Utkarsh Small Finance Bank

February 24, 2026

BSE Limited
Scrip Code: 543942, 975790, 959644, 958226, 976203

National Stock Exchange of India Limited
Symbol: UTKARSHBNK

Dear Sir/Madam,

Sub: Notice Convening Meeting of the Unsecured Creditors of Utkarsh Small Finance Bank Limited pursuant to Order of the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj dated February 11, 2026 ("NCLT Order"), in the matter of Scheme of Amalgamation between Utkarsh CoreInvest Limited and Utkarsh Small Finance Bank Limited.

We refer to our letter dated February 13, 2026, wherein we had informed about the directions issued by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("**NCLT**").

In compliance with the NCLT Order, a meeting of the Unsecured Creditors of Utkarsh Small Finance Bank Limited **("Bank")** is scheduled to be held on **Saturday, March 28, 2026 at 03:30 p.m.** ("**IST**") of the Bank through Video Conferencing ("**VC**") ("**Meeting**") without the physical presence of the Unsecured Creditors at the venue, for the purpose of considering, and if thought fit, approving the Scheme of Amalgamation of Utkarsh CoreInvest Limited into and with Bank and their respective equity shareholders ("**Scheme**") pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**CAA Rules**") and rules framed thereunder.

We enclose herewith the Notice of the Meeting together with the Explanatory Statement and Annexures ("**Notice and Annexures**"). The same is also available on the Bank's website at www.utkarsh.bank.in and on the websites of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and also on the website of the e-voting agency viz. National Securities Depository Limited ("**NSDL**") at www.evoting.nsdl.com.

The Notice and Annexures has been sent through electronic mode to the Unsecured Creditors of the Bank whose names appear in the list of Unsecured Creditors and whose e-mail addresses are registered with the Bank as on November 30, 2025. For the Unsecured Creditors who have not registered their e-mail address with the Bank, physical copies are being sent in the mode as specified in NCLT Order.

Utkarsh Small Finance Bank

The Bank has engaged the services of NSDL for facilitating e-voting to enable the Unsecured Creditors to cast their votes electronically. The period for e-voting on the resolution as set out in the Notice shall commence on Wednesday, March 25, 2026 at 09:00 A.M. (IST) and end on Friday, March 27, 2026 at 05:00 P.M. (IST).

Further, the NCLT has appointed Dr. Santosh Kumari as the Chairperson and Mr. Anant Prakash as the Alternate Chairperson and Mr. Sumit Agrawal, Chartered Accountant to be the Scrutinizer for the Meeting.

This is for your information and records.

Thanking You

Yours faithfully,
For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2026.02.24 19:48:36 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer

Encl: As above

UTKARSH SMALL FINANCE BANK LIMITED
Corporate Identity Number: L65992UP2016PLC082804
Registered Office: Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105
Email: shareholders@utkarsh.bank | **Website**: www.utkarsh.bank.in | **Tel No.**: +91-542-6135000

MEETING OF UNSECURED CREDITORS OF UTKARSH SMALL FINANCE BANK LIMITED

(***convened pursuant to the order dated February 11, 2026 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj***)

NOTICE TO UNSECURED CREDITORS

DETAILS OF MEETING:

Day	:	Saturday
Date	:	March 28, 2026
Time	:	3:30 P.M. (IST)
Mode of meeting and e-voting at the meeting	:	Through Video Conferencing **("VC")** in terms of the order dated February 11, 2026 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj. Please note that meeting does not require physical presence of the Unsecured Creditors at a common venue.

REMOTE E-VOTING PRIOR TO THE MEETING ("remote e-voting"):

Cut-off date for determining the Unsecured Creditors entitled to vote	:	Sunday, November 30, 2025
Commencement of remote e-voting period	:	Wednesday, March 25, 2026 at 09:00 A.M. (IST)
End of remote e-voting period	:	Friday, March 27, 2026 05:00 P.M. (IST)

E-VOTING DURING THE MEETING ("e-voting"):

E-voting during the meeting would be available for those Unsecured Creditors who had not voted through remote e-voting. The e-voting would commence post the discussion pertaining to the business mentioned in the Notice is concluded and this facility would be available for 30 minutes thereafter.

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2.	Explanatory Statement under Sections 230, 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
3.	**Annexure 1** Scheme of Amalgamation between Utkarsh CoreInvest Limited ("**Transferor Company**") and Utkarsh Small Finance Bank Limited, ("**Transferee Company**") and their respective equity shareholders, under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**")
4.	**Annexure 2** Copy of the report of the Committee of Independent Directors of the Transferee Company, recommending the Scheme to the Board of the said Company
5.	**Annexure 3** Copy of the report of the Audit Committee of the Transferee Company recommending the Scheme to the Board of the said Company
6.	**Annexure 4** Copy of the letter of Reserve Bank of India ("**RBI**") dated January 02, 2025, granting its 'no-objection' to the proposed amalgamation as contemplated under the Scheme
7.	**Annexure 5** ***(colly.)*** Copies of the letters of BSE Limited and National Stock Exchange of India Limited, dated July 04 & 07, 2025 respectively, granting their no objection to the Transferor Company and Transferee Company for filing of the Scheme before the Hon'ble NCLT
8.	**Annexure 6** ***(colly.)*** Nil Complaint Report filed by the Transferee Company with BSE Limited and National Stock Exchange of India Limited
9.	**Annexure 7** Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Transferor Company and its Directors
10.	**Annexure 8** Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Transferee Company, its Promoters and its Directors
11.	**Annexure 9** Copy of the Board Report of the Transferee Company, inter-alia, explaining the effect of the Scheme on each class of shareholders, KMPs, promoters and non-promoter shareholders, and employees
12.	**Annexure 10** Pre-amalgamation shareholding pattern of the Transferor Company
13.	**Annexure 11** ***(colly.)*** Pre-amalgamation and Post-amalgamation shareholding pattern of the Transferee Company
14.	**Annexure 12** Copy of valuation report issued by M/s RBSA Valuation Advisors LLP (IBBI Regn No.: IBBI/RV-E/05/2019/110), Registered Valuer appointed by the Transferee Company

15.	**Annexure 13** Copy of the fairness opinion issued by DAM Capital Advisors Limited, Independent Category-1, Merchant Banker, appointed by the Transferee Company
16.	**Annexure 14** Details of assets and liabilities that will be transferred to the Transferee Company pursuant to amalgamation, as required in terms of BSE and NSE no-objection letters
17.	**Annexure 15** Copy of the Annual Report of the Transferor Company for the financial year ended on March 31, 2025 which includes the standalone and consolidated audited financial statements of the Transferor Company for the said period
18.	**Annexure 16** Copy of the Un-audited financial statement (standalone) of the Transferor Company for the quarter ended on September 30, 2025
19.	**Annexure 17** Copy of the Annual Report of the Transferee Company for the financial year ended on March 31, 2025 which includes the standalone audited financial statements of the Transferee Company for the said period
20.	**Annexure 18** Copy of the Unaudited Standalone financial results of the Transferee Company for the quarter ended on December 31, 2025
21.	**Annexure 19** Copy of the order dated February 11, 2026 of the National Company Law Tribunal, Allahabad Bench, Prayagraj.
22.	**Annexure 20** Copy of the Certificate of Adequacy & Accuracy of Disclosure of Information in the Abridged Prospectus of the Transferor Company in compliance with SEBI Master Circular bearing Ref. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023
23.	**Annexure 21** Copy of provisional consolidated Balance sheet as on Appointed Date i.e. April 01, 2025.

The Notice of the meeting and the statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and Annexures thereto constitute a single and complete set of documents and should be read together as they form an integral part of this document.

FORM NO. CAA 2

[Pursuant to Section 230 (3) of the Companies Act, 2013 and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH, PRAYAGRAJ

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMEDTHEREUNDER

AND

IN THE MATTER OF UTKARSH COREINVEST LIMITED

("TRANSFEROR COMPANY" or "APPLICANT COMPANY 1")

AND

IN THE MATTER OF UTKARSH SMALL FINANCE BANK LIMITED

("TRANSFEREE COMPANY" or "APPLICANT COMPANY 2")

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF UTKARSH COREINVEST LIMITED WITH UTKARSH SMALL FINANCE BANK LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

CA (CAA) NO. 37/ALD/2025

Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804
A Company incorporated under the Companies Act, 2013,
Registered Office:
Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, PIN – 221105, Uttar Pradesh
Represented by its authorized signatory – Mr. Muthiah Ganapathy
Tel no: 8433899887
Email id: shareholders@utkarsh.bank … APPLICANT 2/ TRANSFEREE COMPANY

NOTICE FOR CONVENING MEETING OF UNSECURED CREDITORS OF UTKARSH SMALL FINANCE BANK LIMITED

(*being convened pursuant to the order dated February 11, 2026 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench Prayagraj*)

1. **NOTICE** is hereby given that the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("**NCLT**"), by an order dated February 11, 2026, ("**NCLT Order**"), has directed convening of a Meeting of the Unsecured Creditors of Utkarsh Small Finance Bank Limited ("**Company**" / "**Bank**" / "**Transferee Company**") for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation between Utkarsh CoreInvest Limited ("**Transferor Company**") into and with Utkarsh Small Finance Bank Limited ("**Transferee Company**") and their respective shareholders (hereinafter referred to as "**Scheme**") pursuant to Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 ("**CAA Rules**") and other applicable provisions of the Companies Act and CAA Rules.

2. In pursuance of the said NCLT Order and as directed therein, this Notice is hereby given that a Meeting of the Unsecured Creditors of the Transferee Company will be held on **Saturday, March 28, 2026** through Video Conferencing ("**VC**") (hereinafter referred to as the "**Meeting**"), and the Unsecured Creditors are hereby requested to attend the Meeting to transact the following business:

   To consider and if thought fit, to pass, with or without modification(s), the following resolutions under Sections 230 to 232 of the Companies Act and the CAA Rules (including any statutory modification(s) thereof for the time being in force) for approval of the Scheme by requisite majority:

   *"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Companies Act**") read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules, circulars and notifications made thereunder, as may be applicable, the Banking Regulation Act, 1949, the Reserve Bank of India Master Directions – Amalgamation of Private Sector Banks, Directions, 2016, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Master Circular**") and SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 (**SEBI NCD Circular**) as amended from time to time, the memorandum and articles of association of Utkarsh Small Finance Bank Limited, any other applicable provisions of any other law for the time being in force, the approval / no objection letter dated January 02, 2025 issued by the Reserve Bank of India ("**RBI**"), the approval / no adverse observation letters issued by BSE Limited and National Stock Exchange of India Limited, both letters dated July 04, 2025 & July 07, 2025 respectively, and subject to approval of National Company Law Tribunal, Allahabad Branch, ("**NCLT**") and such other approvals, permissions and sanctions of regulatory or governmental and other authorities, and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of Utkarsh Small Finance Bank Limited (hereinafter*

*referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), and subject to such approvals, consents, permissions and sanctions, as may be applicable and required, the Scheme of Amalgamation ("**Scheme**") providing for amalgamation of Utkarsh CoreInvest Limited, the Promoter company ("**Transferor Company**") into and with Utkarsh Small Finance Bank Limited ("**Company**" / "**Bank**" or "**Transferee Company**"), draft of which was circulated along with the Notice, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem requisite, desirable, appropriate or necessary to give effect to the above resolution and effectively implement the Scheme and to take decision regarding accepting such modifications, amendments, limitations and/or conditions, if any, which may be required and/ or imposed by the NCLT while approving the Scheme or by any regulatory or other authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, Reserve Bank of India, Securities and Exchange Board of India, the National Company Law Tribunal, National Stock Exchange of India Limited, BSE Limited and/or any other authority and to do all acts as may be required for the purpose of resolving any questions or doubts or difficulties that may arise or settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, including passing of such accounting entries and/or making such adjustments in the books of accounts as may be considered necessary or any matter(s) as may be considered ancillary and/or incidental in giving effect to the Scheme."*

3. The NCLT has appointed Dr. Santosh Kumari as the Chairperson and Mr. Anant Prakash as the Alternate Chairperson and Mr. Sumit Agrawal, Chartered Accountant to be the Scrutinizer for the Meeting.

