

UTKARSH MICRO FINANCE LTD.

(Formerly Utkarsh Micro Finance Pvt. Ltd.)

NOTICE



NOTICE IS HEREBY GIVEN THAT EXTRA-ORDINARY GENERAL MEETING (EGM) OF THE MEMBERS OF UTKARSH MICRO FINANCE LIMITED (THE "COMPANY") IS SCHEDULED TO BE HELD ON WEDNESDAY NOVEMBER 30, 2016 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY, S-2/639-56 VARUNA VIHAR COLONY J.P MEHTA ROAD CANTT VARANASI-221 002

SPECIAL BUSINESS:

1. Approval for Amendment in Articles of Association of the Company

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

"RESOLVED THAT subject to the approval of the shareholders of the Company, pursuant to the provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Articles of Association of the Company stand repealed and substituted by a new set of Articles of Association of the Company, as per the copy attached initialed by the Chairman for the purpose of identification."

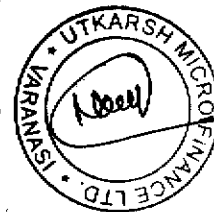
"RESOLVED FURTHER THAT Mr. Govind Singh MD & CEO or Mr. Trilok Nath Shukla, Whole time director or Mr. Neeraj Kumar Tiwari, Company Secretary of the Company be and is hereby severally authorized to sign and file all the necessary forms and other necessary documents as may be required by the statutory authorities including the concerned Registrar of Companies, and to do such acts and deeds that may be required for the purpose of alteration of the Articles of Association of the Company that may be suggested by the Registrar of Companies or such other statutory authorities in the implementation of the aforesaid resolution and to authorize such person or persons to give effect to the above resolutions and to submit all documents to the concerned authorities with regard to the same."

2. Revision in the power of Resourcing Committee of the Board

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

"RESOLVED THAT the borrowing power of the resourcing Committee of the Board be and is hereby modified as follows:

1. ₹600 crore outstanding from Individual entity covering on balance sheet exposure
2. ₹700 crore outstanding from Individual entity covering both on & off balance sheet exposure.
3. ₹3000 crore overall Loan outstanding (covering both on and off balance sheet exposure) at any point of time.



"RESOLVED FURTHER THAT Mr. Govind Singh, MD & CEO or Mr. Trilok Nath Shukla, Whole-Time Director or Mr. Neeraj Kumar Tiwari Company secretary be and is hereby authorized to do the needful in this regard."

3. Approval to Execute Business Transfer Agreement (BTA) between Utkarsh Micro Finance Private Limited (name changed to Utkarsh Micro Finance Limited) and Utkarsh Small Finance Bank Limited.

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

"RESOLVED THAT pursuant to the in principle approval granted by Reserve Bank of India, approval of the shareholders be and is hereby granted for execution of business transfer agreement entered between Utkarsh Micro Finance Private Limited (name changed to Utkarsh Micro Finance Limited) and Utkarsh Small Finance Bank Limited."

"RESOLVED FURTHER THAT Mr. Govind Singh, Managing Director and CEO or Mr. Trilok Nath Shukla, Whole-Time Director or Mr. Neeraj Kumar Tiwari, Company Secretary of the Company be and are hereby severally authorized to do all such Acts, deeds and things as may be required or deemed expedient to implement this resolution."

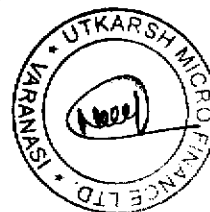
4. Approval for Equity Investment & providing Debt to Utkarsh Small Finance Bank, subsidiary of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, the consent of shareholders present at the meeting be and is hereby given that the company to invest a sum not exceeding ₹ 200.05 crore as equity shares, ₹ 400 crore as compulsorily convertible debenture in subsidiary company, M/s Utkarsh Small Finance Bank Limited."

"RESOLVED FURTHER THAT Mr. Govind Singh, Managing Director & CEO or Mr. Trilok Nath Shukla or Mr. Neeraj Kumar Tiwari, Company Secretary of the company be and is hereby authorized to sign the share application form(s) and/or transfer deeds, as may be required and other necessary documents relating thereto."

"RESOLVED FURTHER THAT Mr. Govind Singh, Managing Director & CEO of the company be and is hereby authorized to time the investment and debt proposals within a 4 month period starting from 1st December 2016 and not beyond 31st March 2017 based on the approval of Licence of the Small Finance Bank.



