of Relationship	Mr. Shahbaz Singh Samra is the son of Mr. Sarvjit Singh Samra, Managing Director & CEO of the Bank.
4.	Nature, Material terms, monetary value and particulars of contract or arrangement	<p>a) Salary includes basic salary, HRA and other allowances ₹ 2,35,000/- per month</p> <p>b) Other Perquisites - he will be entitled to other perquisites including Bank's contribution to provident fund, bonus, Medical and term insurance premium, leave travel concession and Car Perk in accordance with the rules of the Bank.</p> <p>c) Performance pay - he will be entitled to performance linked variable pay in accordance with the rules of the Bank.</p> <p>As per the internal policy, no deviation.</p> <p>Remuneration to be paid to Mr. Shahbaz Singh Samra shall be at par with the employees already employed in the Bank in the same grade & as per the Compensation Policy of the Bank and as recommended by the Nomination and Remuneration Committee and approved by Board of Directors of the Bank.</p>
5.	Any other information relevant or important for the members to take a decision on the proposed transaction	-

Except Mr. Shahbaz Singh Samra and his relatives (including Mr. Sarvjit Singh Samra, Managing Director & CEO), none of the directors, key managerial personnel of the Bank and their respective relatives (as defined in the Companies Act, 2013) are concerned or interested (financially or otherwise) in the proposed resolution.

The Board recommends the Resolution set out at Item No. 7 for the approval of Shareholders by way of Ordinary Resolution.

ITEM NO. 8

TO PAY REMUNERATION TO NON – EXECUTIVE DIRECTORS

It is hereby informed that as per the requirement of Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), any remuneration paid to non-executive directors, including independent directors requires approval of shareholders in general meeting.

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Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Bank is hereby seeking the approval of the Shareholders for payment of remuneration to non-executive directors as stated hereunder & in the resolution set out at Item No. 8:

Non – Executive Director	Remuneration
Mr. Navin Kumar Maini, Non-Executive Independent Director and Part time Chairman of the Bank	₹ 15,00,000/- (Rupees Fifteen Lakh Only) p.a.*, during his term as Part Time Chairman, subject to the approval of the Reserve Bank of India
Other Non-Executive Independent Director(s)	₹ 9,00,000/- (Rupees Nine Lakh Only) p.a. each, during their respective tenure
Mr. Dinesh Gupta, Non-Executive Non-Independent Director of the Bank	₹ 20,00,000/- (Rupees Twenty Lakh Only) p.a. during his tenure

*Remuneration payable to Mr. Navin Kumar Maini is subject to the approval of the Reserve Bank of India. The increase from ₹ 12,00,000/- (Rupees Twelve Lakh Only) p.a. to ₹ 15,00,000/- (Rupees Fifteen Lakh Only) p.a. w.e.f. July 01, 2024 was recommended by members of Nomination and Remuneration Committee and Board of Directors. Until such approval is received from Reserve Bank of India, he would be paid remuneration of ₹ 12,00,000/- (Rupees Twelve Lakh Only) p.a.

The above-stated remuneration is in addition to payment of sitting fees and reimbursement of expenses for attending the Board and Committee meetings.

Except for the non-executive director(s) and their relatives to the extent of their remuneration, none of the other directors and key managerial personnel of the Bank and their respective relatives (as defined in the Companies Act, 2013) are concerned or interested (financially or otherwise) in the proposed resolution.

The Board recommends the Resolution set out at Item No. 8 for the approval of Shareholders by way of Ordinary Resolution.

ITEM NO. 9

RATIFICATION OF CSFB LIMITED - EMPLOYEE STOCK OPTION PLAN FOR MATERIAL RISK TAKERS

This is in reference to RBI circular number DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 04, 2019, which provides "Guidelines on Compensation of Whole Time Directors/Chief Executive Officer/Material Risk Takers and Control Function Staff". The guidelines specify that share-linked instruments shall be included as a component of variable pay. These guidelines outline the norms for grant of share-linked instruments framed by Banks in

conformity with relevant statutory provisions and forming a part of the Bank's Compensation Policy. The Compensation Policy of the Bank was approved and aligned with the said RBI guidelines by the Board of Directors of the Bank in its meeting held on February 07, 2020.

In order to pay the variable portion of the remuneration in alignment with the Compensation Policy of the Bank and to motivate the Material Risk Takers ("MRT's"), and to create a sense of ownership and participation amongst them, the CSFB Limited – Employee Stock Option Plan for Material Risk Takers ('CSFB ESOP for MRTs' or 'the Plan' or 'the Scheme') was approved by the Nomination and Remuneration Committee and Board of Directors of the Bank at their meeting held on May 13, 2020, and May 16, 2020 respectively and the same approved by the members of the Bank in their meeting held on July 11, 2020 via Postal ballot notice dated on June 01, 2020 ("Postal Ballot") and further amended by the Members of the Bank in the Extra Ordinary General Meeting ("EGM") dated October 22, 2021, to align it with SEBI (SBEB & SE) Regulations, 2021, in preparation for the Initial Public Offering ("IPO") of the Shares of the Bank.