4. A person whose name appears in the list of Unsecured Creditors as on Sunday, November 30, 2025 ("**cut off date**") only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the Notice and attend the Meeting. A person, who is not an Unsecured Creditors on the cut-off date, should treat the Notice for information purpose only.

5. The Scheme, if approved at the aforesaid meeting by majority of persons representing three-fourth in value of the Unsecured Creditors by remote e-voting and by e-voting during the Meeting, taken together, will be subject to the subsequent approval of the NCLT and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

6. National Securities Depository Limited ("**NSDL**"), the Bank's e-voting agency, will provide the facility for voting to the Unsecured Creditors through remote e-voting, for participation during the Meeting through VC, and for e-voting during the Meeting.

   The Scrutinizer will immediately after the conclusion of e-voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock votes cast through remote e-voting in presence of two witnesses not in employment of the Bank, a Scrutinizer's Report (of total votes cast in favor or against, invalid votes, if any) and submit the said report to the Chairperson of the Meeting. The Scrutinizer will also submit a separate

report with regard to the result of the remote e-voting and e-voting during the Meeting in respect of the Unsecured Creditors. The Scrutinizer's decision on the validity of the votes cast shall be final.

The result of e-voting will be declared on or before March 31, 2026, and the same, along with the Scrutinizer's Report, will be displayed at the registered office, on the website of the Transferee Company at www.utkarsh.bank.in, websites of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited (at www.nseindia.com); and on the website of e-voting agency, National Securities Depository Limited **("NSDL")** at www.evoting.nsdl.com. The result shall be reported to the NCLT by the Chairperson within 7 (seven) days of conclusion of Meeting, as per Rule 14 of CAA Rules and as directed in the NCLT Order. The Chairperson shall be fully assisted by the Authorized Representative/Company Secretary of the Transferee Company and the Scrutinizer, in preparing and finalizing the report.

7. TAKE FURTHER NOTICE THAT a copy of the Scheme along with the statement under Sections 230, 232 read with Section 102 and other applicable provisions of the Companies Act read with Rule 6 of the CAA Rules, and the documents as stated in the index (collectively referred as "**Annexures**") are enclosed herewith. In terms of the NCLT Order, the Notice of this Meeting together with Annexures is being sent via e-mail to those Unsecured Creditors of the Transferee Company whose names appear in the list of Unsecured Creditors as on cut off date and whose e-mail addresses are registered with the Transferee Company") as on the said date. For the creditors who have not registered their e-mail address with the Transferee Company, physical copies are being sent in the mode as specified in NCLT Order. A copy of this Notice and the Annexures will also be hosted on the website of the Transferee Company at www.utkarsh.bank.in and will also be available on the websites of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and also on the website of the e-voting agency viz. NSDL at www.evoting.nsdl.com.

8. The Transferee Company will furnish a copy of the Scheme along with a copy of the Explanatory Statement within 1 (One) working day of any requisition of the Scheme being made by any Unsecured creditors, to the Transferee Company by e-mail at shareholders@utkarsh.bank. The Scheme and the Explanatory Statement along with the enclosures as indicated in the index, can be obtained on any day except Saturday, Sunday and public holidays, free of charge at the registered office of the Transferee Company.

9. The Annexures to this Notice, provided by the management, is the responsibility of the Company.

By **Order of the NCLT, Allahabad Bench**

Sd/-
Dr. Santosh Kumari
Chairperson appointed for the Meeting

Date: February 24, 2026
Place: New Delhi

Registered Office: Utkarsh Tower,
NH-31 (Airport Road), Sehmalpur,
Kazi Sarai, Harhua, Varanasi,
Uttar Pradesh – 221105
Tel No.: +91 8433899887
Website: www.utkarsh.bank.in
E-mail: shareholders@utkarsh.bank

NOTES

1. In accordance with the NCLT Order and pursuant to the Ministry of Corporate Affairs, Government of India ("**MCA**") vide General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 03/2022 dated May 05, 2022,11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and 03/2025 dated September 22, 2025 (collectively referred to as "**MCA Circulars**") and the Securities and Exchange Board of India ("**SEBI**") vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI/HO/CFD/CFD/PoD-2/P/CIR/2024/133 dated October 03, 2024 (collectively referred as "**SEBI Circulars**"), the Transferee Company is allowed to hold the Meeting through VC, without the physical presence of Unsecured Creditors at a common venue. Hence, in compliance with the directions contained in NCLT Order, applicable provisions of the Companies Act and CAA Rules made thereunder, read with the MCA Circulars and SEBI Circulars, the Meeting is being held through VC. The deemed venue for the Meeting shall be the Registered Office of the Transferee Company.

2. Considering that the Meeting is being held through VC as per NCLT Order, and in compliance with MCA Circulars, without the requirement of physical presence of the Unsecured Creditors, the facility of appointment of proxies will not be available for the said Meeting and hence, the Route Map, Proxy Form and Attendance Slip are not annexed to this Notice.

3. Participation of the unsecured creditors through VC will be reckoned for the purpose of requisite quorum for the Meeting, as per NCLT Order read with Section 103 of the Companies Act. Further, in terms of the NCLT Order, the quorum for the Meeting shall be 15 (Fifteen) unsecured creditors and in case the required quorum for the Meeting is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 minutes, and, thereafter, the persons present, and voting shall be deemed to constitute the quorum. The Scrutinizer is also duty bound to record all proceedings of the meeting conducted through VC.

4. Institutional / Corporate Unsecured Creditors (i.e., other than individuals / HUF/ NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative along with attested specimen signature of such representative, to attend the Meeting through VC on its behalf and to vote through remote e-voting or e-voting during the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer at his email ID agrsumit@yahoo.co.in with a copy marked to shareholders@utkarsh.bank and the same may also be uploaded in the e-voting module through their login, the scanned image of the above documents should be in the naming format 'USFB_EVEN No'.

5. In case of joint Unsecured Creditors attending the Meeting, only such joint holder who is first in the order of names will be entitled to vote at the Meeting, provided the votes are not already cast by remote e-voting.

6. The Explanatory Statement pursuant to Section 102 of the Companies Act read with other applicable provisions of the Act and CAA rules are annexed hereto.

7. Unsecured creditors of the Bank under the category of 'Institutional Investors' are encouraged to attend and vote at the Meeting.

8. In terms of the directions contained in the Order, the Notice of Meeting shall be published at least once a week for three consecutive weeks in the newspapers of "Financial Express" (English), "Jansatta", and AAJ (Hindi) indicating the day, date and time of the Meeting.

9. **Voting through electronic means**

(i) The Unsecured Creditors shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes (a) through e-voting system available at the Meeting to be held through VC or (b) by remote electronic voting during the period as stated below:

Remote e-voting period	
Commencement of remote e-voting period	Wednesday, March 25, 2026 at09:00 AM (IST)
End of remote e-voting period	Friday, March 27, 2026 at(05:00 PM IST)

If any Unsecured Creditors opts for remote e-voting, he/she will nevertheless be entitled to attend and participate in discussion at the Meeting, but not to vote again during the Meeting through VC . Once the vote on a resolution is cast by the creditor through remote e-voting, then, such creditor shall not be allowed to change his/her vote so cast subsequently or cast the vote again at the Meeting. The voting rights of Unsecured Creditors shall be in proportion to their outstanding dues in the Transferee Company as of November 30, 2025 ("**cut off date**").

(ii) The Bank has engaged the services of National Securities Depository Limited ("**NSDL**") as the agency to provide e-voting facility.

(iii) **Information and instructions relating to remote e-voting and e-voting**:

I. **Remote e-voting and e-voting during the Meeting:**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations, The Bank is providing to its Unsecured Creditors, facility to exercise their right to vote on the resolution proposed to be passed at the Meeting by electronic means. The Unsecured Creditors may cast their votes remotely, using an electronic voting system on the dates mentioned above (**remote e-voting**). The Unsecured Creditors also have the option to cast their votes during the Meeting (**e-voting**), if the vote has not been casted earlier through remote e-voting. The Bank has engaged the services of NSDL as the agency to provide e-voting facility.

b. Voting rights of a Unsecured Creditors shall be in proportion to their outstanding dues in the Transferee Company as of Sunday, November 30, 2025 ("**cut off date**").

c. Mr. Sumit Agrawal, Chartered Accountant, having Email ID agrsumit@yahoo.co.in to be the Scrutinizer for the Meeting.

d. Subject to receipt of requisite number of votes, the resolution proposed in the Notice shall be deemed to be passed on the date of this Meeting, i.e. March 28, 2026.

e. The result of voting declared along with scrutinizer's report will be displayed at registered office of the Bank and shall be on the website of the Bank at www.utkarsh.bank.in and on e-voting agency website at www.evoting.nsdl.com on or before March 31, 2026 and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited.

f. The Unsecured Creditors can join the Meeting through VC mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility to attend the Meeting shall be kept open throughout the proceedings of the Meeting.

g. The Unsecured Creditors who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

h. A Unsecured Creditors can opt for only single mode of voting per EVEN, i.e., through remote e-voting or e-voting during the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

II. **THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR REMOTE E-VOTING ARE AS UNDER:**

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member / Creditor' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

iv. Your Login id and password details for casting your vote electronically and for attending the Meeting of Unsecured Creditors through VC/ OAVM will be provided by NSDL as per the process decided by Bank.

v. For the first time the system will ask to reset your password

vi. Use your new password to login. Tick on Agree to "Terms and Conditions" by selecting on the check box.

vii. Now, you will have to click on "Login" button.

viii. After you click on the "Login" button, Home page of e-Voting will open.

ix. You will be able to see the EVEN of Utkarsh Small Finance Bank Limited.

x. Click on "EVEN" of Utkarsh Small Finance Bank Limited to cast your vote.

xi. Now you are ready for e-Voting on the Resolution(s) as the Voting page opens.

xii. Cast your vote by selecting appropriate options i.e. assent or dissent and click on "Submit" and "Confirm" when prompted.

xiii. Upon confirmation, the message "Vote cast successfully" will be displayed.

xiv. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

xv. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

xvi. Unsecured Creditors facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000

III. **THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR E-VOTING ON THE DAY OF THE MEETING ARE AS UNDER:**

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.

2. Only those Unsecured Creditors, who will be present in the Meeting through VC facility and have not casted their vote on the Resolution(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.

IV. **INSTRUCTIONS FOR UNSECURED CREDITORS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

Unsecured Creditors will be provided with a facility to attend the Meeting through VC through the NSDL e-Voting system. Unsecured Creditors may access the same at https://www.evoting.nsdl.com under shareholders/members/creditors login by using the remote e-voting credentials. The link for VC will be available in shareholder/members/creditors login where the EVEN of Bank will be displayed.