NOTES:-

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be the member of the company. Proxy in order to be effective must be deposited with the company at least 48 hours before the time of the meeting.
2. The Register of Members will not remain closed.
3. The explanatory statement relating to special business mentioned in the Notice as required pursuant to section 101(2) of the Companies Act, 2013 is annexed to the Notice.

By Order of the Board
for Utkarsh Micro Finance Limited.

Neeraj Kumar Tiwari
Neeraj Kumar Tiwari
Company Secretary

Date: 07.11.2016

Place: Mumbai



Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 1

Your Company has entered into a Shareholders Agreement on September 27, 2016 amongst the Company with Faering Capital India Evolving Fund II, RBL Bank Limited, Arpwood Investments Advisors LLP, HDFC Ergo General Insurance Company Ltd, HDFC Standard Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Shriram Life Insurance Company Limited, Small Industries Development Bank of India (SIDBI) and), for investment in the company to the tenure of ₹395 Crore.

The Board of had approved the proposal through its Board Meeting held on September 13, 2016 and necessary approval of the members was obtained at the extra ordinary general meeting of members on September 15, 2016.

Accordingly the company has received application money for allotment of equity shares from Faering Capital India Evolving Fund II, RBL Bank Limited, Arpwood Investments Advisors LLP, HDFC Ergo General Insurance Company Ltd, HDFC Standard Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Shriram Life Insurance Company Limited, Small Industries Development Bank of India (SIDBI).

In view of the executed Shareholders Agreements, it is proposed to insert enabling clause & repeal the existing Articles of Association of the Company and adopt new Articles of Association.

Pursuant to the provisions of section 14 of the Companies Act, 2013 the proposed repeal of the articles of association of the Company requires the approval of the shareholders of the Company by way of special resolution.

A copy of Memorandum & Articles of Association is open for inspection by members on any working day during 11.00 A.M. to 1.00 P.M. up to the date of ensuing extra-ordinary general meeting at the registered office of the Company.

None of the Directors, or any other key managerial personnel and relatives of the said persons are interested (financially or otherwise) or concerned in the said resolutions.

The Board recommends the resolution proposed at item no. 1 for your approval as special resolution.

Item No: 2

Increase in borrowing power of Resourcing Committee of Board

In view of increase in business operations of the Company it is proposed that powers conferred by members of the Company to the Board of Directors thereof may be increased from ₹2500 Crore to ₹3000 Crore in the manner as stated in resolution no.2 above.



In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 approval of members of the Company in general meeting by way of Special Resolution is required to enable to Board to exercise its borrowing powers in excess of paid up share capital and free reserves of the Company.

The Board, therefore, recommends the Resolution at Item No. 2 to be passed by Members of the Company as an Ordinary Resolution.

None of the Directors or key managerial personnel and / or their relatives is deemed to be interested or concerned in this resolution.

Item No: 3

The Board of directors of your company in its meeting held on May 17, 2016 had approved the business transfer agreement with Utkarsh Small Finance Bank limited. By virtue of the said business transfer agreement your Company will transfer its lending business to Utkarsh Small Finance Bank Ltd through slump sale as advised by the Reserve Bank of India.

The Board, therefore, recommends the Resolution at Item No. 3 to be passed by Members of the Company as an Ordinary Resolution.

None of the Directors or key managerial personnel and / or their relatives is deemed to be interested or concerned in this resolution.

Item No: 4

Your Company is currently holding 99.951% of the equity shares of the proposed SFB. The same has been acquired by infusing a sum of ₹ 99,95,10,000.

In terms of the Guideline issued by RBI pertaining to the Core Investment Company (CIC), a CIC shall hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies and its investments in the equity shares (including instruments compulsorily convertible into equity shares (within a period not exceeding 10 years from the date of issue) in companies constitutes not less than 60% of its net assets in group companies.

The infusion of equity and providing of debt would be timed with the approval of MD & CEO between 1st December 2016 to 31st March 2017 depending upon the date of grant of SFB License to the Licence to Utkarsh Small Finance Bank.

By Order of the Board
for Utkarsh Micro Finance Limited.

Neeraj Kumar Tiwari
Neeraj Kumar Tiwari
Company Secretary

Date: 07.11.2016

Place: Mumbai

