

**ESAF Small Finance Bank Limited**

CIN: U65990KL2016PLC045669

Registered Office and Corporate Office Address: Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur, Kerala, Pin - 680 651

## Notice

### for the 04<sup>th</sup> Annual General Meeting of the Bank

Notice is hereby given that the Fourth Annual General Meeting of Shareholders of ESAF Small Finance Bank Limited (the Bank) will be held on Monday, 10<sup>th</sup> August, 2020, at the Registered and Corporate Office of the Bank, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad National Highway, Thrissur, Kerala, Pin - 680 651 at 02.00 PM to transact the following businesses:

#### ORDINARY BUSINESS

**Item No.1 - To consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2020, the Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the schedules and annexures thereto, the reports of the Auditor's and Directors' thereon.**

**Item No.2 - To re-appoint Shri. Saneesh Singh, Non-Executive Nominee Director, who retires by rotation this year, and being eligible, offered himself for re-appointment**

**Item No.3 - Appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants (FRN 117365W) as Statutory Auditors of the Bank for the Financial Year 2020-2021 and fixing of their remuneration**

**"RESOLVED THAT** pursuant to Section 30 and other applicable provisions of the Banking Regulation Act, 1949 and Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), consent of the shareholders of the Bank, be and is hereby accorded to appoint M/s. Deloitte Haskins and Sells, Chartered Accountants with Firm Registration number 117365W, based on the approval of Reserve Bank of India vide letter No. Ref DOS.ARG. No.AS-10/08.61.005/2019-20 dated 08<sup>th</sup> May 2020 and recommendation of the Audit Committee of the Board, as the Statutory Auditors of the Bank for the Financial Year 2020-2021, to hold office from the conclusion of 04<sup>th</sup> Annual General Meeting till the conclusion of 05<sup>th</sup> Annual General Meeting of the Bank."

**"RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorized to fix the

remuneration and out of pocket expenses incurred to the Statutory Auditors in consultation with them based on the recommendations of the Audit Committee of the Board."

#### SPECIAL BUSINESS

**Item No. 4 - Appointment of Shri. Thomas Jacob Kalappila as Independent Director of the Bank**

To consider and, if thought fit, to assent or dissent with or without modification(s), to the following resolution(s) to be passed as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri. Thomas Jacob Kalappila, holding DIN: 00812892, who was appointed as an Additional Director (Independent Director) on the Board of Directors of the Bank, pursuant to provisions of Section 161 of the Companies Act 2013 and pursuant to the recommendations of the Nomination Remuneration and Compensation Committee and the Board of Directors, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted declaration that he meets the fit and proper criteria laid down by the Reserve Bank of India who is eligible for appointment and in respect of whom the Bank has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Shri. Thomas Jacob Kalappila's candidature for the office of Director, be and is hereby appointed as the Non-Executive Independent Director of the Bank, for a period of three (3) consecutive years which shall commence from 10<sup>th</sup> March, 2020 up to 09<sup>th</sup> March, 2023 and whose office shall not be liable to retire by rotation."

**Item No. 5 - Re-Appointment of Shri. Joseph Vadakkekara Antony as Non-Executive Independent Director of the Bank**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Banking Regulation Act, 1949, as amended from time to time, and pursuant to the recommendation of the Nomination Remuneration and Compensation Committee and the Board of Directors, Mr. Joseph Vadakkekara Antony (DIN: 00181554), who holds office of Independent Director up to 16th August, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, and who has submitted declaration that he meets the fit and proper criteria laid down by the Reserve Bank of India who is eligible for re-appointment, and in respect of whom the Bank has

received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Joseph Vadakkekara Antony's candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Bank, for a second term of three consecutive years commencing from 17<sup>th</sup> August, 2020 up to 16<sup>th</sup> August, 2023 and whose office shall not be liable to retire by rotation.”

