

**NOTICE OF THE EXTRA ORDINARY GENERAL MEETING OF THE BANK**

Notice is hereby given that an Extra-Ordinary General Meeting of the Shareholders of ESAF Small Finance Bank Limited (the Bank) will be held on **Friday, October 13, 2023 at 12.00 Noon** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The Venue of the meeting shall be deemed to be the Registered and Corporate Office of the Bank situated at Building No. VII/83/8, ESAF Bhavan, Thrissur – Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN – 680 651.

*[This notice is a shorter notice of two (2) days and requisite consents have been obtained from the shareholders pursuant to Section 101(1) of the Companies Act, 2013 in accordance with the Articles of Association of the Bank.]*

**SPECIAL BUSINESS**

**Item No. 1 – Alteration of Articles of Association of the Bank**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and 15 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory modifications or re-enactments thereof, for the time being in force), the rules, circulars and guidelines issued by Reserve Bank of India (“**RBI**”), the applicable provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended and in order to align the Articles of Association with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the requirements of the stock exchanges where the equity shares of the Bank are proposed to be listed and in accordance with the enabling provisions of the memorandum and articles of association and subject to the applicable provisions of any other applicable law, and subject to any approvals as may be required from the Government of India (“**GoI**”), the Registrar of Companies, Kerala at Ernakulam (“**RoC**”) and **RBI**, the approval of the shareholders, be and is hereby accorded to alter the articles of association of the Bank (“**Articles of Association**”) as under:

**1. Substitution of article 2(xv) as below:**

*“EFHL” refers to ESAF Financial Holdings Private Limited.*

**2. Alteration of article 2(xxviii) as below:**

*“Promoters” means EFHL and Mr. Kadambelil Paul Thomas approved by the RBI to act as promoters to set up the Company, in terms of the Guidelines and any other relevant provisions under Applicable Laws and “Promoter” shall refer to them individually, as the case, may be.*

**ESAF SMALL FINANCE BANK LIMITED**

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad National Highway, Thrissur – 680 651, Kerala.

Ph. No: 0487 7123456, 123457, Email: [customercare@esafbank.com](mailto:customercare@esafbank.com) [www.esafbank.com](http://www.esafbank.com)

**3. Alteration of article 48 as below:**

*Subject to Article 47 above, a declaration by the chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.*

**4. Alteration of article 69 as below:**

*Subject to Section 108 of the Act and Article 68 above, every notice convening a General Meeting of the Company shall state that a Member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself and that a Proxy need not be a Member of the Company.*

**5. Alteration of article 120(a) as below:**

*EFHL and Mr. Kadambelil Paul Thomas shall be the Promoters of the Company.*

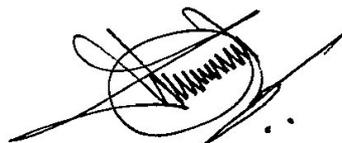
**6. Deletion of article 120(f) and article 120(g)."**

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Bank (hereinafter referred as the **"Board"** which term shall include any committee constituted/ may be constituted by the Board as may be authorized by the Board in this regard), be and is hereby authorized to accept such terms, conditions, stipulations, alterations, amendments or modifications as advised by RBI and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation issuing clarifications and resolving all questions of doubt, to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the alteration of the Articles of Association and to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive."

**"RESOLVED FURTHER THAT** a copy of the above resolution, certified to be true by any director or Company Secretary, be forwarded to concerned authorities for necessary actions."