Brief Instructions for the remote e voting are as under:

Sr. No.	Particulars	Details
1.	Link for attending live webcast of the Meeting through Video Conferencing (VC')	https://www.evoting.nsdl.com
2.	Link for e-voting [remote/at the Meeting]	https://www.evoting.nsdl.com
3.	Link to temporarily update e-mail address	https://www.evoting.nsdl.com shareholders@utkarsh.bank
4.	Username and password for VC and e-voting	Please use the remote e-voting credentials.
5.	Helpline number for VC and e-voting	https://eservices.nsdl.com/ and 022 - 4886 7000
6.	Cut-off date	November 30, 2025
7.	Corporate/Institutional Unsecured Creditors to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the authorised representative(s)	https://www.evoting.nsdl.com shareholders@utkarsh.bank
8.	Remote e-voting period	Commences on Wednesday, March 25, 2026 at 09:00 A.M. (IST), Ends on Friday, March 27, 2026 at 05:00 P.M. (IST),
9.	Last date for publishing results of the e-voting and results availability	March 31, 2026

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[Pursuant to Section 230 (3) of the Companies Act, 2013 and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL ALLAHABAD BENCH, PRAYAGRAJ

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMEDTHEREUNDER

AND

IN THE MATTER OF UTKARSH COREINVEST LIMITED

TRANSFEROR COMPANY" or "APPLICANT COMPANY 1")

AND

IN THE MATTER OF UTKARSH SMALL FINANCE BANK LIMITED

TRANSFEREE COMPANY" or "APPLICANT COMPANY 2")

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF UTKARSH COREINVEST LIMITED WITH UTKARSH SMALL FINANCE BANK LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

CA (CAA) NO. 37/ALD/2025

Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804
A Company incorporated under the Companies Act, 2013,
Registered Office:
Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, PIN – 221105, Uttar Pradesh
Represented by its authorized signatory – Mr. Muthiah Ganapathy
Tel no: +91 8433899887
Email id: shareholders@utkarsh.bank … APPLICANT 2/ TRANSFEREE COMPANY

EXPLANATORY STATEMENT UNDER SECTIONS 230, 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA RULES")

1. Pursuant to the order dated February 11, 2026 passed by the Hon'ble National Company Law Tribunal, Allahabad Bench (hereinafter referred to as "**NCLT**"), in Company Application **CA (CAA) NO. 37/ALD/2025** (hereinafter referred to as the "**NCLT Order**"), a meeting of the Unsecured Creditors of **Utkarsh Small Finance Bank Limited** ("**Company**" / "**Bank**" / "**Transferee Company**") is being convened through Video Conference ("**VC**") on Saturday, March 28, 2026 at 3:30 P.M. ("**IST**") , for the purpose of considering, and if thought fit, approving the Scheme of Amalgamation between **Utkarsh CoreInvest Limited** ("**Transferor Company**") and the Transferee Company and their respective shareholders ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**"), read with the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016. A copy of the Scheme is attached herewith and marked as **Annexure 1**.

   Capitalized terms not defined herein and used in the Notice and this annexed Explanatory Statement shall have the same meaning as ascribed to them in the Scheme appended herewith.

2. **Background of the Transferor Company and Transferee Company**

   2.1 **Description of the Transferor Company:**

   i. The Transferor Company (having CIN: U65191UP1990PLC045609 and PAN: AAECS9298K) was originally incorporated as a public company on 15 May 1990 under the erstwhile Companies Act, 1956 under the name and style '*Shre Pathrakali Finance Company Limited*'. Subsequently, pursuant to a fresh certificate of incorporation datedDecember 09, 2009, the Transferor Company was converted into a private limited company under the name and style "*Shre Pathrakali Finance Company private Limited*'.

   ii. The Transferor Company on February 11, 2010, upon receipt of the fresh certificate of incorporation, the Transferor Company's name was changed to '*Utkarsh Micro Finance Private Limited*'. Subsequently, the RBI permitted the Transferor Company to commence operations as a non-deposit taking non-banking financial company ("**NBFC**") under Section 45 IA of the Reserve Bank of India Act, 1934 ("**RBI Act**") and issued a registration certificate dated March 19, 2010 bearing the number B-07-00781 to this effect. On January 21, 2014, the Transferor Company was registered with the Reserve Bank of India ("**RBI**") as NBFC Microfinance Institution ("**NBFC-MFI**") and was issued a revised registration certificate with the same registration number (i.e., B-07-00781).

   iii. Pursuant to approval of the Central Government to convert the Transferor Company into a public limited company, on June 24, 2016 the jurisdictional registrar of companies issued a fresh certificate of incorporation for change in the Transferor Company's name to 'Utkarsh Micro Finance Limited'.

iv. On October 07, 2015, the Transferor Company received an in-principle approval from RBI to set up a small finance bank under the SFB Guidelines with certain conditions, which included a requirement to: (a) transfer all assets and liabilities pertaining to its microfinance business (except certain statutory assets, vehicle and statutory liabilities) to a subsidiary company; and (b) register itself as a NBFC-CIC.

v. Accordingly, the Transferor Company incorporated the Transferee Company as its subsidiary on April 30, 2016, and on November 25, 2016, the Transferor Company was granted an approval of the RBI and a license bearing number MUM:125 dated November 25, 2016 was issued by RBI to the Transferee Company to carry on the business of a small finance bank in India. Thereafter, the Transferor Company transferred all assets and liabilities pertaining to its microfinance business (except for certain statutory assets, vehicle and statutory liabilities), as a going concern by way of a slump sale, to the Transferee Company on January 21, 2017. Post this business transfer, the Transferor Company ceased to operate as an NBFC Microfinance Institution and was converted into an NBFC-CIC, with a new registration certificate bearing the number C-07-00781 dated May 03, 2018 issued by the RBI. Thereafter, the name of the Transferor Company was changed to '*Utkarsh CoreInvest Limited*', for which a fresh certificate of incorporation was issued by the jurisdictional registrar of companies on October 11, 2018.

vi. The registered office of the Transferor Company is presently situated at S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar, near Mahavir Mandir, Varanasi, Uttar Pradesh – 221002, India..

vii. The relevant email addresses for the Transferor Company are - communication@utkarshcoreinvest.com

viii. The main objects of the Transferor Company are set out in the Memorandum of Association. The same are reproduced as under:

"1. To carry on the business, whether in India or outside, of making investments in group companies in the form of shares, bonds, debentures, debt, loans or securities and providing guarantees, other forms of collateral, or taking on other contingent liabilities, on behalf of or for the benefit of, any group companies.

2. To carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time."

ix. The authorised, issued, subscribed and paid-up share capital of the Transferor Company, as per the audited financial statements as on September 30, 2025, was as under:

Authorised Share Capital	**Amount in Rs.**
100,000,000 equity shares of Rs 10/- each	1,000,000,000
Total	**1,000,000,000**
Issued, Subscribed and Paid-up Equity Share Capital	**Amount in Rs.**
99,378,215 Equity Shares of INR 10/- each, fully paid up	993,782,150
Total	**993,782,150**

Subsequent to September 30, 2025, there has been no change in the authorised share capital and paid-up share capital of the Transferor Company till the order dated February 11, 2026.

Accordingly, upto the date of NCLT order, i.e., February 11, 2026, the authorised, issued, subscribed and paid-up share capital of the Transferor Company, is as under:

Authorised Share Capital	**Amount in Rs.**
100,000,000 equity shares of Rs 10/- each	1,000,000,000
Total	**1,000,000,000**
Issued, Subscribed and Paid-up Equity Share Capital	**Amount in Rs.**
99,378,215 Equity Shares of INR 10/- each, fully paid up	993,782,150
Total	**993,782,150**

It may be noted that certain ESOPs granted to the employees under the Transferor Company's ESOP Scheme *(as defined in the Scheme)* may get exercised before the Effective Date (*as defined in the Scheme*), which may result in an increase in the issued and paid-up share capital of the Transferor Company. The details of the outstanding ESOPs under the Transferor Company's ESOP Scheme as on September 30, 2025 are set out below:

(a) Total vested Options : **2,46,298**
(b) Total unvested Options : **18,750**

x. **Details of the promoters**: The Transferor Company does not have any promoter and the entire paid-up equity share capital is held by public shareholders.

xi. **Details of the directors**: As on the date of issuance of the Notice of this Meeting, the following are the directors of Transferor Company:

Sr. No.	**Name**	**DIN**	**Category**	**Address**
1.	Mr. Aditya Deepak Parekh	02848538	Nominee Director	Flat No. 4605, The Imperial Towers, North B Nakashe Marg, Tardeo, Mumbai 400034 MH IN

2.	Mr. Atul	07711079	Director	S-904, Rohtas Plumeria Aptts, Vibhuti Khand, Lucknow 226010 UP IN
3.	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	00361030	Director	Flat 1002, The Summit, No. 6, 1st Avenue, Shastri Nagar, Chennai 600020 TN IN
4.	Mr. Suman Saurabh	07132387	Managing Director	H.No. 645A/980A, KH No. 57, Janki Vihar, Jankipuram Extension, Lucknow, 226021 UP IN

xii. Details of shareholding of directors and key managerial personnel (or their relatives) of Transferor Company as held in Transferor Company and Transferee Company as on date of this notice:

Sr. No.	Name	Designation	Equity shares held in Transferor Company	Equity shares held in Transferee Company
1.	Mr. Aditya Deepak Parekh	Nominee Director	Nil	Nil
2.	Mr. Atul	Independent Director	Nil	Nil
3.	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	Independent Director	Nil	Nil
4.	Mr. Suman Saurabh	Managing Director	Nil	Nil
5.	Mr. Harshit Agrawal	CFO	Nil	Nil
6.	Mr. Neeraj Kumar Tiwari	Company Secretary	Nil	Nil

2.2 **Description of the Transferee Company:**

i. The Transferee Company (having CIN: L65992UP2016PLC082804 and PAN: AABCU9355J is a public limited company incorporated on April 30, 2016, under the provisions of the Companies Act..

ii. The Transferee Company was issued a license bearing license no. MUM:125 dated November 25, 2016, by the Reserve Bank of India ("**RBI**") to carry on the business of Small Finance Bank ("**SFB**") in India. Also indicated above, as per the condition stipulated in the said license, the Transferor Company (being the promoter entity of Transferee Company, a SFB) transferred its business undertaking comprising of its lending and financing business to the Transferee Company through a slump sale transaction on January 21, 2017, and the Transferee Company commenced its operations as a small finance bank on the same date. The Transferee Company was included in the list of scheduled banks under the second schedule of the Reserve

Bank of India Act, 1934 pursuant to a notification dated July 03, 2017, issued by the RBI.

iii. As per the conditions stipulated in the aforesaid license read with the SFB Guidelines, the Transferee Company was required to be listed within 3 (three) years from the date of commencement of its operations i.e., by January 31, 2020. In accordance with said conditions and the directions and guidelines issued by RBI from time to time, the Transferee Company completed its Initial Public Offer (IPO), pursuant to which its equity shares got listed on the BSE and the NSE on July 21, 2023. The registered office of the Transferee Company is presently situated at Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh -221105.

iv. The relevant email addresses for the Transferee Company are shareholders@utkarsh.bank.

v. The main objects of the Transferee Company are set out in the Memorandum of Association. The same are reproduced as under:

a. To establish and carry on the business of banking in any part of India or outside India.

b. To carry on business of accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

c. To carry on the business of:

(i) borrowing, raising or taking up of money;
(ii) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security or movable or immovable properties, bills of exchange, hundis, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or negotiable or not;
(iii) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;
(iv) granting and issuing of letters of credits, travellers' cheques and circulars notes;
(v) buying, selling and dealing in bullion and specie;
(vi) buying and selling of and dealing in foreign exchange including foreign bank notes;
(vii) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
(viii) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others;
(ix) negotiating of loans and advances;
(x) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;
(xi) providing of safe deposit vaults;

(xii) collecting and transmitting of money and all kinds of securities;

(xiii) issuing credit cards, debit cards, prepaid instruments, smart card or any similar instruments and extending any other credits;

(xiv) acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority (PFRDA), in connection with the National Pension System of the PFRDA; and

(xv) carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time, and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of the Banking Regulation Act, 1949 specified or may from time to time specify by notification in the official gazette or as may be permitted by RBI from time to time as a form of business in Ih it would be lawful for a banking company to engage.

d. To carry on the business of merchant banking, investment banking, portfolio investment management, wealth management and investment advisors; to form, constitute, promote, act as managing and issuing agents, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and body corporate.

e. To carry on the business of mutual fund distribution, equipment leasing and hire purchase.

f. To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension & employees benefit, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit and other products and to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.

g. To carry on the business of factoring by purchasing and selling debts, receivables and claim including invoice discounting and rendering bill collection, debt collection and other factoring services.

h. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Transferee Company, both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.