In accordance with Regulation 12(1) of SEBI (SBEB & SE) Regulation 2021, no company shall make any fresh grant of employee stock option which involves allotment or transfer of shares to its employees under any schemes/ plans formulated prior to its Initial Public Offering ("IPO") and prior to the listing of its Equity Shares unless (i) such pre-IPO Plan is in conformity with the SEBI (SBEB & SE) Regulations, 2021 and (ii) such pre-IPO Plan is ratified by the Members subsequent to the IPO.

Further, as per proviso to Regulation 12(1) of the SEBI (SBEB & SE) Regulations, the ratification under clause (ii) may be done any time prior to grant of new options or shares under such Pre-IPO Scheme/ Plan.

Considering that the Bank came out with an IPO of its Equity Shares and its Equity Shares got listed on the BSE and National Stock Exchange of India Limited with effect from February 14, 2024 and accordingly, in terms of the Regulation 12(1) of the SEBI (SBEB & SE) Regulations, 2021 the Bank seeks approval from its members by way of a Special Resolution as set out in Item No. 9, to ratify the CSFB Limited – Employee Stock Option Plan for Material Risk Takers ('CSFB ESOP for MRTs' or 'the Plan' or 'the Scheme'), in order to enable the Bank to make grants of 74,316 (Seventy Four Thousand Three Hundred Sixteen) ungranted options in the ESOP Pool under the Plan.

The Board of Directors of the Bank at its meeting held on June 20, 2024 approved and recommended to the members of the Bank, ratification of the Plan and the grant of options to the MRT's of the Bank.

**NOTICE**

The salient features and other details of the Scheme as required pursuant to SEBI (SBEB & SE) Regulations are as under:

a) Brief Description of the Plan:

The Plan shall be called the CSFB Limited - Employee Stock Option Plan for Material Risk Takers ('**CSFB ESOP for MRTs' or 'the Plan' or 'the Scheme'**).

The Grants under the Plan shall be made as per the Compensation Policy of the Bank.

The Objectives of the Plan includes the following:

- a. To pay variable portion of the remuneration in consonance with the 'Compensation Policy of Employees including Managing Director & Chief Executive Officer, Whole Time Directors & Material Risk Takers' ('Compensation Policy') as approved by the Board from time to time;
- b. To motivate MRTs with incentives, inspire loyalty and reward opportunities.
- c. To create a sense of ownership and participation amongst MRTs.
- d. To achieve sustained growth of the Bank and the creation of Shareholder value by aligning the interests of the MRTs with the long-term interests of the Bank.

b) The total number of Stock Options to be granted under the Plan:

The total number of Employee Stock Options available for grant to the MRTs of the Bank in aggregate was 1,00,000 (One lakh) Options under CSFB ESOP for MRTs, in one or more tranches during three years exercisable into not exceeding 1,00,000 (One lakh) equity shares in aggregate in the Bank of face value of ₹ 10/- each fully paid-up not exceeding 0.29% of the paid-up equity share capital of the Bank as on the date of approval of the Plan by the Members.

Further the summary of the Grants made under the Plan is mentioned as below:

Particulars	No. of Options
Total number of Options for which Shareholders' approval obtained (Pool) before IPO	1,00,000 (One Lakh)
Options granted before IPO	52425
Options Lapsed & added back to the Pool (as on date of this notice)	26741

Particulars	No. of Options
Shares listed with IPO out of the exercised Options	19267
Balance available Options to be granted as on date out of total available Options	74,316 (ungranted Options)
Balance available Options/ Shares arising out of the active grants made before IPO for which In-principle application is applied with respective stock exchanges	6417

Further, in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to all the regulatory compliances.

c) Identification of classes of Employees entitled to participate in the Plan:

Following class/classes of persons are entitled to participate in the plan as MRTs:

- a. Permanent employees of the Bank designated as Material Risk Takers,
- b. Whole time directors of the Bank; and

Following class/ class of employees are not eligible:

- a. An Employee or director who is promoter or belongs to promoter group.
- b. A Director who either himself or through his relatives or through any Body corporate directly or indirectly holds directly or indirectly holds more than 10% of the outstanding Equity Shares of the Bank, and
- c. Independent Director within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

If any MRT is barred by statute or regulation from grant of Share-linked Instruments (as defined in Compensation Policy), he shall not be eligible for ESOP under the Plan.

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d) Requirement of Vesting and period of Vesting:

Options Granted shall vest in accordance with the terms of each grant under the CSFB ESOP for MRT's. The Board of Directors of the Bank (which term shall be deemed to include the Nomination and Remuneration Committee) may at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest subject to the minimum vesting period of 1 year. Such minimum period of 1 year shall not be applicable in case of death or permanent disability.

e) Maximum period within which the Options shall be vested:

Options granted under CSFB ESOP for MRTs would vest in accordance with the terms of each grant, in consonance with the ESOP plan for MRT's and Compensation Policy of the Bank.

f) Exercise Price or Pricing Formula:

Exercise Price will be determined by the Nomination & Remuneration Committee at the time of Grant of Options in accordance with the Reserve Bank of India's guidelines, as applicable from time to time. Such exercise price shall be in compliance with the accounting standards specified under the SEBI (SBEB & SE) Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time. Such Exercise price shall not be less than face value of the equity shares.

g) Exercise period and process of Exercise:

Exercise Period shall be as decided by Nomination and Remuneration Committee from the date of Vesting of the Options.