**By the order of the Board**

**For ESAF Small Finance Bank Limited**



**Ranjith Raj P**

**Company Secretary**

**Membership No. A 30388**

Place: **Thrissur**

Date: **October 10, 2023**

## NOTES

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“**MCA**”) vide its General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 (collectively referred to as the “**MCA Circulars**”) and the Securities and Exchange Board of India (“**SEBI**”) vide its Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, has permitted companies to hold general meetings through video conferencing (“**VC**”) or other audio visual means (“**OAVM**”) without the physical presence of the members at a common venue. Accordingly, the extraordinary general meeting (“**EGM**”) of the members of ESAF Small Finance Bank Limited (“**Bank**”) will be convened through VC. Hence, members must attend and participate in the ensuing EGM through VC. The registered office of the Bank shall be deemed to be the venue for the EGM.
- This meeting is being called at a shorter notice than the statutory required minimum of 21 clear days. Pursuant to the provisions of Section 101 of the Companies Act, 2013, a general meeting other than annual general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote thereat. The members have accordingly given their consents to hold the meeting at a shorter notice.
- Pursuant to the provisions of the Companies Act (as defined below), a member entitled to attend and vote at the general meetings is also entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Bank. Since this EGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the EGM and hence the proxy form and attendance slip are not annexed to this notice. However, the body corporates are entitled to appoint authorized representatives to attend the EGM through VC/ OAVM and participate there at and cast their votes.
- In compliance with the aforesaid MCA Circulars, notice of the EGM as well as the web link for joining the meeting is being sent only through electronic mode to those members whose email addresses are registered with the Bank.
- The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 read with the relevant Rules made thereunder (“**Companies Act**”), the Secretarial Standard on General Meetings (SS-2), in respect of Item No. 1 of this notice, is annexed herewith and forms part of the notice.
- In case of joint holders, the member whose name appears as the first holder in the order of names as per the register of members of the Bank will be entitled to vote at the EGM.
- Institutional/ corporate shareholders (i.e. other than individuals/ HUF, NRI, etc.) intending to participate and vote during the EGM, are requested to send a scanned copy (pdf/ jpg format) of its board or governing

body's resolution/ authorization etc., authorizing their representative to attend and vote in the EGM on their behalf, by sending an e-mail to [secretarial@esafbank.com](mailto:secretarial@esafbank.com) quoting their DP ID and client ID or folio number.

- Members may note that attendance of members through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
- All documents referred to in the notice and the explanatory statement, and requiring Members' approval, and such statutory records and registers, as are required to be kept open for inspection under the Companies Act, 2013, shall be available for inspection by the members at the registered and corporate office of the Bank during business hours and shall be accessible to the person attending the meeting. In accordance with the MCA Circulars, the said documents have been made accessible for inspection through electronic mode and shall remain open and be accessible to any member till conclusion of the meeting. Any member intending to inspect the documents through electronic mode shall make a request by sending an e-mail to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com).
- Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.
- Those shareholders whose email IDs are not registered are requested to register their e-mail with the Bank, by providing their name, address, e-mail ID, PAN, DPID/ client ID or folio number and number of shares held by them by sending an email to [secretarial@esafbank.com](mailto:secretarial@esafbank.com).
- Members will be able to attend the EGM through VC provided by clicking on the link given below and entering the login credentials:
  - Video Conferencing Solution: **Microsoft Teams Meeting**
  - Meeting Access Link:  
  
[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NTJiOTEyNzYtYzkzZC00ZDFILTg3NDctMWUwMjliMmQ3Mzk1%40thread.v2/0?context=%7b%22Tid%22%3a%22fdd2dc8e-881b-46d1-9de1-f19c97ce5513%22%2c%22Oid%22%3a%222593aa03-ad58-499e-aaed-594672abe848%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTJiOTEyNzYtYzkzZC00ZDFILTg3NDctMWUwMjliMmQ3Mzk1%40thread.v2/0?context=%7b%22Tid%22%3a%22fdd2dc8e-881b-46d1-9de1-f19c97ce5513%22%2c%22Oid%22%3a%222593aa03-ad58-499e-aaed-594672abe848%22%7d)
- The facility of joining the EGM through VC will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the EGM, i.e., from 11.45 AM to 12.15 PM.
- For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/ comments in advance by sending an email to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com) before 05:00 PM IST on October 12, 2023 mentioning their name, demat account no./ folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the meeting. Please note that only questions of the members holding the shares as on cut-off date will be considered.

- Since the EGM will be held through VC / OAVM, the route map is not annexed in this Notice.
- During the meeting, where a poll on any item is required, the members participating through VC shall cast their vote on the resolutions only by sending e-mails from their registered e-mail id registered with the Bank to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com).
- Further, members will be required to use camera, if any, and hence require to use internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Members who need technical assistance before or during the EGM can contact the Bank at [secretarial@esafbank.com](mailto:secretarial@esafbank.com) or helpline – 0487-7123548.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ANNEXURE TO AND FORMING PART OF THE NOTICE DATED OCTOBER 10, 2023 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE EXTRA ORDINARY GENERAL MEETING “EGM” OF ESAF SMALL FINANCE BANK LIMITED (THE “BANK”) TO BE HELD ON FRIDAY, OCTOBER 13, 2023 AT 12.00 NOON THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS**

**Item No. 1 – Alteration of Articles of Association of the Bank**

The Securities and Exchange Board of India (“SEBI”) provided their interim observations to the Lead Manager to the proposed Initial Public Offer of equity shares of the Bank (“IPO”), on the Draft Red Herring Prospectus filed by the bank dated July 07, 2023 and through its observations, SEBI advised that, the Lead Managers shall ensure that there are no special rights available to the Promoters or any of the Shareholders of the bank under the Articles of Association, at the date of filing of the offer document.