There has not been any change in the name and objects clause of the Transferee Company in the last 5 (five) years.

ii. The authorized, issued, subscribed and paid-up share capital of the Transferee Company, as on date of meeting of Board of Directors held for approval of the Scheme i.e., on September 30, 2025, was as under:

Authorised Share Capital	**Amount in Rs.**
1,800,000,000 Equity Shares of Rs. 10/- each	18,000,000,000
200,000,000 Preference Shares of Rs. 10/- each	2,000,000,000
Total	**20,000,000,000**
Issued, Subscribed and Paid-up Share Capital	**Amount in Rs.**
1,101,609,900 Equity Shares of Rs. 10/- each	11,016,099,000
Total	**11,016,099,000**

iii. Subsequent to September 30 2025, while there has been no change in the authorised share capital of the Transferee Company, the paid-up equity share capital has increased pursuant to a rights issue undertaken by the Transferee Company, which closed on November 03, 2025. Following the approval of the capital structuring and fund-raise committee for the allotment of 677,913,784 equity shares of face value INR 10 per share to eligible shareholders, specific investors and renouncees, the share capital of the Transferee Company as on November 06, 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	
1800,000,000 Equity Shares of INR 10/- each	18,000,000,000
200,000,000 Preference Shares of INR 10/- each	2,000,000,000
Total	**20,000,000,000**
Issued and Paid-up Capital	
177,95,23,684 Equity Shares of INR 10/- each, fully paid up	17,795,236,840
Total	**17,795,236,840**

iv. It may further be noted certain Employee Stock Options ("**ESOPs**") granted to the employees by the Transferee Company under the Transferee Company's Employee Stock Options Scheme (*as defined in the Scheme*) may get exercised before the Effective Date *(as defined In the Scheme)*, which may result in an increase in the issued and paid-up equity share capital of the Transferee Company. The details of the outstanding ESOPs under the Transferee Company Options Scheme as on September 30, 2025 are set out below:

a. Total vested Options : **17,206,904**
b. Total unvested Options : **25,373,943**

v. **Details of the promoters**:

Sr. No.	**Name**	**Address**
1.	Utkarsh CoreInvest Limited (i.e., Transferor Company)	S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar, near Mahavir Mandir, Varanasi, Uttar Pradesh – 221002, India

vi. **Details of the directors as on date of Notice**

Sr. No.	Name	DIN	Category	Address
1.	Dr. Kshatrapati Shivaji	01185381	Independent Director and Part Time Chairman	Cedar 3202, Tower 4, Runwal Green, Link Road, Mulund (West), Near Fortis Hospital, Mumbai – 400078
2.	Mr. Ajay Kumar Kapur	00108420	Independent Director	Flat No.104, Pacific Apartments, Plot No.39, Sector 10, Dwarka South West Delhi, Delhi – 110075 (Delhi)
3.	Ms. Gauri Rushabh Shah	06625227	Independent Director	5/3, Indian Mercantile Mansion, Madam Cama Road, Museum, Colaba, Mumbai 400 039.
4.	Ms. Kalpana Prakash Pandey	06715713	Independent Director	1025/26, Kohinoor City, A Wing, Bldg No.10, Kirol Road, Opp. LBS Road, Kurla West, Mumbai – 400070
5.	Mr. Muralidharan Rajamani	01690363	Non- Executive and Non-Independent Director	A 101, Sabari Ashiana, Deonar Farm Road, Deonar, Mumbai – 400088
6.	Mr. Parveen Kumar Gupta	02895343	Independent Director	Flat No.702, C Wing, Amaltas CHS, Juhu Versova Link Road, Andheri West, Mumbai – 400053
7.	Dr. Ram Jass Yadav	08911900	Additional Director (Non-Executive and Non-Independent)	Village Khijuri, Ta Rewari, Dist Rewari, Khijuri, Rewari, Rewari, Haryana - 123401
8.	Mr. Govind Singh	02470880	Managing Director and Chief Executive Officer	Flat No.503, 504 Plot No.5,6, Sector 16A, Navi Mumbai, Thane – 400705

vii. Details of shareholding of directors and key managerial personnel (or their relatives) of Transferee Company as held in Transferor Company and Transferee Company:

Sr. No.	Name	Designation	Equity shares held in Transferor Company	Equity shares held in Transferee Company
1.	Dr. Kshatrapati Shivaji	Independent Director and Part Time Chairperson	Nil	Nil
2.	Mr. Ajay Kumar Kapur	Independent Director	Nil	Nil
3.	Ms. Gauri Rushabh Shah	Independent Director	Nil	Nil
4.	Ms. Kalpana Prakash Pandey	Independent Director	Nil	Nil
5.	Mr. Muralidharan Rajamani	Non- Executive and Non-Independent Director	Nil	Nil
6.	Mr. Parveen Kumar Gupta	Independent Director	Nil	Nil
7.	Dr. Ramjass Yadav	Additional Director (Non-Executive and Non-Independent)	Nil	Nil
8.	Mr. Govind Singh	Managing Director and Chief Executive Officer	500	11,01,390
9.	Mr. Sarjukumar Pravin Simaria	Chief Financial Officer	Nil	80,769
10.	Mr. Muthiah Ganapathy	Company Secretary	Nil	NIl

3. **Salient features of the Scheme**: The Unsecured Creditors of the Bank are requested to read the entire text of the Scheme (as annexed hereto) to get fully acquainted with the provision thereof. The salient features of the Scheme are, inter alia, as under.

   i. The Scheme seeks to amalgamate Transferor Company into and with Transferee Company and dissolution without winding up of the Transferor Company pursuant thereto, in terms of the provisions of Sections 230 to Section 232 of the Companies Act and other applicable provisions of the Act. Upon the Scheme becoming effective, and with effect from the Appointed Date *(as defined in the Scheme)*, the Transferor Company will get amalgamated into and with the Transferee Company and all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230 - 232 of the Companies Act, the Income-Tax Act, 1961 and the Applicable Laws *(as defined in the Scheme)* if any, in accordance with the provisions contained herein.

ii. As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of the Transferor Company shall stand transferred to and be amalgamated/combined with the authorized share capital of the Transferee Company. The fees or stamp duty, if any, paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and the Transferee Company shall not be required to pay any fee/stamp duty for the increase of the authorized share capital. The authorised share capital of the Transferee Company will automatically stand increased to that effect and shall further be re-classified by simply filing the requisite forms with the relevant Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Companies Act.

iii. The Transferor Company does not have any promoter and 100% (hundred percent) of its paid-up equity share capital is held by public shareholders. Upon the Scheme becoming effective, the Transferor Company would stand dissolved. In consideration of amalgamation, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company on the Record Date *(as defined in the Scheme)*, 699 (six hundred ninety nine) equity shares of face value INR 10/- (Indian Rupees ten) of the Transferee Company (credited as fully paid-up) for every 100 (hundred) fully paid-up equity shares of face value INR 10/- (Indian Rupees ten) of the Transferor Company), each fully paid-up held by such member in the Transferor Company ("**Share Exchange Ratio**").

iv. The Transferor Company is the promoter of the Transferee Company, wherein the former holds around 42.67% (forty-two point six seven percent) of the total paid-up equity share capital. The balance around 57.33% (fifty-seven point three percent) of the total paid-up equity share capital of Transferee Company is held by the public shareholders.

v. Upon the Scheme becoming effective, the Transferor Company would stand dissolved without winding up. Resultantly, the equity shares and preference shares held by Transferor Company in Transferee Company, shall stand cancelled and extinguished. The aforesaid reduction of share capital of Transferee Company shall be effected as an integral part of this Scheme itself, and not under a separate procedure, in terms of Section 66 and other applicable provisions of the Companies Act.

vi. Pursuant to aforesaid cancellation of equity shares held by the Transferor Company in the Transferee Company and issuance and allotment of fresh equity shares by the Transferee Company to the shareholders of the Transferor Company, 100% per cent equity shareholding of the Transferee Company would be held by the public shareholders, with no person acting as 'promoter' in the Transferee Company.

vii. Amongst other accounting treatment, the Scheme contemplates setting-off the debit balance in the capital reserve, if any, arising pursuant to the amalgamation of the Transferor Company with the Transferee Company on the Appointed Date, against the resulting Securities Premium Account. The aforesaid reduction in Securities Premium Account of Transferee Company shall be effected as an integral part of this Scheme itself, and not under a separate procedure, in terms of Section 66, Section 52 and other applicable provisions of the Companies Act.

viii. Upon the sanction of the Scheme by the Hon'ble NCLT and upon the Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a. amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part II of the Scheme;
b. transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part II of this Scheme, and consequential increase and re-classification of the authorised share capital of the Transferee Company as provided in Part II of the Scheme;
c. reduction of issued and paid-up share capital of the Transferee Company as provided in Part II of the Scheme;
d. issuance and allotment of fresh equity shares by the Transferee Company to the shareholders of the Transferor Company as on the Record Date, without any further act, instrument or deed, in accordance with Part II of this Scheme; and

ix. dissolution of the Transferor Company without winding up, in accordance with Part III of this Scheme.

4. **Rationale and benefits of the Scheme**

4.1 As per the SFB Guidelines and RBI Clarifications read with the RBI Acquisition Directions (as defined in the scheme), the promoter of SFB is required to reduce its equity shareholding stake in the SFB to 40% within a period of 5 years from the date of commencement of operations of SFB. Thereafter, the promoter's equity stake in such SFB is required to be brought down to 26%, within a period of 15 years, from the date of commencement of operations of SFB. Subsequently, an Internal Working Group (IWG) was constituted by the RBI on June 12, 2020, to review the extant guidelines on ownership and corporate structure for Indian private sector banks. The IWG submitted a report dated November 20, 2020, through which a few recommendations were made to the RBI which *inter alia* included dilution of promoter shareholding. The RBI vide its press release dated November 26, 2021, has *inter alia* accepted the dilution aspects of promoter shareholding in the private sector banks and clarified that the submission of a dilution schedule shall be mandatory.

4.2 As per the RBI Clarifications *(as defined in the Scheme)*, a promoter can exit or cease to be a promoter of SFB after completing lock-in of 5 (five) years depending upon the RBI's regulatory and supervisory comfort and SEBI regulations. The RBI vide its letter dated July 09, 2021, issued to the 'Association of Small Finance Banks of India', has allowed filing of an application with the RBI for amalgamation of a holding company (being promoter company) into and with the SFB (being subsidiary of promoter company) as a mode of achieving such exit for the first time.

4.3 In view of the above and to comply with the dilution requirements (which included an option of a reverse merger of the Transferor Company into the Transferee Company) , the Transferee Company submitted its dilution plan to the RBI on December 28, 2023, which was acknowledged by them on February 09, 2024. Thereafter, on March 20, 2024, the Transferee Company confirmed to

the RBI that the Board of Directors of both the Transferee Company and the Transferor Company considered the option of reverse merger to be the most efficient mode of ensuring compliance with the RBI dilution requirements and accordingly granted an in-principle approval to such proposed reverse merger.

4.4 The Transferor Company is the promoter of the Transferee Company, and the Transferor Company holds 42.67% (forty-two point six seven percent) of the total paid-up equity share capital of the Transferee Company.