By the order of the Board  
For ESAF Small Finance Bank Limited



**Ranjith Raj P**

Place: Thrissur  
Date: 08<sup>th</sup> July, 2020

Company Secretary  
Membership No. A 30388

## NOTES

- A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Bank. The Proxy Form, to be effective shall be deposited at the Registered Office of the Bank, at least 48 hours prior to the time fixed for the meeting. Proxy Form is enclosed herewith.
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Bank. A member holding more than 10 percentage of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- Every Member entitled to vote at the meeting of the Bank or any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Bank, provided not less than three days notice in writing of the intention so to inspect is given to the Bank.
- Explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting, is attached herewith.
- 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 for the Members at the Registered Office of the Bank during business hours and shall be accessible to the person attending the meeting.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Bank, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- Route Map of the Bank as per Secretarial Standards-2 is annexed. The prominent landmark for the venue is College of Veterinary and Animal Sciences, Mannuthy.
- Members/ proxies should fill the attendance slip for attending the meeting and bring the attendance slips to the meeting.
- Members who hold shares in dematerialized form are requested to write their DP ID and Client ID No.(s) and those who hold share(s) in physical form are requested to write their Folio Numbers in their attendance slip for attending the meeting to facilitate identification of membership at the meeting.
- In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The members are requested to register their e-mail or update their e-mail ID which has already been registered with the Depository Participant.
- Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to M/s. Link Intime India Private Limited, Registrar and Transfer Agent (RTA) of the Bank. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

- Pursuant to General Circular No. 20/2020 dated 05<sup>th</sup> May, 2020, issued by the Ministry of Corporate Affairs, Members can attend the meeting through electronic mode, the details of which are as follows:

Meeting Access Link: <https://airtel1.webex.com/airtel1/j.php?MTID=m77cef378384d5ddaf1c07047b4ea5b2c>

## **EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4 – Appointment of Shri. Thomas Jacob Kalappila as Non-Executive Independent Director of the Bank**

Shri. Thomas Jacob Kalappila was appointed as an Additional Director (Independent Director) of the Bank with effect from 10<sup>th</sup> March, 2020, by the Board of Directors of the Bank in the meeting held on 04<sup>th</sup> March, 2020 in place of the retiring director, Shri. George Joseph.

In terms of Section 161 of the Companies Act, 2013, he holds office up to the conclusion of the 04<sup>th</sup> Annual General Meeting of the Bank. Based on the recommendations of the Nomination Remuneration and Compensation Committee of the Board (NRCCB) and in compliance with the provisions of Sections 149, 152 of the Companies Act, 2013, the rules framed thereunder read with Schedule IV to the Companies Act, 2013, the directions of the Reserve Bank of India and the Nomination Policy of the Bank, the Board of Directors of the Bank decided to accord its recommendation to the members of the Bank to appoint Shri. Thomas Jacob Kalappila, holding DIN: 00812892, as an Independent Director of the Bank in the 04<sup>th</sup> Annual General Meeting of the Bank for a term not exceeding three (3) consecutive years commencing from the date of initial appointment as Additional Director by the Board on 10<sup>th</sup> March, 2020. The period of office of Shri. Thomas Jacob Kalappila as the Independent Director of the Bank shall not be liable to determination by retirement of directors by rotation at every Annual General Meeting. The Bank has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Shri. Thomas Jacob Kalappila for his appointment to the office of Independent Director.

Shri. Thomas Jacob Kalappila is a Fellow Member of the Institute of Chartered Accountants of India (F.C.A) holding a D.I.S.A (Diploma Information Systems Audit) certification. He has over 40 years of post-qualification experience as a Chartered Accountant and has been in

practice for more than 37 years providing financial and management consultancy services to various reputed entities. Currently, Shri. Thomas is the Senior Partner of M/s. Thomas Jacob & Co. and is leading all major audit and attest assignments in the firm. He has rich experience in Statutory Audit, Internal and Forensic Audit of banks for more than 35 years and is currently undertaking the audit of Canara Bank, Indian Overseas Bank and Indian Bank. He has previously served as the Independent Director on the Boards of South Indian Bank Limited and Malabar Cements Limited.

In terms of the provisions of the Companies Act, 2013, Shri. Thomas has submitted requisite consent(s)/ disclosures before the Board. The Bank has also received an intimation from Shri. Thomas in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by any statutory authority to be appointed as a Director in any Company.

The Board confirmed that Shri. Thomas Jacob Kalappila complied with the fit and proper norms of RBI, provisions of Companies Act, 2013, applicable SEBI Regulations and Internal Policies of the Bank, for being appointed as an Independent Director on the Board of the Bank.

In the opinion of the Board, Shri. Thomas Jacob Kalappila meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and rules framed thereunder and that he is independent of the management. Shri. Thomas Jacob Kalappila is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

Except Shri. Thomas Jacob Kalappila, no other Director or Key Managerial Personnel of the Bank and any of their relatives, is concerned or interested in Item No.4 as specified in the Notice.