In this regard, the Board of Directors in its meeting held on September 30, 2023, recommended to alter the Articles of Association of the Bank by deleting the relevant clauses providing special rights to the promoters/ shareholders. The details of the amendments proposed by the Bank is provided below which also includes certain factual updations:

<b>Article No</b>	<b>Existing Clause</b>	<b>Revised Clause</b>	<b>Rationale for the amendment</b>
<b>2(xv)</b>	“ESAF Microfinance” refers to ESAF Micro Finance and Investments Private Limited.	“EFHL” refers to ESAF Financial Holdings Private Limited.	
<b>2(xxviii)</b>	“Promoters” means ESAF Microfinance and Mr. Kadambelil Paul Thomas approved by the RBI to act as promoters to set up the Company, in terms of the Guidelines and any other relevant provisions under Applicable Laws and “Promoter” shall refer to them individually, as the case, may be.	“Promoters” means EFHL and Mr. Kadambelil Paul Thomas approved by the RBI to act as promoters to set up the Company, in terms of the Guidelines and any other relevant provisions under Applicable Laws and “Promoter” shall refer to them individually, as the case, may be.	To reflect the change of name of the Corporate Promoter of the Bank.
<b>48</b>	Subject to Article 88 above, a declaration by the chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the	Subject to Article 47 above, a declaration by the chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the	To provide more suitable reference.

	minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.	minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.	
<b>69</b>	Subject to Section 108 of the Act and Article 94 above, every notice convening a General Meeting of the Company shall state that a Member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself and that a Proxy need not be a Member of the Company.	Subject to Section 108 of the Act and Article 68 above, every notice convening a General Meeting of the Company shall state that a Member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself and that a Proxy need not be a Member of the Company.	
<b>120(a)</b>	ESAF Microfinance and Mr. Kadambelil Paul Thomas shall be the Promoters of the Company.	EFHL and Mr. Kadambelil Paul Thomas shall be the Promoters of the Company.	To reflect the change of name of the Corporate Promoter of the Bank.
<b>120(f)</b>	Notwithstanding anything contained herein, as long as ESAF Microfinance and Mr. Kadambelil Paul Thomas continue to be the Promoters of the Company, ESAF Microfinance has the right to appoint a maximum of 3 Directors on the Board of the Company and Mr. Kadambelil Paul Thomas has the right to appoint a maximum of 2 (including himself if he chooses to be one) Directors on the Board of the Company. Any such appointment, shall to the extent required by Applicable Laws, be subject to the consent of the RBI. In the event any Directors nominated by ESAF Microfinance or its shareholders	Deleted	To delete the articles providing special rights to the promoters, as per the advice of SEBI.

	to the Board of the Company are not accepted by RBI, the same will not be appointed to the Board and will not constitute any breach of obligations by ESAF Microfinance with any of its shareholders.		
<b>120(g)</b>	Notwithstanding anything contained herein, as long as ESAF Microfinance and Mr. Kadambelil Paul Thomas continue to be the Promoters of the Company, the Promoters shall nominate the Chairman and Managing Director & CEO of the Company, subject to Applicable Law, the approval of the Board and prior approval of the RBI.	Deleted	

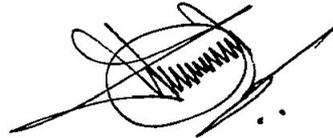
In terms of Section 14, and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each as amended, the approval of the shareholders of the Bank is required through a special resolution.

The draft of the current and amended AOA of the Bank are available for inspection by the members of the bank at the Registered and Corporate Office of the Bank on all working days (except Saturdays, Sundays and bank and public holidays) during business hours up to the date of the EGM and shall also be available during the continuance of EGM.

Other than Shri. Kadambelil Paul Thomas, Shri. Ajayan Mangalath Gopalakrishnan Nair and Shri. John Samuel, none of the directors or managers or key managerial personnel of the Bank or the relatives of the said persons are interested in the said resolution.

The Board recommends the resolutions in Item No.1 of the Notice for your approval as a special resolution.

**For ESAF Small Finance Bank Limited**



**Ranjith Raj P**  
**Company Secretary**  
**Membership No. A 30388**