4.5 Accordingly, the proposed amalgamation of the Transferor Company (being the holding and promoter of the Transferee Company) into and with the Transferee Company, would inter alia enable meeting the dilution requirements referred in Clause 4.1 above, and is in line with the aforesaid enabling RBI guidance. Consequent to the proposed amalgamation as contemplated under this Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to NIL thereby resulting in compliance with the above-referred dilution requirements.

4.6 The proposed amalgamation would be in the best interest of the Transferor Company and the Transferee Company and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages *inter alia* as set out below:

(a) *The Scheme will result in compliance with the RBI mandated dilution requirements (under the SFB Guidelines and the RBI Acquisition Directions) in the most efficient manner.*
(b) *The Scheme will create value for stakeholders including respective shareholders, and employees as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances and optimal utilization of common resources.*
(c) *The Transferor Company currently carries on financial activity business in the nature of investments in bank deposits or other permissible securities (including shares of the Transferee Company) and derives its value primarily from its investment in the Transferee Company.*
(d) *Pursuant to the amalgamation, shareholders of the Transferor Company will receive shares of a listed company in lieu of their holdings in the Transferor Company.*

5. **Relationship amongst the companies who are parties to the Scheme**

The Transferor Company is the promoter of the Transferee Company wherein the Transferor Company holds 759,272,222 equity shares, representing around 42.67% (forty-two point six seven percent) of the total paid-up equity share capital of the Transferee Company.

6. **Details of approvals and intimations in relation to the Scheme**

6.1 **Independent Directors**: The Independent Directors of the Transferee Company at its meeting held on September 20, 2024 recommended the amalgamation of the Transferor Company into and with the Transferee Company in terms of the Scheme, to the Board of Directors of the Transferee Company. The report of the Independent Directors of the Transferee Company dated September 20, 2024 recommending the Scheme to the Board, is attached as **Annexure 2**.

6.2 **Audit Committee:** The Audit Committee of the Transferee Company at its meetings held on September 20, 2024, recommended the amalgamation of the Transferor Company into and with the Transferee Company in terms of the Scheme, to the Board of Directors of the Transferee Company. The report of the Audit Committee of Transferee Company dated September 20, 2024, recommending the Scheme to the respective Board, is attached as **Annexure 3**.

6.3 **Board of Directors**: The Board of Directors of the Transferor Company and Transferee Company, basis the recommendations received from their respective Independent Directors Committee and Audit Committee, as may be applicable, approved and adopted the Scheme, at their respective meetings held on September 20, 2024, subject to the directions and sanctions of Hon'ble NCLT and subject to such approval, consents and permission as may be applicable and required, under the Applicable Laws.

Details of voting in relation to resolution passed at aforesaid Board meeting of Transferor Company and Transferee Company:

Sr. no.	Name(s) of director	Voted in favour of the resolution	Voted against the resolution	Did not vote/ participate
Transferor Company				
1.	Mr. Aditya Deepak Parekh	√	--	--
2.	Mr. Atul	√	--	--
3.	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	√	--	--
4.	Mr. Suman Saurabh	√	--	--
Transferee Company				
1	Mr. Parveen Kumar Gupta	√	--	--
2	Mr. Ajay Kumar Kapur	√	--	--
3	Mr. Kajal Ghose	√	--	--
4	Ms. Kalpana Prakash Pandey	√	--	--
5	Mr. Muralidharan Rajamani	√	--	--
6	Mr. Nagesh Dinkar Pinge	√	--	--
7	Mr. Govind Singh	--	--	√
8	Mr. Pramod Kumar Dubey	√	--	--

6.4 **Reserve Bank of India ("RBI"):** The RBI vide its letter dated January 02, 2025 issued to Transferee Company has granted its 'no-objection' to the proposed amalgamation as contemplated under the Scheme**.** Copy of the aforesaid letter, is annexed herewith and marked as **Annexure 4**.

6.5 **Stock exchanges**: In terms of Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Master Circular November 23, 2021 issued by the Securities and Exchange Board of India ("**SEBI**") on Schemes of Arrangement by listed entities *(as was existing prior to the notification of a revised Master Circular dated June 20, 2023)* ("**Master Circular**"), the stock exchanges on which the equity shares of the Transferee Company are listed (i.e.,

BSE and NSE), have vide their respective letters dated July 04, 2025 and July 07, 2025 , granted their no objection to the Transferee Company for filing of the Scheme before the Hon'ble NCLT. Copies of the aforesaid letters, which *inter alia* include the observations of SEBI / Stock Exchanges, are annexed herewith and marked as **Annexure – 5 "colly.".** It may be noted that NSE was appointed as the Designated Stock Exchange by the Transferee Company for the purpose of co-ordinating with the SEBI for obtaining approval of SEBI in accordance with SEBI Listing Regulations.

The Transferee Company has not received any complaint relating to the Scheme and "NIL" complaint reports were filed by the respective companies with BSE and NSE in terms of the SEBI Master Circular, copy of which is attached as **Annexure - 6 "colly"**.

As per the instructions contained in the aforesaid observation letters of BSE and NSE, the details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Transferor Company and Transferee Company, their respective promoters and directors are attached as Annexure 7 and 8. The said annexures are also forming part of the Scheme Application, jointly filed by the Transferor Company and the Transferee Company before the Hon'ble NCLT.

7. **Appointed date and effective date**

7.1 Appointed Date, as referred in the Scheme, means April 01, 2025, or such other date as may be approved by the Hon'ble NCLT.

7.2 Effective Date means the date on which the Scheme shall become effective pursuant to Clause 1.8 of Part I read with Clause 27 of Part III of the Scheme, or such other date as may be approved by the Hon'ble NCLT, as may be applicable.

7.3 The Scheme shall be operative from the Effective Date, and effective from the Appointed Date, any references in this Scheme to the words / phrase "upon this Scheme becoming effective", "Scheme becomes effective" or "effectiveness of this Scheme" or likewise, means and refers to the Effective Date.

8. **Effect of the Scheme on various stakeholders**:

8.1 **Effect on stakeholders of Transferor Company**: The effect of the Scheme on various stakeholders of the Transferor Company is summarised below:

i. **Effect of the Scheme on shareholders (promoter and non-promoter shareholders)**:

(a) The Transferor Company does not have any promoter and its entire paid-up share capital (comprising only of one class of equity shares) is held by non-promoters / public shareholders.

(b) Upon coming into effect of this Scheme, in consideration of the amalgamation, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company on the Record Date *(as defined in the Scheme)*, 699 (six hundred ninety nine) equity shares of the face value of Rs. 10 (Rupees Ten) each of Transferee Company, to be credited as fully paid-up for each 100 (hundred) fully paid-up equity shares of face value INR 10/- held by such member in the Transferor Company ("**Share Exchange Ratio**")

(c) The Transferor Company does not have its own operations and derives its value predominantly, from its investments in the Transferee Company, and therefore, pursuant to the Scheme coming into effect, the public shareholders of the Transferor Company would benefit by directly holding shares in the Transferee Company and deriving value from the business of Transferee Company directly.

(d) Further, the Transferor Company is the promoter company of the Transferee Company and holds 75,92,72,222 (seventy five crores, ninety two lakhs, seventy two thousand and two hundred and twenty two) equity shares (representing around 42.67% of the total paid-up equity share capital) of the Transferee Company. The remaining 1,02,02,51,462 equity shares (representing around 57.33% of the total paid-up equity share capital) of the Transferee Company are held by the non-promoter / public shareholders.

(e) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Consequently, upon the Scheme becoming effective, 75,92,72,222 (seventy five crores, ninety two lakhs, seventy two thousand and two hundred and twenty two) equity shares held by the Transferor Company in the Transferee Company shall stand cancelled and extinguished.

(f) Pursuant to cancellation of equity shares held by the Transferor Company in the Transferee Company (as referred above) and issuance and allotment of fresh equity shares of Transferee Company to the shareholders of the Transferor Company (as referred above), 100% percent equity shareholding of the Transferee Company would be held by the public shareholders, with no person acting as 'promoter' in the Transferee Company.

ii. **Effect of the Scheme on employees, directors and Key Managerial Personnel ("KMPs")**

(a) Upon the Scheme becoming effective and with effect from the Appointed Date *(as defined in the Scheme)*, all staff and employees of the Transferor Company who are in such employment as on the Effective Date (as defined in the Scheme) shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and conditions (and which are commercially not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date.

(b) Further, the Transferor Company has issued stock options to Eligible Employees *(as defined in the Scheme)* under Transferor Company Option Scheme *(as defined in the Scheme)*. Upon the Scheme becoming effective, the stock options granted by the Transferor Company to Eligible Employees under Transferor Company Option Scheme, would be cancelled and extinguished. Upon cancellation of said stock options, the fresh stock options shall be granted by the Transferee Company to the Eligible Employees on the basis of the Share Exchange Ratio. Accordingly, the employees of the Transferor Company would suffer no loss or would not be adversely affected, since they would be issued fresh stock options of Transferee Company against cancellation of stock options issued to them by the Transferor Company.

(c) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Consequently, the KMPs of the Transferor Company shall cease to hold such KMP position, and they shall become, and deemed to have become, the employees of the Transferee Company, without any break or interruption in their services, on the same terms and conditions (and which are commercially not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date.

(d) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Consequently, the directors of the Transferor Company shall cease to hold such directorship position in the Transferor Company.

iii. **Effect of the Scheme on the creditors, depositors, debenture holders, deposit trustee and debenture trustee**

(a) **Unsecured creditors:** As on September 30, 2025, there were Unsecured creditors in the Transferor Company.

In any case, the Scheme does not contemplate any arrangement or compromise with any of the Unsecured Creditors of Transferor Company. No rights of the Unsecured Creditors of the Transferor Company are being affected pursuant to the Scheme. The liability towards the Unsecured Creditors of the Transferor Company under the Scheme, is neither being reduced nor being extinguished. Thus, the Unsecured Creditors would in no way be affected by the Scheme.

As referred under clause 9 of Part II of the Scheme, upon the Scheme becoming effective and with effect from the Appointed Date *(as defined in the Scheme),* all debts and liabilities of Transferor Company shall be deemed to be the debts and liabilities of the Transferee Company, and the Transferee Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions.

(b) **Secured creditors, debenture holders, depositors, deposit trustee and debenture trustee:** Not applicable, since as on date, the Transferor Company does not have any secured creditors or outstanding debentures or public deposits.

8.2 **Effect on stakeholders of Transferee Company:** The effect of the Scheme on various stakeholders of the Transferee Company is summarised below:

i. **Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders):**

(a) The Transferor Company is the promoter company of the Transferee Company and holds 75,92,72,222 equity shares (representing around 42.67% of the total paid-up equity share capital) of the Transferee Company. The remaining 1,02,02,51,462 equity shares (representing around 57.33% of the total paid-up equity share capital) of the Transferee Company is held by the non-promoter / public shareholders.

(b) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up. Consequently, upon the Scheme becoming effective, 75,92,72,222 equity shares held by the Transferor Company in the Transferee Company shall stand cancelled and extinguished.

(c) Further, upon coming into effect of this Scheme, in consideration of the amalgamation, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company on the Record Date (as defined in the Scheme), 699 (six hundred ninety nine) equity shares of the face value of Rs. 10 (Rupees Ten) each of Transferee Company, to be credited as fully paid-up, for every 100 (hundred) equity shares of the face value of Rs. 10 (Rupees Ten) each fully paid-up held by such member in the Transferor Company.