The vested options shall be allowed for exercise on and from the date of vesting. The vested Option shall be exercisable by MRTs by a written application to the Bank expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Board from time to time. The options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of the Employees to the Plan:

The Nomination & Remuneration Committee, based on the Compensation Policy and various criteria (which

shall be decided from time to time) shall determine the MRTs in the beginning of each year for a Grant under the Plan and the terms and conditions thereof.

Any new addition to the MRTs during the year either by way of new recruitment or change of role will be assessed by the NRC in the subsequent meetings.

If any MRT is barred by statute or regulation from grant of Share-linked Instruments (as defined in Compensation Policy), he shall not be eligible for ESOP under the Plan.

i) The Maximum number of Options to be granted per Employee and in aggregate:

The Nomination and Remuneration Committee shall decide the number of shares to be offered as Options to each MRT as per the guidelines laid down in the Compensation Policy of the Bank and balance options available for grant under the ESOP Pool of the Plan.

The number of Options that may be granted to any MRT of the Bank under the Plan, in any financial year and in aggregate under the CSFB ESOP Plan 2023 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Bank.

j) The Maximum quantum of benefits to be provided per Employee under the Plan:

The maximum quantum of benefits that will be provided to each MRT under the Scheme will be the difference between the market value of Bank's share on the recognised stock exchanges as on the Date of Exercise of Options and the Exercise Price paid by the MRTs.

k) Whether the Plan(s) is to be implemented and administered directly by the Company or through a Trust:

The Plan shall be implemented through direct route by extending the benefits to the MRTs by way of fresh allotment.

The Plan shall be administered by the Nomination and Remuneration Committee of the Bank.

l) Whether the Plan involves new issue of shares by the Company or secondary acquisition by the Trust or both:

The Plan involves the new issue of Equity Shares by the Bank.



NOTICE

- m) **The amount of loan to be provided for implementation of the Plan by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:**

Not applicable, since the Plan has been implemented through direct route.

- n) **The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Plan:**

Not applicable, since the Plan has been implemented through direct route.

- o) **A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15.**

The Bank shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time or as may be prescribed by regulatory authorities from time to time.

- p) **The method which the Company shall use to value its Options:**

The Bank shall use the fair value of the option which shall be determined as per the Black-Scholes model and as per the ESOP plan for MRTs in consonance with the Compensation Policy of the Bank framed in accordance with the RBI "Guidelines on Compensation of Whole Time Directors/Chief Executive Officer/Material Risk Takers and Control Function Staff".

- q) **A Statement with regard to Disclosure in Director's Report:**

As the Bank is adopting the fair value method, presently there is no requirement for disclosure in the director's report. However, if in future, the Bank opts for expensing of share-based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised 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 of the

Bank shall also be disclosed in the Directors' report.

- r) **Period of lock-in:**

Nomination and Remuneration Committee has the powers to determine the lock-in period for the Shares issued, pursuant to Exercise of Option.

- s) **Terms & conditions for buyback, if any, of specified securities:**

The Nomination and Remuneration Committee has the powers to determine the procedure for buy-back of specified securities issued under SEBI SBEB & SE Regulations, if to be undertaken at any time by the Bank, and the applicable terms and conditions, including: (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the Bank as per its last financial statements; and (iii) limits upon quantum of specified securities that the Bank may buy-back in a financial year.

None of the Directors, Manager and Key Managerial Personnel of the Bank, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Bank or the options may be granted under the CSFB Limited - Employee Stock Option Plan for Material Risk Takers ('*CSFB ESOP for MRTs' or 'the Plan' or 'the Scheme'*).

The Plan and other documents referred to in the aforesaid resolutions are available for inspection at the registered office and at the website of the Bank.

The Board recommends the Resolution set out at Item No. 9 for the approval of Shareholders by way of Special Resolution.

**By Order of the Board
For Capital Small Finance Bank Limited**

**Sd/-
Amit Sharma**

**Company Secretary
M. No.: F10888**

**Place: Jalandhar
Date: June 20, 2024**

Annexure I to the ITEM NO. 3

Details of Director seeking appointment/re-appointment at 25th Annual General Meeting

