

SURYODAY SMALL FINANCE BANK LIMITED

[Formerly Suryoday Micro Finance Limited]

Corporate Identity Number: U65923MH2008PLC261472

Registered Office: 1101, Sharda Terraces, Plot No. 65, Sector 11, CBD Belapur, Navi Mumbai - 400 614

Tel No: +91 22 40435800 **Fax:** +91 22 40435813 **Website:** www.suryodaybank.com

NOTICE OF POSTAL BALLOT

Dear Member(s)

NOTICE is hereby given that the following Special Resolution is proposed for consideration and approval of the members of Suryoday Small Finance Bank Limited ("the Company") to be accorded by Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and other applicable provisions or re-enactments thereof.

The draft of the proposed Resolution, as set out below, along with the Explanatory Statement thereto is being sent to you along with a Postal Ballot Form. The Company has appointed M/s Aabid & Co., Company Secretaries, (Membership No. FCS 6579), having their office at 405, Tulsiani Chambers, Nariman Point, Mumbai 400 021 as the Scrutinizer for conducting the Postal Ballot process in accordance with the Act and the Rules made thereunder and in a fair and transparent manner.

Please read the instructions printed on the reverse of the Postal Ballot Form. You are requested to mark your assent (for) or dissent (against) the said resolution in the Postal Ballot Form enclosed herewith and send the same to the Scrutinizer in the enclosed self-addressed postage affixed envelope such that it reaches the Scrutinizer on or before January 22, 2018, 5.00 pm.

Draft of the proposed Resolution :

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

"RESOLVED THAT pursuant to the provisions of section 14 of the Companies Act, 2013 and all other applicable provisions of the Banking Regulation Act, 1949 and the rules, guidelines, circulars issued by the Reserve Bank of India in this regard and subject to the approval of the Reserve Bank of India, Article 115.2(v) and Article 130 of the Articles of Association of the Company be amended as follows:

(i) **Article 115.2(v) :**

The words " provided that within 12(twelve) months from the Commencement Date" be substituted with the following words:

"provided that within 18(eighteen) months from the Commencement date"

(ii) **Article 130 be substituted to read as follows:**

"Subject to Applicable Law, Independent Directors and the Managing Director & CEO shall not be liable to retire by rotation. All other Directors, including Investor Directors, shall be liable to retire by rotation in accordance with the provisions of the Act and the 1949 Act.

Regd Office:
1101, Sharda Terraces,
Sector 11, CBD Belapur,
Navi Mumbai 400614
Mumbai; December 22, 2017

By Order of the Board

sd/-
Geeta Krishnan
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts and reasons for the proposed Special resolution is enclosed.
2. The Postal Ballot Notice is being sent to all the shareholders whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 15th December, 2017 and Voting rights shall be reckoned on the basis of shareholding as on this date.
3. The Notice of Postal Ballot is placed on the website of the Company [[https:// www.suryodaybank.com/regulatory disclosure](https://www.suryodaybank.com/regulatory%20disclosure)]
4. A Postal Ballot Form and a postage affixed self-addressed reply envelope are enclosed alongwith this Notice.
5. Members who do not receive the Postal Ballot Form may apply to the Company to receive a duplicate thereof.
6. M/s Aabid & Company, Company Secretaries (Membership No. FCS 6579), has been appointed as Scrutinizer for conducting the postal ballot process.
7. The Scrutinizer will submit his final report to the Chairperson as soon as possible after the last date of receipt for postal ballot forms but not later than January 23, 2018.
8. The results of the voting by Postal Ballot will be declared at the registered office of the Company at 1101, Sharda Terraces, Sector 11, CBD Belapur, Navi Mumbai 400614 not later than 23rd January, 2018. The date of declaration of postal ballot results will be taken as the date of passing the resolution. The results will also be posted on the website of the Company [[https:// www.suryodaybank.com/regulatory disclosure](https://www.suryodaybank.com/regulatory%20disclosure)]
9. Resolution passed by members with requisite majority, through postal ballot shall be deemed to have been passed at a General Meeting of the Company convened on that behalf.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**Item no. 1****(i) Amendment to Article 115.2(v)**

Article 115.2(v) provides for increasing the Board strength from the current number of seven to nine members within 12 months of the Commencement Date i.e on or before 22nd January, 2018 in which event, the Qualifying Investors, if more than three, will collectively nominate the third 'Investor Director'. In view of RBI's stipulation that the Bank's Board should have a majority of Independent Directors, the Bank will require to appoint an additional Independent Director also.