(d) Pursuant to cancellation of equity shares held by the Transferor Company in the Transferee Company (as referred above) and issuance and allotment of fresh equity shares to the shareholders of the Transferor Company (as referred above), 42.67% per cent equity shareholding of the Transferee Company would be held by the shareholders of the Transferor Company, in the Transferee Company. Accordingly, the Scheme, if implemented, would result in increase in shareholding of public shareholders of the Transferee Company from around 57.33% (as on the date of issuance of this Notice) to 100%.

ii. **Effect of the Scheme on preference shareholders (promoter and non-Promoter shareholders):**

Not applicable, since as on date, the Transferee Company does not have any preference shareholders.

iii. **Effect of the Scheme on employees and KMPs**

Upon the Scheme becoming effective, the employees and KMPs of the Transferee Company shall continue their respective services with the Transferee Company on the same terms and conditions (and which are commercially not less favorable than those) on which they are engaged by the Transferee Company as on the Effective Date.

iv. **Effect of the Scheme on Directors**

The proposed amalgamation does not contemplate any change in the composition of the Board of Directors of the Transferee Company. Thus, upon the Scheme becoming effective, the directors of the Transferee Company shall continue at their respective positions with the Transferee Company on the same terms and conditions (and which are commercially not less favorable than those) on which they are engaged by the Transferee Company as on the Effective Date.

v. **Effect of the Scheme on the creditors, depositors, debenture holders, and debenture trustee**

(a) **Unsecured Creditors, debenture holders, depositors, deposit trustee and debenture trustee:** The Scheme does not contemplate any arrangement or compromise between the Transferee Company and its Unsecured creditors or deposit holders or debenture holders. No rights of the Unsecured creditors or deposit holders or debenture holders of the Transferee Company are being affected pursuant to the Scheme. The liability towards the unsecured creditors, deposit holders and debenture holders of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished. Thus, the creditors, deposit holders and debenture holders of the Transferee Company would in no way be affected by the Scheme.

Further, the debenture trustee for the debentures issued by the Transferee Company has no material interest in the Scheme except to the extent of the equity shares, if any, held by debenture trustee or any of their affiliate entities in the Transferor Company or Transferee Company.

(b) **Secured creditors**: Not applicable, since as on date, the Transferee Company does not have any secured creditors.

8.3 In compliance with the provisions of Section 232(2)(c) of the Companies Act, the Board of Directors of the Transferee Company adopted Report in its meeting held on September 20, 2024, *inter-alia*, explaining the effect of the Scheme on shareholders, KMPs, promoters and non-promoter shareholders, and employees of the Transferee Company. Copy of the aforesaid report adopted by the Board of Directors of the Transferee Company is enclosed as **Annexure 9**.

9. **Interest of Directors, Key Managerial Personnel (KMPs), their relatives**

None of the Directors, KMPs (as defined under the Companies Act and rules framed thereunder) of the Transferor Company and Transferee Company and their respective relatives (as defined under the Companies Act and rules framed thereunder) have any interest (financial or otherwise) in the Scheme except to the extent of their directorship, shareholding, if any, in the Transferor Company and/or the Transferee Company (as applicable).

10. **Shareholding pattern (pre and post amalgamation) and expected capital structure**

10.1 **Shareholding pattern of the Transferor Company (pre-amalgamation)**

Pre-amalgamation shareholding pattern of the Transferor Company as on September 30,2025 is being enclosed as **Annexure 10.**

10.2 **Shareholding pattern of the Transferor Company (post-amalgamation)**

Upon the Scheme becoming effective, the Transferor Company would stand dissolved. Therefore, the post-amalgamation capital structure has not been provided for Transferor Company.

10.3 **Expected capital structure of the Transferor Company (post-amalgamation)**

Upon the Scheme becoming effective, the Transferor Company would stand dissolved. Therefore, the post-amalgamation capital structure has not been provided for Transferor Company.

10.4 **Shareholding pattern of the Transferee Company (pre-amalgamation) and (post-amalgamation)**

Pre-amalgamation as on December 31, 2025 and Post-amalgamation shareholding pattern of the Transferee Company is being enclosed as **Annexure 11** ***(colly.)***

10.5 **Expected capital structure of the Transferee Company (post-amalgamation)**

Particulars	Amount (INR)
Authorized Capital	
1900,000,000 Equity Shares of INR 10/- each	19,000,000,000
200,000,000 Preference Shares of INR 10/- each	2,000,000,000
Total	**21,000,000,000**
Issued and Paid-up Capital	
1,714,905,185 Equity Shares of INR 10/- each, fully paid up	17,149,051,850
Total	**17,149,051,850**

11. **Valuation and accounting treatment**

11.1 The copy of the valuation report dated September 20,2024 issued by RBSA Valuation Advisor LLP, a registered valuer having registration no. (IBBI Regn. No. IBBI/RV-E/05/2019/110), Registered Valuer appointed by the Transferor Company is enclosed as **Annexure 12.**

11.2 The copy of the fairness opinion dated September 20,2024 issued by DAM Capital Advisors Limited, Independent Merchant Banker, appointed by the Transferor Company is enclosed as **Annexure 13**.

11.3 The Joint Statutory Auditors of the transferee company has issued certificates to the effect that the accounting treatment as prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act.

11.4 The aforesaid valuation report(s), fairness opinion(s) and certificate of statutory auditor with respect to Section 133 of the Companies Act are available for inspection at the registered office of the Transferee Company, as per the inspection details referred in this Explanatory Statement.

11.5 As per comments contained in the BSE and NSE observation letters dated July 04, 2025 and July 07, 2025, the Transferee Company is required to disclose details of value of assets and liabilities that will be transferred to the Transferee Company pursuant to amalgamation as mentioned in the Scheme as part of the explanatory statement. Accordingly, the disclosure covering the said details have been enclosed as **Annexure 14**. Further, as on March 31, 2025, the Transferor Company has contingent liabilities of ₹103.89 lacs and ₹59.40 lacs as other liabilities. As stated in Clause 5 to 12 of Part II of the Scheme, upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Transferor Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same.

12. **Amount due to Unsecured Creditors**

12.1 As per the books of accounts of the Transferor Company, as on November 30, 2025, there are no secured creditors or debenture holders or deposit holders in the Transferor Company. However, it had 2 (two) Unsecured Creditors aggregating upto Rs.7,43,125/-.

12.2 As per the books of accounts of Transferee Company:

a. As on November 30, 2025, there are 1282 Unsecured Creditors (other than deposit holders) in the Transferee Company, having an outstanding balance of INR 1,00,52,96,671/-.

b. The Transferee Company has issued 32,450 subordinated, rated, unlisted, unsecured, transferable, redeemable, fully paid up, non-convertible debentures having a face value of INR 10,00,000 & INR 1,00,000 each and an aggregate face value of INR 500,00,00,000. As on November 28, 2025, there were 888 debenture holders in Transferee Company represented by a Debenture Trustee viz. Catalysts Trusteeship Limited, pursuant to a debenture trust deed executed on June 18, 2024 and 18 November 2024. Also for 1 debenture holder in Transferee Company represented by a Debenture Trustee viz. IDBI Trusteeship Services Limited, pursuant to a debenture trust deed executed on June 26, 2020.

c. There are no secured creditors in Transferee Company.

13. **Documents available for inspection**

13.1 The following documents along with the documents as referred in this Notice will be available for inspection by the Unsecured Creditors of the Bank electronically (without any fee) on the website of the Bank at www.utkarsh.bank.in and at its Registered Office at Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, PIN – 221105, Uttar Pradesh, India between 10:00 AM to 05:00 PM IST on any working day from the date of circulation of this Notice up to the date of the Meeting and anytime during the Meeting:

i. Latest (standalone and consolidated) audited financial statements of the Transferor Company for the financial year ended on March 31, 2025 as certified by the statutory auditors of the Transferor Company along with, the annual report of the Transferor Company for the said financial year.

ii. Latest audited financial statements of the Transferee Company for the financial year ended on March 31, 2025 as certified by the statutory auditors of the Transferee Company along with, the annual report of the Transferee Company for the said financial year.

iii. Copy of the order of NCLT dated February 11, 2026, in pursuance of which the Meeting is scheduled to be convened.

iv. Copy of Scheme of Amalgamation.

v. Copy of Memorandum of Association and Articles of Association of the Transferor Company and the Transferee Company.

vi. Copy of Register of Shareholding of Directors and Key Managerial Personnel of the Transferor Company and the Transferee Company.

vii. Copy of the valuation report dated September 20, 2024 issued by RBSA Valuation Advisor LLP, a registered valuer having registration no. (IBBI Regn. No. IBBI/RV-E/05/2019/110), Registered Valuer appointed by the Transferor Company.

viii. Copy of the fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, Independent Merchant Banker, appointed by the Transferor Company.

ix. Copies of Certificate dated 20 September 2024 issued by Deloitte Haskins & Sells, Chartered Accountants and Kirtane & Pandit LLP, Chartered Accountants being the then Joint Statutory Auditors of the Transferee Company, stating that the accounting treatment proposed in the Scheme by is in compliance with and in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act.

x. Copy of report of Board of Directors of the Transferee Company under Section 232(2)(c) of the Companies Act, *inter-alia*, explaining the effect of the Scheme on each class of shareholders, KMPs, promoters and non-promoter shareholders, and employees.

xi. Copy of report of the Independent Directors of the Transferee Company both dated September 20, 2024 recommending the Scheme to the Board.

xii. Copy of report of the Audit Committee of the Transferee Company dated September 20, 2024 recommending the Scheme to the Board.

xiii. Copies of no adverse observations/ no-objection letters dated July 04, 2025 & July 07, 2025 issued by BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") to the Transferee Company for filing of the Scheme before the Hon'ble NCLT.

xiv. Copies of "NIL" complaint reports filed by the Transferee Company with BSE and NSE.

xv. Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Transferor Company and Transferee Company, their respective promoters and directors.

xvi. Copy of the Certificate of Adequacy & Accuracy of Disclosure of Information in the Abridged Prospectus of Transferor Company in compliance with SEBI Master Circular bearing Ref. No.SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

xvii. Copy of Provisional Consolidated Balance sheet as on Appointed Date i.e. April 01, 2025.

13.2 The Unsecured Creditors shall be entitled to obtain the extracts from or making or obtaining copies of the documents listed in item numbers (i) to (iv) and (xii) above.

13.3 The transcript of the Meeting shall also be made available on website of the Transferee Company at www.utkarsh.bank.in. The Unsecured Creditors seeking any information with regard to the Scheme or any other matter related to the Scheme, are requested to write to the Company at least seven days before the date of the Meeting through e-mail on shareholders@utkarsh.bank and the same will be replied to by the Company, suitably. Copies of the Scheme and the explanatory statement can be obtained free of charge within 1 (one) day on a requisition being so made for the same by any person entitled to attend the Meeting at the registered office.

14. **Other matters**

14.1 There are no investigation or proceedings pending against the Transferor Company and the Transferee Company under the erstwhile Companies Act, 1956 and Companies Act, 2013.

14.2 To the knowledge of the Transferor Company and Transferee Company, no winding up proceedings have been filed or pending against the Transferor Company or Transferee Company under the Companies Act or the corresponding provisions of the Companies Act, 1956.

14.3 The copy of the proposed Scheme has been filed by the Companies before the concerned Registrar of Companies, on February 21, 2026 in Form GNL-1.

14.4 Latest annual report of the Transferor Company for the financial year ended on March 31, 2025 which includes the standalone and consolidated audited financial statements of the Transferor Company for the said period is enclosed as **Annexure 15.**

14.5 Audited financial statement (standalone) of the Transferor Company for the quarter ended on September 30, 2025 is enclosed as **Annexure 16.**

14.6 Latest annual report of the Transferee Company for the financial year ended on March 31, 2025 which includes the standalone audited financial statements of the Transferee Company for the said period is enclosed as **Annexure 17.**

14.7 Unaudited financial results (standalone) of the Transferee Company for the quarter ended on December 31, 2025 is enclosed as **Annexure 18.**

14.8 Copy of the order dated February 11, 2026 of the National Company Law Tribunal, Allahabad is enclosed as **Annexure 19**.