Name	Mr. Mahesh Parasuraman (DIN: 00233782)		
Age	48 years		
Date of first appointment on the Board	December 16, 2019		
Qualification	Bachelor of Commerce, Grad CWA, ACA		
Brief Resume including experience	<p>Specialisation: Finance, Taxation, Business Advisory</p> <p>Mr. Mahesh Parasuraman is the co-founder of Amicus Capital Partners, an India focused lower mid-market growth capital firm. Mr. Parasuraman was with Arthur Andersen in their Tax and Business Advisory Group for over four years (1996-2000) where he was involved extensively in UK and India corporate taxes, cross border structuring, business re-structuring, joint venture partner search, corporate finance support and India entry strategy.</p> <p>Mr. Mahesh Parasuraman also has experience of working with Ernst & Young's Corporate Finance Group for four years (2000-2004), as an Associate Vice President focused on the technology sector.</p> <p>Mr. Mahesh Parasuraman was Managing Director in the Asia Growth Capital team of The Carlyle Group ("Carlyle") based in Mumbai. He worked at The Carlyle Group from 2004-2015. During his ten plus years at Carlyle, Mahesh led investments across sectors such as technology, financial services and consumer.</p>		
Nature of his expertise in specific functional areas	Finance, Taxation, Business Advisory		
Other Directorships	<ol style="list-style-type: none"> 1. NEWGEN IMAGING SYSTEMS PRIVATE LIMITED 2. SUNDARAM HOME FINANCE LIMITED 3. D2C CONSULTING SERVICES PRIVATE LIMITED 4. AAUM INVESTMENT ADVISERS PRIVATE LIMITED 5. WONDERCHEF HOME APPLIANCES PRIVATE LIMITED 		
Name of the listed entities from which the person has resigned in the past three years	No		
Directorships held in other public Companies (excluding foreign & section 8 companies)	1. SUNDARAM HOME FINANCE LIMITED		
Memberships / Chairmanships of committees across companies	Name of the Company	1. Name of the Committee	Position (chairman/member)
	WONDERCHEF HOME APPLIANCES PRIVATE LIMITED	<ol style="list-style-type: none"> 1. Audit Committee 2. Compensation Committee 	<p>Chairman</p> <p>Member</p>
	D2C CONSULTING SERVICES PRIVATE LIMITED	<ol style="list-style-type: none"> 1. Audit Committee 2. Corporate Governance Committee 	<p>Member</p> <p>Member</p>
	SUNDARAM HOME FINANCE LIMITED	<ol style="list-style-type: none"> 1. Nomination and Remuneration Committee 2. IT Strategy Committee 3. Audit Committee 	<p>Chairman</p> <p>Member</p> <p>Member</p>
Terms and conditions of appointment or re-appointment	Nominee Director on behalf of M/s. Amicus Capital Partners India Fund I and M/s. Amicus Capital Private Equity I LLP since December 16, 2019 (liable to retire by rotation).		
Details of remuneration sought to be paid	NIL		
the remuneration last drawn by such person	NIL		
shareholding in the Company	NIL		



NOTICE

relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
The number of Meetings of the Board attended during the financial year (2023-24)	Out of the total 12 Meetings of the Board held during the Financial Year 2023-2024, he attended all 12 meetings.

Annexure I to the ITEM NO. 5 to 6

(pursuant to the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India)

Name	Mr. Sarvjit Singh Samra (DIN: 00477444)
Age	60
Date of first appointment on the Board	31/05/1999
Qualification	B.A., M.B.A. (Marketing and Finance)
Brief Resume including experience	Specialisation: Banking, Finance and Marketing Mr. Sarvjit Singh Samra is the Managing Director & Chief Executive Officer of our Bank. He holds a bachelor's degree in arts and a master's degree in business administration from Guru Nanak Dev University. He has over 36 years of experience in the banking and financial industry spread over various roles, including senior positions. He has been associated with our Bank since its inception and has been instrumental in the conversion of our Bank from a local area bank to SFB. He has previously served as the managing director of various asset financing companies. He has also previously served as our part-time chairman for over three years and has been serving as our Managing Director & Chief Executive Officer since over 20 years.
Nature of his expertise in specific functional areas	Banking, Finance and Marketing
Other Directorships	NIL
Name of the listed entities from which the person has resigned in the past three years	NIL
Name of the listed entities from which the person has resigned in the past three years	NIL
Directorships held in other public Companies (excluding foreign & section 8 companies)	NIL
Terms and conditions of appointment or re-appointment	Not applicable as the resolutions set out at Item No. 5 of the Notice is only for the revision in the remuneration.

NOTICE

Details of remuneration sought to be paid	As specified in the Item No. 5 for the period from April 01, 2024 to April 23, 2025			
the remuneration last drawn by such person	Fixed Pay (including perquisites)	Amount (in INR per annum)	Additional details, if applicable	
	Salary	72,00,000		
	Dearness allowance	-		
	Retiral/Superannuation benefits	10,66,154		
	(a) Provident Fund	7,20,000	12% of Basic Salary with upper cap of ₹ 60,000 per month	
	(b) Gratuity	3,46,154	15 days for each completed year of Service, however the same is not subject to any Upper Limit	
	(c) Pension	-		
	Leave Fare Concession/ Allowance	-		
	Other fixed allowances, if any (please specify)	21,53,846		
	(i) Special Allowance	21,53,846		
	(ii) Professional Allowance	-		
	Perquisites:			
	Free Furnished House and its maintenance/House Rent Allowance	28,80,000	40% of the Basic Pay	
	Conveyance Allowance/Free use of bank's car for	-		
	(a) Official purposes	-	Car with Driver for Official Purpose	
	(b) Private purposes	-	By compensating the Bank along with suitable amount	
	Driver(s)' salary	-	Car with Driver for Official Purpose	
	Club Membership(s)	-		
	Reimbursement of medical expenses	-		
	Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy	
Total Fixed Pay (including perquisites)	1,33,00,000			