Considering the knowledge, background, experience and expertise of Shri. Thomas Jacob Kalappila, the Nomination Remuneration and Compensation Committee of the Board and the Board of Directors of the Bank are of the view that the appointment of Shri. Thomas Jacob Kalappila as an Independent Director of the Bank shall be of immense benefit to the Bank.

The Board recommends Resolution No. 4 as an Ordinary Resolution for approval by the Members. The disclosures as per Secretarial Standards - 2 is enclosed herewith.

**Disclosures as per Secretarial Standards - 2**

Name of the proposed Director	Shri. Thomas Jacob Kalappila	
Age	66 Years	
Qualification	<ul style="list-style-type: none"> <li>Fellow Member of the Institute of Chartered Accountants of India (1984)</li> <li>DISA (Diploma in Information Systems Audit) (2006)</li> <li>Bachelor of Science from University of Kerala (1974)</li> </ul>	
Expertise in specific functional areas	Accountancy and Finance.	
Experience	2010 – 2018	Independent Director of M/s. South Indian Bank Limited
	2015 – 2016	Independent Director of M/s. Malabar Cements Limited
	1997 – Present	Director of M/s. Spotmarkets Securities Private Limited
	1994 – Present	Director of M/s. Syncon Management Consultants Private Limited
	1982 – Present	Practising Chartered Accountant (Senior Partner of M/s. Thomas Jacob & Co., Chartered Accountants, Trivandrum)
	1979 – 1982	Accounts Manager – Tata Engineering and Locomotive Company Limited, Jamshedpur
Terms and Conditions of appointment	Appointment as Independent Director for a period of 3 years and not liable to retire by rotation.	
Details of remuneration sought to be paid	No remuneration will be paid except Sitting Fees for attending meetings of the Board and Committees.	
Remuneration last drawn	NIL	
Date of First appointment on the Board	NA	
Shareholding in the Bank	NIL	
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL	
Number of meetings of the Board attended during the year.	NA	
Directorships held in other companies	He is currently holding directorship in the Board of Spotmarkets Securities Private Limited and Syncon Management Consultants Private Limited.	

**Memberships/ Chairmanship of Committees of other Companies**

Sl.No	Name of the Company	Board Committees in which he is a member	Board Committees in which he is a Chairperson
		NIL	

**Item No. 5 – Re - Appointment of Shri. Joseph Vadakkekara Antony as Non-Executive Independent Director of the Bank**

Shri. Joseph Vadakkekara Antony was appointed as a Non-Executive Independent Director of the Bank based on the approval from Reserve Bank of India with effect from 17<sup>th</sup> August, 2017, by the Board of Directors of the Bank in the meeting held on 17<sup>th</sup> August, 2017.

The Nomination Remuneration and Compensation Committee in its meeting held on 29<sup>th</sup> May, 2020, after taking into account the average performance evaluation of 4.95 out of 5 of Shri. Joseph Vadakkekara Antony during his first term of three years and considering his knowledge, acumen, expertise and experience in the field of Banking and the substantial contribution made by the Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of the Director as an Independent Director would be in the interest of the Bank. Based on the above, the Nomination Remuneration and Compensation Committee and the Board of Directors has recommended the re-appointment of Shri. Joseph Vadakkekara Antony as Non-Executive Independent Director on the Board of the Bank, to hold office for the second term of three consecutive years

commencing from 17<sup>th</sup> August, 2020 up to 16<sup>th</sup> August, 2023 and not liable to retire by rotation. The Bank has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Joseph Vadakkekara Antony for his re-appointment to the office of Independent Director.

In terms of the provisions of the Companies Act, 2013, Shri. Joseph Vadakkekara Antony has submitted requisite consent(s)/ disclosures before the Board. The Bank has also received an intimation from Shri. Joseph Vadakkekara Antony in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by any statutory authority to be appointed as a Director in any Company.

The Board confirmed that Shri. Joseph Vadakkekara Antony complied with the fit and proper norms of Reserve Bank of India, provisions of Companies Act, 2013, applicable regulations of Securities and Exchange Board of India and Internal Policies of the Bank, for being re-appointed as an Independent Director on the Board of the Bank.

In the opinion of the Board, Shri. Joseph Vadakkekara Antony meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and rules framed thereunder and that he is independent of

the management. Shri. Joseph Vadakkekara Antony is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

Except Shri. Joseph Vadakkekara Antony, no other Director or Key Managerial Personnel of the Bank and any of their relatives, is concerned or interested in Item No.5 as specified in the Notice.