14.9 Copy of the Certificate of Adequacy & Accuracy of Disclosure of Information in the Abridged Prospectus of Transferor Company in compliance with SEBI Master Circular bearing Ref. No.SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is enclosed as **Annexure 20**.

14.10 Copy of Unaudited Financial Statements as on Appointed Date i.e. April 01, 2025 is enclosed as **Annexure 21**.

14.11 All the details submitted by the Transferee Company with BSE and NSE, in respect of the application made under Regulation 37 of the SEBI Listing Regulations, are available on its respective websites at www.utkarsh.bank.in/investors, and which shall be deemed to have been incorporated in the present statement.

14.12 This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act read with Rule 6 of the CAA Rules.

By **Order of the NCLT, Allahabad Bench**

Sd/-
Dr. Santosh Kumari
Chairperson appointed for the Meeting

Date: February 24, 2026
Place: New Delhi

Registered Office: Utkarsh Tower,
NH-31 (Airport Road), Sehmalpur,
Kazi Sarai, Harhua, Varanasi,
Uttar Pradesh – 221105
Tel No.: +91 8433899887
Website: www.utkarsh.bank.in
E-mail: shareholders@utkarsh.bank

Annexure 1

SCHEME OF AMALGAMATION

OF

Utkarsh CoreInvest Limited… **Transferor Company**

WITH

Utkarsh Small Finance Bank Limited… **Transferee Company**

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Amalgamation (the "**Scheme**") is presented under Sections 230 to 232 of the Companies Act, 2013, the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) for the amalgamation of **Utkarsh CoreInvest Limited** ("**Transferor Company**") with **Utkarsh Small Finance Bank Limited** ("**Transferee Company**") with effect from the Appointed Date (*defined hereinafter*) and upon effectiveness of the Scheme on the Effective Date (*defined hereinafter*). In addition, the Scheme also provides for various other matters, consequential or otherwise, integrally connected therewith.

1. Description of the Companies

1.1. Regulatory Framework

1.1.1. As per the SFB Guidelines *(defined below)* issued by the Reserve Bank of India ("**RBI**"), a company (including a Non-Banking Financial Company ("**NBFC**")) that is owned and controlled by Indian residents is eligible as a promotor to set up a small finance bank either by: (a) converting into a small finance bank (from an NBFC); or (b) by setting up a subsidiary company to act as a small finance bank. Additionally, promoter's minimum initial contribution in the paid-up equity capital of the small finance bank must at least be 40% (or at least 26% (subject to RBI's approval) in case of conversion of an NBFC into a small finance bank).

1.1.2. At the time the SFB Guidelines came into effect, most of the eligible NBFCs had a diffused shareholding with no identifiable 'promoter'. Accordingly, to meet the promoter's minimum initial contribution requirement under the SFB Guidelines, majority of the eligible NBFCs opted for a two-tier holding structure (where the small finance bank is set-up as a subsidiary of a promoter NBFC) instead of converting into a small finance bank.

1.1.3. Under the two-tier holding structure, the promoter NBFC incorporates the small finance bank as its subsidiary and transfers only its microfinancing business into such subsidiary (while unwinding all other financing and non-financing businesses, if any). Further, in such cases, the holding / promoter NBFC is required to convert and re-register itself with the RBI as an NBFC in the Core Investment Company ("**CIC**") category (while the subsidiary company is registered as a small finance bank). This model has also been followed in the instant case, where the Transferor Company (being the promoter NBFC) incorporated the Transferee Company to house its microfinance business (through a business transfer). The corporate history of the Transferor Company and Transferee Company has been set out below.

1.2. Utkarsh CoreInvest Limited – the Transferor Company

1.2.1. The Transferor Company is a public unlisted company, with its registered office at S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar, near Mahavir Mandir, Varanasi, Uttar Pradesh – 221002, India having CIN: U65191UP1990PLC045609.

1.2.2. The Transferor Company was incorporated as a public company on 15 May 1990 under the erstwhile Companies Act, 1956 under the name and style '*Shre Pathrakali Finance Company*

Limited'. Subsequently, pursuant to a fresh certificate of incorporation dated 9 December 2009 the Transferor Company was converted into a private limited company under the name and style '*Shre Pathrakali Finance Company Private Limited*'.

1.2.3. On 11 February 2010 upon receipt of the fresh certificate of incorporation, the Transferor Company's name was changed to '*Utkarsh Micro Finance Private Limited*'. Subsequently, the RBI permitted the Transferor Company to commence operations as a non-deposit taking NBFC under Section 45 IA of the Reserve Bank of India Act, 1934 and issued a registration certificate dated 19 March 2010 bearing the number B-07-00781 to this effect. On 21 January 2014, the Transferor Company was registered with the RBI as NBFC Microfinance Institution (NBFC-MFI) and was issued a revised registration certificate with the same registration number (i.e., B-07-00781).

1.2.4. Pursuant to approval of the Central Government to convert the Transferor Company into a public limited company, on 24 June 2016 the jurisdictional registrar of companies issued a fresh certificate of incorporation for change in the Transferor Company's name to '*Utkarsh Micro Finance Limited*'.

1.2.5. On 7 October 2015, the Transferor Company received an in-principle approval from RBI to set up a small finance bank under the SFB Guidelines with certain conditions, which included a requirement to: (a) transfer all assets and liabilities pertaining to its microfinance business (except certain statutory assets, vehicle and statutory liabilities) to a subsidiary company; and (b) register itself as a NBFC-CIC.

1.2.6. Accordingly, the Transferor Company incorporated the Transferee Company as its subsidiary on 30 April 2016, and on 25 November 2016, the Transferor Company was granted an approval of the RBI and a license bearing number MUM:125 dated 25 November 2016 was issued by RBI to the Transferee Company to carry on the business of a small finance bank in India. Thereafter, the Transferor Company transferred all assets and liabilities pertaining to its microfinance business (except for certain statutory assets, vehicle and statutory liabilities), as a going concern by way of a slump sale, to the Transferee Company on 21 January 2017. Post this business transfer, the Transferor Company ceased to operate as an NBFC Microfinance Institution and was converted into an NBFC-CIC, with a new registration certificate bearing the number C-07-00781 dated 3 May 2018 issued by the RBI. Thereafter, the name of the Transferor Company was changed to '*Utkarsh CoreInvest Limited*', for which a fresh certificate of incorporation was issued by the jurisdictional registrar of companies on 11 October 2018.

1.3. **Utkarsh Small Finance Bank Limited – the Transferee Company**

1.3.1. Transferee Company was incorporated on 30 April 2016 under the Companies Act, 2013, and is a public listed company, with its registered office at Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh – 221105, India having CIN: L65992UP2016PLC082804.

1.3.2. The Transferee Company is registered with the RBI as a small finance banking company under the provisions of the Banking Regulation Act, 1949 and holds a registration for operating as a small finance bank bearing number MUM:125 dated 25 November 2016 issued by RBI.

1.3.3. As specified above, the Transferee Company commenced its business of providing wide range of banking and financial services including retail banking with focus on micro-finance, lending to small businesses & MSMEs, loans for CV & CE, housing loans, loans to small corporates and financial institutions.

1.4. **Shareholding pattern of the Transferor Company and the Transferee Company and the debt securities of the Transferee Company**

1.4.1. The Transferor Company does not have any promoter, and the entire paid-up equity share capital is held by public shareholders.

1.4.2. As on 6 November 2025, the Transferor Company holds 75,92,72,222 (seventy-five crore ninety-two lakhs seventy-two thousand two hundred twenty two) equity shares of face value INR 10/- (Indian Rupees ten) of the Transferee Company comprising of 42.67% of its paid-up share capital.

1.4.3. On 21 July 2023, the Transferee Company completed the process of initial public offer, pursuant to which its equity shares got listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (hereinafter collectively referred to as the "**Stock Exchanges**").

1.4.4. On 26 June 2020, 28 June 2024, and 27 November 2024, the Transferee Company has issued and allotted non-convertible debentures that are listed on the wholesale debt segment of the BSE, details of which are set out in **Part A** of **Annexure A**.

2. Description of the Scheme

This Scheme provides, *inter alia*, for the amalgamation of the Transferor Company with the Transferee Company with effect from the Appointed Date (*defined hereinafter*), by way of merger by absorption and dissolution of the Transferor Company without winding up and the issuance of the New Equity Shares (*defined hereinafter*) to the equity shareholders of the Transferor Company in accordance with the Share Swap Ratio (*defined hereinafter*), in the manner provided for in this Scheme and in compliance with the provisions of applicable law. The amalgamation of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that*:*

(a) all the properties of the Transferor Company, immediately before the amalgamation, shall become the properties of the Transferee Company, by virtue of the amalgamation;

(b) all the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of the amalgamation; and

(c) shareholders of the Transferor Company holding not less than three-fourth in value of shares in the Transferor Company become shareholders of the Transferee Company, by virtue of the amalgamation.

3. Rationale of the Scheme

3.1. As per the SFB Guidelines and RBI Clarifications (*defined hereinafter*) read with the RBI Acquisition Directions (*defined hereinafter*), the promoter (in this case the Transferor Company) of a small finance bank (being the Transferee Company) is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

3.2. Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of, a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by Securities and Exchange Board of India ("**SEBI**"). The RBI vide its letter dated 9 July 2021 issued to the 'Association of Small Finance Banks of India', had allowed the amalgamation of a holding company (being promoter company) into and with the small finance bank (being subsidiary of promoter company) as a mode of achieving such exit for the first time.

3.3. In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Transferee Company submitted its dilution plan to the RBI on 28 December 2023 for complying with the dilution requirements mentioned in paragraph 3.1 above (which included an option of a reverse merger of the Transferor Company into the Transferee Company). This dilution plan was acknowledged by the RBI on 9 February 2024and thereafter, on 20 March 2024, the Transferee Company confirmed to the RBI that the board of directors of both the Transferee Company and the Transferor Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger.

3.4. This Scheme has been formulated in view of the foregoing, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines and the RBI Acquisition Directions as referred in paragraph 3.1 above.

3.5. The amalgamation of the Transferor Company with the Transferee Company would *inter-alia* have the following benefits:

(a) The Scheme will result in compliance with the RBI mandated dilution requirements (under the SFB Guidelines and the RBI Acquisition Directions) in the most efficient manner.

(b) The Scheme will create value for stakeholders including respective shareholders, and employees as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances and optimal utilization of common resources.

(c) The Transferor Company currently carries on financial activity business in the nature of investments in bank deposits or other permissible securities (including shares of the Transferee Company) and derives its value primarily from its investment in the Transferee Company. Pursuant to the amalgamation, shareholders of the Transferor Company will receive shares of a listed company in lieu of their holdings in the Transferor Company.

3.6. In view of the above, the Scheme will be beneficial and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and the Transferee Company. The Boards of Directors of the Transferee Company and the Transferor Company have accordingly formulated this Scheme pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013.