NOTICE

	Annual Variable Pay	<p>i. upto 50 % of the annual fixed pay.</p> <p>ii. The 100% of the variable pay shall be paid by way of cash in terms of the Compensation Policy of the Bank, since being promoter, ESOP/ESOS are not applicable.</p> <p>iii. The variable pay will be subject to the deferral and malus/clawback clauses in terms of the Compensation Policy of the Bank.</p> <p>iv. the quantum of the variable pay will be decided by the Nomination and Remuneration Committee as part of annual review subject to above conditions.</p> <p>v. the variable pay for FY24 shall be paid subject to the approval of the Reserve Bank of India.</p>
shareholding in the Company	41,74,619 equity Shares (9.27%) as on March 31, 2024	
relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	
The number of Meetings of the Board attended during the financial year (2023-24)	Out of the total 12 Meetings of the Board held during the Financial Year 2023-2024, he attended all 12 meetings.	
Name	Mr. Munish Jain (DIN: 10132430)	
Age	48 years	
Date of first appointment on the Board	August 28, 2023	
Qualification	<ul style="list-style-type: none"> • B. Com (Finance), Guru Nanak Dev University • FCS, Institute of Company Secretaries of India, 1999 • FCA, Institute of Chartered Accountants of India, 1999 	
Brief Resume including experience	<p>Mr. Munish Jain has over 23 years of experience in banking sector and is presently the Executive Director (Whole Time Director) of Capital Small Finance Bank Limited. He started his journey with the Bank in the year 2000 at the start of setting up of Capital Local Area Bank and has been the core part of the founding team of the Bank.</p> <p>He has been working across various areas including Strategic formation, Strategic Execution, Differentiated Banking, Capital Raising, Treasury Operation & Fund Management, Budgeting & Business Plan Formulation, System Designing, Accounting Norms & Procedures, Audit & Statutory Requirements, Adherence aiding to Organisational Decision-Making & Planning. During his tenure, he has handled various departments including Treasury and Finance, Business Units, Operations, Human Resource, Business Planning and Forecasting, Compliance, Risk Management, Investor Management and Secretarial unit.</p>	
Nature of his expertise in specific functional areas	Banking, Finance, Taxation, Risk Management, Marketing, Treasury and General Management	
Other Directorships	NIL	
Name of the listed entities from which the person has resigned in the past three years	NIL	
Name of the listed entities from which the person has resigned in the past three years	NIL	

NOTICE

Directorships held in other public Companies (excluding foreign & section 8 companies)	NIL			
Terms and conditions of appointment or re-appointment	Not applicable as the resolution set out at Item No. 6 of the Notice is only for the revision in the remuneration			
Details of remuneration sought to be paid	As specified in the Item No. 6 for the period from April 01, 2024 to August 27, 2026			
the remuneration last drawn by such person	Fixed Pay (including perquisites)	Amount (in INR per annum)	Additional details, if applicable	
	Salary	78,75,000		
	Dearness allowance	-		
	Retiral/Superannuation benefits	10,98,606		
	(a) Provident Fund	7,20,000	12% of Basic Salary with upper cap of ₹ 60,000 per month	
	(b) Gratuity	3,78,606	15 days for each completed year of Service, however the same is not subject to any Upper Limit	
	(c) Pension	-		
	Leave Fare Concession/ Allowance	-		
	Other fixed allowances, if any (please specify)	3,60,000		
	(i) Special Allowance	-		
	(ii) Professional Allowance	3,60,000		
	Perquisites:			
	Free Furnished House and its maintenance/House Rent Allowance	41,85,000		
	Conveyance Allowance/Free use of bank's car for	-		
	(a) Official purposes	-	Car with Driver for Official Purpose	
	(b) Private purposes	-	By compensating the Bank along with suitable amount	
	Driver(s)' salary	-	Car with Driver for Official Purpose	
	Club Membership(s)	-		
	Reimbursement of medical expenses	-		

**NOTICE**

	Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy
	Total Fixed Pay (including perquisites)	1,35,18,606	
	Annual Variable Pay	i. upto 150% of annual fixed pay, subject to approval of the Board and the Reserve Bank of India. ii. The variable pay shall be paid in cash/ESOP/ESOS in terms of the Compensation Policy of the Bank and the RBI guidelines. iii. The variable pay will be subject to the deferral and malus/clawback clauses in terms of the Compensation Policy of the Bank and the RBI guidelines. iv. the variable pay for FY24 shall be paid subject to the approval of the Reserve Bank of India.	
Shareholding in the Company	2,11,521 equity Shares (0.47%) as on March 31, 2024		
relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL		
The number of Meetings of the Board attended during the financial year (2023-24)	Out of the total 12 Meetings of the Board, he was entitled to attend 7 as Executive Director during the Financial Year 2023-2024. He attended all 7 meetings.		