In terms of Section 149 of the Companies Act, 2013 re-appointment of an Independent Director requires the approval of members through Special Resolution.

The Board recommends Resolution No. 5 as Special Resolution for approval by the Members. The disclosures as per Secretarial Standards - 2 is enclosed herewith.

### Disclosures as per Secretarial Standards - 2

Name of the proposed Director	Shri. Joseph Vadakkekara Antony	
Age	69 Years	
Qualification	<ul style="list-style-type: none"> <li>• Masters in Commerce from Kerala University</li> <li>• Masters in Personnel Management from Pune University</li> <li>• Bachelor of Law from Pune University</li> <li>• Doctor of Philosophy in Business Economics</li> <li>• Certified Associate of the India Institute of Bankers</li> </ul>	
Expertise in specific functional areas	Banking	
Experience	2005-2008	Chairman & CEO of M/s. South Indian Bank Limited
	2008-2014	MD & CEO of M/s. South Indian Bank Limited
	2015-2018	Director of M/s. ET Marlabs Private Limited
	2018	Director of M/s. Muthoot Homefin (India) Limited
	2019	Director of M/s. SP Life Care Private Limited
Terms and Conditions of appointment	Re-appointment as Independent Director for a period of three consecutive years and not liable to retire by rotation.	
Details of remuneration sought to be paid	No remuneration will be paid except Sitting Fees for attending meetings of the Board and Committees.	
Remuneration last drawn	No remuneration has been paid except Sitting Fees for attending meetings of the Board and Committees.	
Date of First appointment on the Board	17 <sup>th</sup> August, 2017	
Shareholding in the Bank	NIL	
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL	
Number of meetings of the Board attended during the year.	15	
Directorships held in other companies	He is currently not a director in any other Companies.	

### Memberships/ Chairmanship of Committees of other Companies

Sl. No	Name of the Company	Board Committees in which he is a member	Board Committees in which he is a Chairperson
		NIL	

**INSTRUCTIONS TO SHAREHOLDERS FOR PARTICIPATING IN  
THE 04<sup>TH</sup> ANNUAL GENERAL MEETING OF ESAF SMALL FINANCE BANK LIMITED  
TO BE HELD ON MONDAY, 10<sup>TH</sup> AUGUST, 2020 AT 02:00 PM  
AT THE REGISTERED OFFICE OF THE BANK THROUGH VIDEO CONFERENCING**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, shareholders can participate in the meeting through Video Conferencing (VC) facility.

2. Members will be able to attend the AGM through VC or view the live webcast of AGM provided by clicking on the link given below and entering the login credentials:

Video Conferencing Solution: **CISCO Webex Meeting**

Meeting Access Code: **166 430 3649**

Meeting Access Link: **<https://airtel1.webex.com/airtel1/j.php?MTID=m77cef378384d5ddaf1c07047b4ea5b2c>**

3. The venue for the Fourth AGM shall be the Registered Office of the Bank at Building No. VII/83/8, ESAF Bhavan, Thrissur – Palakkad National Highway, Mannuthy, Thrissur Kerala – 680651.

4. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) shall send a scanned copy (pdf/jpg format) of its Board or Governing Body's resolution/authorisation, etc., authorising their representative to attend and vote in the AGM on its behalf. The said resolution/authorisation shall be sent to the Company Secretary by email from their registered email address to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com) with a copy marked to [secretarial@esafbank.com](mailto:secretarial@esafbank.com)

5. The facility of joining the AGM through VC will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the AGM, i.e., from 1:45 PM to 02:15 PM.

6. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on the Bank's website at [www.esafbank.com](http://www.esafbank.com).

7. The Statutory Registers maintained by the Bank is available for inspection to members at the registered office of the Bank during the business hours.

In accordance with the MCA Circulars, the said registers 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 Statutory registers through electronic mode shall make a request by sending an email to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com)

8. 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 5:30 PM IST on 7<sup>th</sup> August, 2020 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.

9. 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.

10. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

11. 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 emails from their registered email id registered with the Bank to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com).

12. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by sending an email to [ranjith.raj@esafbank.com](mailto:ranjith.raj@esafbank.com) before 5:30 PM IST on 7<sup>th</sup> August, 2020 mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc.

13. Members who need technical assistance before or during the Fourth AGM can contact the Bank at [secretarial@esafbank.com](mailto:secretarial@esafbank.com) or helpline – 0487 7123553.