The amendment in clause 115.2(v) of the Articles of Association of the Company is proposed in order to extend the time limit for increasing the Board strength from 12 months to 18 months i.e. on or before 22nd July, 2018 so as to provide additional time to the Nomination and Remuneration Committee to evaluate candidatures for the position of Independent Directors and the Qualifying Investors to nominate a Director.

(ii) Amendment to Article 130

In view of the Articles of Association of the Company providing for more categories of Non-executive directors who may get appointed in future, and in order to bring on par all categories of directors, other than Independent Directors and Managing Director & CEO, it is proposed to amend Article 130.

Section 14 of the Companies Act, 2013 provides that a Company may alter its Articles of Association by way of a Special Resolution passed by the members of the Company.

The Board recommends the passing of the resolution at Item No. 1 of the Notice.

As per the requirement of the Reserve Bank of India, any amendment to the Articles of Association of a banking Company should be approved by the Reserve Bank of India, and as such, the proposed amendments will take effect only after they are duly approved by the Reserve Bank of India.

None of the Directors, Key Managerial Personnel and/or their relatives is in any way concerned or interested in the said Resolution.

Regd Office:
1101, Sharda Terraces,
Sector 11, CBD Belapur,
Navi Mumbai 400614
Mumbai; December 22, 2017

By Order of the Board

sd/-
Geeta Krishnan
Company Secretary

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POSTAL BALLOT FORM

(Please read the instructions overleaf carefully before filling this form)

1. Name(s) of Shareholder(s)/ Beneficial owner :

(including joint holders, if any,)

2. Registered address of the sole/first named:

Member/Beneficial Owner

3. Registered Folio no./DP ID*/Client ID*:

(*applicable to investors holding shares

in dematerialized form)

4. No. of shares held:

I/We hereby exercise my/our votes in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of Postal Ballot dated 22nd December, 2017 by sending my/our assent or dissent to the said Special Resolution by placing the (√) mark at the appropriate box below (tick in both boxes for the same resolution, will render the ballot invalid):

Sr. No.	Brief Particulars	No. of shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	Special resolution under section 14 of the Companies Act, 2013 to approve amendments to the Articles of Association of the Company.			

Date:

Place :

.....
Signature of the Member/ Beneficial Owner

Notes:

1. Please read the instructions overleaf before exercising your vote.

2. Last day for the receipt of Postal Ballot Forms is 22nd January, 2018.

INSTRUCTIONS :

1. Members are requested to carefully read the instructions printed in the Postal Ballot form and return the Postal Ballot form duly completed with the assent (for) or dissent (against), in the enclosed self addressed postage affixed reply envelope so as to reach to the Scrutinizer, on or before 5.00 p.m. on Monday, 22nd day of January, 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.
2. Postage prepaid envelopes are being sent along with this Form. However, envelope containing postal ballot, if sent by courier at the expense of the Members/shareholders, will also be accepted.
3. The self-addressed reply envelope is addressed to the Scrutinizer appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the shareholder. In case of joint share holding, this Form should be completed and signed (as per the specimen signature registered with the Company/Depository Participants) by the first named Member and in his absence, by the next named Member. Joint shareholders shall be counted as single shareholder when voting right is considered.
5. Unsigned/incomplete/defaced/mutilated Postal Ballot Form will be rejected.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should also be accompanied by certified true copy of Board Resolution/Letter of Authority delegating requisite power to the person to cast vote on the Postal Ballot Form.
7. Members are requested not to send any other matter along with the Postal Ballot Form. If any extraneous materials/papers are found, the same will be destroyed by the Scrutinizer.
8. Member is requested to fill the Postal Ballot Form with indelible ink pen (and avoid filling it by using erasable writing medium/s, e.g. pencil etc.)
9. The right of voting by Postal Ballot shall not be exercised by a Proxy.
10. Votes of the Members from whom no Postal Ballot Form is received or is received after the stipulated time as mentioned in Instruction No.1, shall not be counted for the purpose of the passing the Resolution.
11. The Scrutinizer's decision on the validity of a Postal Ballot will be final.