ANNEXURE II TO THE ITEM NO. 5

STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013)
MR. SARVJIT SINGH SAMRA, MANAGING DIRECTOR & CEO

I. GENERAL INFORMATION

Sl. No.	Particulars/Subject	Information
1.	Nature of industry	Banking Industry
2.	Date or expected date of commencement of commercial Production	31/05/1999
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	

(₹ In Crores)

	Year ended March 31, 2024 (Audited)	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Deposits	7,477.74	6,560.62	6,046.36	5,221.07
Advances	6,159.80	5,507.27	4,688.70	3,762.99
Total Business	13,637.54	12,067.89	10,735.06	8,984.06
Investments	1,705.71	1,488.58	1,357.06	1,212.25
Total Assets	9,295.28	7,990.77	7,153.92	6,371.24
Gross Revenue	862.40	725.48	632.40	557.30
Net Interest Income	345.15	321.98	255.28	198.61
Net Profit	111.53	93.60	62.57	40.78
Capital Adequacy Ratio	27.39%	18.87%	18.63%	19.80%
Earnings Per Share (₹) (Basic)	30.65	27.35	18.41	12.04
Earnings Per Share (₹) (Diluted)	30.45	27.21	18.22	11.98
5.	Foreign Investments or collaborators, if any			N.A.

II. INFORMATION ABOUT THE APPOINTEE

1.	BACKGROUND DETAILS	<p>Specialisation: Banking, Finance and Marketing</p> <p>Mr. Sarvjit Singh Samra is the Managing Director & Chief Executive Officer of our Bank. He holds a bachelor's degree in arts and a master's degree in business administration from Guru Nanak Dev University. He has over 36 years of experience in the banking and financial industry spread over various roles, including senior positions. He has been associated with our Bank since its inception and has been instrumental in the conversion of our Bank from a local area bank to SFB. He has previously served as the managing director of various asset financing companies. He has also previously served as our part-time chairman for over three years and has been serving as our Managing Director & Chief Executive Officer since over 20 years.</p>
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NOTICE

2.	PAST REMUNERATION	The details of the fixed remuneration for the FY 2023 – 2024 is as below:		
		Fixed Pay (including perquisites)	Amount (in INR per annum)	Additional details, if applicable
		Salary	72,00,000	
		Dearness allowance	-	
		Retiral/Superannuation benefits	10,66,154	
		(a) Provident Fund	720,000	12% of Basic Salary with upper cap of ₹ 60,000 per month
		(b) Gratuity	3,46,154	15 days for each completed year of Service, however the same is not subject to any Upper Limit
		(c) Pension	-	
		Leave Fare Concession/ Allowance	-	
		Other fixed allowances, if any (please specify)	21,53,846	
		(i) Special Allowance	21,53,846	
		(ii) Professional Allowance		
		Perquisites:		
		Free Furnished House and its maintenance/House Rent Allowance	28,80,000	40% of the Basic Pay
		Conveyance Allowance/Free use of bank's car for	-	
		(a) Official purposes	-	Car with Driver for Official Purpose
		(b) Private purposes	-	By compensating the Bank along with suitable amount
		Driver(s)' salary	-	Car with Driver for Official Purpose
		Club Membership(s)	-	
		Reimbursement of medical expenses	-	
		Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy
		Total Fixed Pay (including perquisites)	1,33,00,000	
		Annual Variable Pay		<ul style="list-style-type: none"> i. upto 50% of the annual fixed pay. ii. The 100% of the variable pay shall be paid by way of cash in terms of the Compensation Policy of the Bank, since being promoter, ESOP/ESOS are not applicable. iii. The variable pay will be subject to the deferral and malus/clawback clauses in terms of the Compensation Policy of the Bank. iv. the quantum of the variable pay will be decided by the Nomination and Remuneration Committee as part of annual review subject to above conditions. v. the variable pay for FY24 shall be paid subject to the approval of the Reserve Bank of India.

NOTICE

3.	RECOGNITION OR AWARDS	During his tenure as Managing Director & CEO, the Bank has been accredited and recognised by various prestigious institutions like Economic Times – Promising Brand, Great Place to work etc.
4.	JOB PROFILE AND HIS SUITABILITY	Mr. Sarvjit Singh Samra has been appointed as Managing Director & CEO of the Bank who is responsible for managing the whole and substantially the whole of the affairs of the Bank under the supervision and control of the Board of Directors. He is spearheading, a team of more than 1800 people and is accountable to all stakeholders and public at large with regard to the operations of the Bank and he is instrumental towards incremental growth of the Bank.
5.	REMUNERATION PROPOSED	Salary, other perquisites and other terms are fully set out in the Resolution set out at item no. 5 for the period from April 01, 2024 to April 23, 2025
6.	COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON	Considering the size of the Bank and risk involved, the remuneration is in line with the industry practice and remuneration drawn in the industry at similar position/profile.
7.	PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY, OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL OR OTHER DIRECTOR, IF ANY	<p>Certain of offices of the Bank are located on land which is owned by Sarvjit Singh Samra, together with his relatives and has been obtained on lease by the Bank pursuant to rent agreements.</p> <p>Mr. Shahbaz Singh Samra, son of Mr. Sarvjit Singh Samra, Managing Director & CEO is employed by the Bank. His appointment is purely on merit at par with other employees and on 'Arm's Length basis.</p> <p>Further Mr. Sarvjit Singh Samra does not have any other Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director.</p>

III. OTHER INFORMATION

Sl. No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	The Bank is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Bank may be adversely impacted in future due to uncertain business environment during the period for which remuneration is payable to Mr. Sarvjit Singh Samra.
2.	Steps taken or proposed to be taken for improvement	N.A.
3.	Expected increase in the productivity and profits in measurable terms	N.A.



NOTICE

IV. DISCLOSURES:

Remuneration package of the Managerial person: Fully described in the Resolution set out at the Item No. 5, for Financial Year 2024-25, of the Notice convening AGM.

Further pursuant to the Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of parameters for consideration of remuneration and specified therein is as mentioned below:

The Financial and operating performance of the Company during the three preceding financial years.	Already provided at Sr. No. 4 of Point I i.e. General Information
The relationship between remuneration and performance	An Annual evaluation of the performance of Managing Director is conducted and the remuneration paid to him is in line with his performance.
The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company	<p>The Principle of proportionality followed in the Company is that Managing Director of the Company is paid remuneration as approved by the Reserve Bank of India. The remuneration consists of the Fixed pay and variable pay. His variable pay is directly linked to the performance parameters as per the Compensation Policy of the Bank.</p> <p>Non-Executive Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The Non-Executive Directors are paid non-executive director remuneration based upon the qualifications and experience of the individual directors as per the policy of the Bank and subject to the upper limit as may be prescribed by the Reserve Bank of India.</p> <p>Further, the employees of the Company are paid remuneration based upon their qualifications, experience, personal traits and their performance in the Company. Employees are also eligible for variable salary which is based upon their performance. The remuneration of the directors and senior management people of the Company is approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at.</p>
Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference	<p>As per the Compensation Policy of the Company, remuneration payable to the Managing Director is governed by the provisions of the Companies Act, 2013 subject to the approval of the Reserve Bank of India.</p> <p>Non-Executive Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The Non-Executive Directors are paid non-executive director remuneration based upon the qualifications and experience of the individual directors as per the policy of the Bank and subject to the upper limit as may be prescribed by the Reserve Bank of India.</p> <p>The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013, and the guidelines of the Reserve Bank of India and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.</p>
The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year	<p>Mr. Sarvjit Singh Samra holds 41,74,619 equity Shares (9.27%) of the Bank as on March 31, 2024.</p> <p>As at the end of preceding financial, he does not hold any stock option and no share held by him was pledged.</p>

ANNEXURE II TO THE ITEM NO. 6

STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013)
MR. MUNISH JAIN, EXECUTIVE DIRECTOR

I. GENERAL INFORMATION

S I. No.	Particulars/Subject	Information
1.	Nature of industry	Banking Industry
2.	Date or expected date of commencement of commercial Production	31/05/1999
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	

(₹ In Crores)

	Year ended March 31, 2024 (Audited)	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Deposits	7,477.74	6,560.62	6,046.36	5,221.07
Advances	6,159.80	5,507.27	4,688.70	3,762.99
Total Business	13,637.54	12,067.89	10,735.06	8,984.06
Investments	1,705.71	1,488.58	1,357.06	1,212.25
Total Assets	9,295.28	7,990.77	7,153.92	6,371.24
Gross Revenue	862.40	725.48	632.40	557.30
Net Interest Income	345.15	321.98	255.28	198.61
Net Profit	111.53	93.60	62.57	40.78
Capital Adequacy Ratio	27.39%	18.87%	18.63%	19.80%
Earnings Per Share (₹) (Basic)	30.65	27.35	18.41	12.04
Earnings Per Share (₹) (Diluted)	30.45	27.21	18.22	11.98
5.	Foreign Investments or collaborators, if any			N.A.

II. INFORMATION ABOUT THE APPOINTEE

1.	Background Details	<p>Specialisation: Banking and Finance</p> <p>Mr. Munish Jain has over 23 years of experience in banking sector and was working as Chief Operating Office and Chief Financial Officer of Capital Small Finance Bank Limited. Presently he is working as Executive Director of the Bank. He started his journey with the Bank in the year 2000 at the start of setting up of Capital Local Area Bank and has been the core part of the founding team of the Bank.</p> <p>He has been working across various areas including Strategic formation, Strategic Execution, Differentiated Banking, Capital Raising, Treasury Operation & Fund Management, Budgeting & Business Plan Formulation, System Designing, Accounting Norms & Procedures, Audit & Statutory Requirements, Adherence aiding to Organisational Decision-Making & Planning. During his tenure, he has handled various departments including Treasury and Finance, Business Units, Operations, Human Resource, Business Planning and Forecasting, Compliance, Risk Management, Investor Management and Secretarial unit.</p>
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NOTICE

2.	Past remuneration	The details of the fixed remuneration for the FY24 is as below:		
		Fixed Pay (including perquisites)	Amount (in INR per annum)	Additional details, if applicable
		Salary	78,75,000	
		Dearness allowance	-	
		Retiral/Superannuation benefits	10,98,606	
		(a) Provident Fund	7,20,000	12% of Basic Salary with upper cap of ₹ 60,000 per month
		(b) Gratuity	3,78,606	15 days for each completed year of Service, however the same is not subject to any Upper Limit
		(c) Pension	-	
		Leave Fare Concession/ Allowance	-	
		Other fixed allowances, if any (please specify)	3,60,000	
		(i) Special Allowance	-	
		(ii) Professional Allowance	3,60,000	
		Perquisites:		
		Free Furnished House and its maintenance/House Rent Allowance	41,85,000	
		Conveyance Allowance/Free use of bank's car for	-	
		(a) Official purposes	-	Car with Driver for Official Purpose
		(b) Private purposes	-	By compensating the Bank along with suitable amount
		Driver(s)' salary	-	Car with Driver for Official Purpose
		Club Membership(s)	-	
		Reimbursement of medical expenses	-	
		Any other perquisites (please specify)	-	Medical and Group Term Insurance as per bank Policy
		Total Fixed Pay (including perquisites)	1,35,18,606	
		Annual Variable Pay	<ul style="list-style-type: none"> i. upto 150 % of the annual fixed pay. ii. The variable pay shall be paid in cash / ESOP / ESOS in terms of the Compensation Policy of the Bank and RBI guidelines. iii. The variable pay will be subject to the deferral and malus/clawback clauses in terms of the Compensation Policy of the Bank and RBI guidelines. iv. the variable pay for FY24 shall be paid subject to the approval of the Reserve Bank of India. 	
3.	Recognition or awards	During his tenure as COO and CFO, the Bank has been accredited and recognised by various prestigious institutions like Economic Times – Promising Brand, Great Place to work etc.		

NOTICE

4.	Job profile and his suitability	Mr. Munish Jain has been associated with the Bank since 2000 and served the Bank at various roles. He was Chief Financial Officer & Chief Operating Officer of the Bank before being appointed as Whole Time Director. Keeping in view his long association with the Bank and vast experience across various areas already described above, he was appointed as Executive Director w.e.f. August 28, 2023.
5.	Remuneration proposed	Salary, other perquisites and other terms are fully set out in the Resolution set out at item no. 6 for the period from April 01, 2024 to August 27, 2026.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the size of the Bank and risk involved, the remuneration is in line with the industry practice and remuneration drawn in the industry at similar position/profile.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Apart from his remuneration and Shareholding in the Bank, Mr. Munish Jain does not have any other Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director.

III. OTHER INFORMATION

Sl. No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	The Bank is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Bank may be adversely impacted in future due to uncertain business environment during the period for which remuneration is payable to Mr. Munish Jain.
2.	Steps taken or proposed to be taken for improvement	N.A.
3.	Expected increase in the productivity and profits in measurable terms	N.A.

IV. DISCLOSURES:

Remuneration package of the Managerial person: Fully described in the Resolution set out at the Item No. 6, for Financial Year 2024-25, of the Notice convening AGM.

Further pursuant to the Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of parameters for consideration of remuneration and specified therein is as mentioned below:

The Financial and operating performance of the Company during the three preceding financial years.	Already provided at Sr. No. 4 of Point I i.e. General Information
The relationship between remuneration and performance	An Annual evaluation of the performance of Executive Director is conducted and the remuneration paid to him is in line with his performance.



NOTICE

<p>The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company</p>	<p>The Principle of proportionality followed in the Company is that Whole Time Director (Executive Director) of the Bank is paid remuneration as approved by the Reserve Bank of India. The remuneration consists of the Fixed pay and variable pay. The variable pay is directly linked to the performance parameters as per the Compensation Policy of the Bank.</p> <p>Non-Executive Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The Non-Executive Directors are paid non-executive director remuneration based upon the qualifications and experience of the individual directors as per the policy of the Bank and subject to the upper limit as may be prescribed by the Reserve Bank of India.</p> <p>Further, the employees of the Company are paid remuneration based upon their qualifications, experience, personal traits and their performance in the Company. Employees are also eligible for variable salary which is based upon their performance. The remuneration of the directors and senior management people of the Company is approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at.</p>
<p>Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference</p>	<p>As per the Compensation Policy of the Company, remuneration payable to the Whole Time Director (Executive Director) is governed by the provisions of the Companies Act, 2013, the RBI guidelines and is subject to the approval of the Reserve Bank of India.</p> <p>Non-Executive Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The Non-Executive Directors are paid non-executive director remuneration based upon the qualifications and experience of the individual directors as per the policy of the Bank and subject to the upper limit as may be prescribed by the Reserve Bank of India.</p> <p>The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013, and the guidelines of the Reserve Bank of India and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.</p>
<p>The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year</p>	<p>Mr. Munish Jain holds 2,11,521 equity Shares (0.47%) of the Bank as on March 31, 2024.</p> <p>As at the end of preceding financial, he does not hold any stock option and no share held by him was pledged.</p>

**By Order of the Board
For Capital Small Finance Bank Limited**

Place: Jalandhar
Date: June 20, 2024

Sd/-
Amit Sharma
Company Secretary
M. No.: F10888