4. Parts of the Scheme

The Scheme is divided into following three parts:

(a) **Part I** – Definitions, Interpretation and Share Capital;

(b) **Part II** – Amalgamation of Transferor Company with Transferee Company;

(c) **Part III** - Dissolution of the Transferor Company and General Clauses, Terms and Conditions Applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (a) terms defined in the Preamble shall have the same meanings throughout this Scheme and (b) the following words and expressions, wherever used (including in the Preamble), shall have the following meanings:

1.1. "**Act**" **or** "**the Act**" means the Companies Act, 2013;

1.2. "**Amalgamated Undertaking(s)**" means and includes the entire business of the Transferor Company, as a going concern and shall include (without limitation):

(a) all assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent, in possession or reversion, of whatsoever nature and wherever situated) of the Transferor Company, including underlying movable and immovable properties, investments of all kinds, securitized assets, receivables and security receipts, all cash balances and deposits with banks, money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, factories) work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, receivables, powers and facilities of every kind nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust;

(b) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever, authorities, consents, deposits, privileges, exemptions available to the Transferor Company;

(c) all tax, tax deferrals, tax credits, other claims under tax laws, incentives (including Tax incentives), benefits, tax exemptions, tax refunds (including those pending with any tax authority);

(d) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements or other instruments (including all such contracts with customers and vendors, tenancies, and other assurances in favour of the Transferor Company or powers or authorities granted by or to the Transferor Company) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the

Transferor Company may be eligible, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed by and all rights and benefits and which are subsisting or having effected immediately before the Appointed Date;

(e) all intellectual property rights including patents, patent applications, copyrights, trade and service names, service marks, trademarks, domain names, internet registrations, designs and other intellectual property of any nature whatsoever, goodwill, belonging to or utilized for the business and activities of the Transferor Company;

(f) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;

(g) all devices including but not limited to all terminal and other equipment, hardware, computers, mobile equipment, servers, machinery, and tools belonging to or utilized for the business and activities of the Transferor Company;

(h) all present and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and

(i) all Employees of the Transferor Company and the employee benefit funds of the Transferor Company, if any;

It is intended that the definition of Amalgamated Undertaking under this Clause 1.2 would enable the transfer of all properties, assets, rights, duties and liabilities of the Transferor Company into the Transferee Company pursuant to this Scheme;

1.3. "**Applicable Law(s)**" means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, by-law, approval of any Government Authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Government Authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;

1.4. "**Appointed Date**" means 1 April 2025, or such other date as may be approved by the Board of Directors of the Transferor Company and the Transferee Company, or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal or such other competent authority;

1.5. "**Board of Directors**" or **"Board**" in relation to Transferee Company or Transferor Company, as the case may be, means the respective board of directors of such company, and shall include any committee(s) duly constituted and authorized or individuals authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

1.6. "**Clause**" and "**Sub Clause**" means relevant clauses or sub clauses set out in the Scheme;

1.7. "**Delegate**" has the meaning ascribed to this term in Clause 30.1;

1.8. "**Effective Date**" means the last of the dates on which all the conditions, matters and filings referred to in Clause 27 hereof have been fulfilled or waived and on which the certified copy or authenticated copy of the order sanctioning this Scheme passed by the Hon'ble NCLT is filed by the Transferor Company and Transferee Company with the ROC. Any references in this Scheme to the "date of coming into effect of this Scheme" or "Effectiveness of the Scheme" or "date of taking effect" shall mean the Effective Date;

1.9. "**Eligible Employees**" means the employees who are entitled to the Transferor Company Option Scheme established by the Transferor Company, to whom, as on the Effective Date, ESOPs have been granted, irrespective of whether the same are vested or not;

1.10. "**Employees**" means all the permanent staff, executives, workmen and employees of the Transferor Company who are on its payroll as on the Effective Date;

1.11. "**ESOPs**" means employee stock options;

1.12. "**Encumbrance**" means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge (whether fixed or floating), commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same; a contract to give or refrain from giving any of the foregoing; any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and any adverse claim as to title, possession or use and the term "Encumber" shall be construed accordingly and the term "Encumbered" shall be construed accordingly;

1.13. "**Funds**" has the meaning ascribed to this term in Clause 11(d);

1.14. "**Government Authority(ies)**" means (a) the government of India; (b) any entity, authority or body exercising executive, legislative, judicial, regulatory, or administrative functions or pertaining to government, including any government owned industrial development body, governmental authority, agency, department, board, commission or instrumentality, or any subdivision thereof, any statutory body or commission to the extent that the rules, regulations and standards, requirements, procedures or orders of such entity, authority or body have the force of

Applicable Law; (c) any court, tribunal or judicial body; and (d) any securities exchange or body or authority regulating such securities exchange;

1.15. "**INR**" means Indian Rupees, the lawful currency of the Republic of India;

1.16. "**IT Act**" means the Income-Tax Act, 1961 as may be in force at the relevant time and as may be amended and/or substituted from time to time, including any rules, regulations, notifications and guidelines issued thereunder;

1.17. "**Liabilities**" has the meaning ascribed to this term in Clause 9(a);

1.18. "**LODR Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

1.19. "**National Company Law Tribunal**" **or** "**NCLT**" **or** "**The Tribunal**" means the bench of the Hon'ble National Company Law Tribunal situated at Allahabad constituted under Section 408 read with Section 419 of the Act, having jurisdiction over the Transferor Company and the Transferee Company, to sanction the Scheme;

1.20. "**National Company Law Appellate Tribunal**" or "**NCLAT**" means the principal bench of the Hon'ble National Company Law Appellate Tribunal situated at New Delhi constituted under Section 410 of the Act, having jurisdiction over appeals against the orders of the NCLT;

1.21. "**NCDs**" means the non-convertible debentures issued and allotted by the Transferee Company and listed on the wholesale debt segment of the BSE, details of which are set out in **Part A** of **Annexure A**;

1.22. "**New Equity Shares**" means the fully paid-up equity shares of the Transferee Company issued in accordance with this Scheme, each having a face value of INR 10/- (Indian Rupees ten);

1.23. "**RBI Acquisition Directions**" means the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, issued by RBI on 16 January 2023 read with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies, issued by RBI on 16 January 2023;

1.24. "**RBI Amalgamation Directions**" means the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated 21 April 2016;

1.25. "**RBI Approval**" means approval of the Scheme by the RBI in terms of the RBI Amalgamation Directions and certification from the RBI in terms of Section 44B(1) of the Banking Regulation Act, 1949;

1.26. "**RBI Clarifications**" means the clarifications dated 1 January 2015 issued by the RBI in relation to the queries on the SFB Guidelines;

1.27. "**Record Date**" means the date to be fixed by the Board of Directors of the Transferee Company, for the purpose of determining the shareholders of the Transferor Company to whom the New Equity Shares will be allotted by the Transferee Company in accordance with the Scheme;

1.28. "**Registrar of Companies**" **or** "**ROC**" means the Registrar of Companies, Kanpur;

1.29. "**Scheme**" **or** "**the Scheme**" **or** "**this Scheme**" means this Scheme of Amalgamation in its present form as submitted to the NCLT with any modification(s) made under Clause 30 of the Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable;

1.30. "**SEBI Debt Circular**" means Chapter XII of the master circular issued by SEBI dated 21 May 2024 bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 on listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper;

1.31. "**SEBI Merger Circular**" means the master circular issued by SEBI dated 20 June 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 on: (a) schemes of arrangement by listed entities, and (b) relaxation under sub rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, read with SEBI circular dated 3 January 2022 bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/003;

1.32. "**SFB Guidelines**" means the Guidelines for Licensing of Small Finance Banks in the Private Sector dated 27 November 2014 read with the Guidelines for 'on-tap' Licensing of Small Finance Banks in Private Sector dated 5 December 2019 issued by the RBI;

1.33. "**Share Swap Ratio**" has the meaning ascribed to this term in Clause 15.1;

1.34. "**Stock Exchange Approval**" means the no-objection/ no-adverse observation letter obtained by the Transferee Company from the Stock Exchanges in relation to the Scheme pursuant to Regulation 37 and 59A of the LODR Regulations read with the SEBI Merger Circular and the SEBI Debt Circular;

1.35. "**Tax**" **or** "**Taxes**" means any and all taxes (direct or indirect), surcharges, fees, levies, cess, duties, tariffs, imposts and other charges of any kind in each case in the nature of the foregoing, imposed by any Government Authority (whether payable directly or by withholding), including income tax, taxes on windfall or other profits, gross receipts, property, sales, severance or branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, central goods and services tax, state goods and service tax, integrated goods and service tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, securities transaction tax, and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);

1.36. "**Transferee Company Option Scheme**" means USFBL ESOP Plan 2020 of the Transferee Company; and

1.37. "**Transferor Company Option Scheme**" means the ESOP Plan 2016 and ESOP Plan 2010 of the Transferor Company.

1.38. **Interpretation**

1.38.1. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act

and other Applicable Laws, rules, regulations, bye- laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.38.2. In this Scheme (unless the context otherwise requires):

(a) a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

(b) the singular shall include the plural and vice versa, and references to one gender shall include all genders;

(c) the headings are inserted for convenience only and shall not affect the construction of this Scheme;

(d) the word "including" means "including without limitation" and the words "include" or "includes" have similar meanings;

(e) references to a person include any individual, firm, body corporate (whether or not incorporated), trust, government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having a separate legal personality); and

(f) reference to any statute or any statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (after the execution date) for the time being in force, as well as any subordinate legislation made from time to time under such statute.

2. Date of Taking Effect and Operative Date

2.1. Each part of the Scheme set out herein in its present form or with any modification(s) or amendment(s) made under Clause 30 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date, but shall be operative from the Effective Date.

2.2. Notwithstanding anything to the contrary contained in this Scheme, for the purposes of Section 232(6) of the Act, the Scheme shall be deemed to come into effect from the Appointed Date as defined under Clause 1.4 of this Scheme and for which purpose, no other date, but the Appointed Date, would be relevant.

3. Share Capital

3.1 The share capital of the Transferor Company as per the audited financial statements as on 31 March 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	

100,000,000 Equity Shares of INR 10/- each	1,000,000,000
Total	**1,000,000,000**
Issued and Paid-up Capital*	
99,371,965 Equity Shares of INR 10/- each, fully paid up	993,719,650
Total	**993,719,650**

3.2 The share capital of the Transferor Company as per the audited financial statements as on 30 September 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	
100,000,000 Equity Shares of INR 10/- each	1,000,000,000
Total	**1,000,000,000**
Issued and Paid-up Capital*	
99,378,215 Equity Shares of INR 10/- each, fully paid up	993,782,150
Total	**993,782,150**

The equity shares of the Transferor Company are not listed on any Stock Exchanges in India.

*****The Transferor Company has outstanding ESOPs under the Transferor Company Option Scheme, the exercise of which may result in further increase in the issued and paid-up share capital of the Transferor Company. Details of the unexercised options under the Transferor Company Option Scheme as on 30 September 2025 are set out below:

Unexercised ESOPs under the ESOP Plan 2016	**Vested / Unvested**	**Exercise price per option Amount (INR)**
246,298	Vested	125
18,750	Unvested	125

3.3 The share capital of the Transferee Company as per the audited financial statements as on 31 March 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	
1,800,000,000 Equity Shares of INR 10/- each	18,000,000,000
200,000,000 Preference Shares of INR 10/- each	2,000,000,000

Total	**20,000,000,000**
Issued and Paid-up Capital*	
1,101,609,900 Equity Shares of INR 10/- each, fully paid up	11,016,099,000
Total	**11,016,099,000**

3.4 The share capital of the Transferee Company as per the unaudited financial statements as on 30 September 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	
1,800,000,000 Equity Shares of INR 10/- each	18,000,000,000
200,000,000 Preference Shares of INR 10/- each	2,000,000,000
Total	**20,000,000,000**
Issued and Paid-up Capital*	
1,101,609,900 Equity Shares of INR 10/- each, fully paid up	11,016,099,000
Total	**11,016,099,000**

3.5 Subsequent to 30 September 2025, while there has been no change in the authorised share capital of the Transferee Company, the paid-up equity share capital has increased pursuant to a rights issue undertaken by the Transferee Company, which closed on 3 November 2025. Following the approval of the capital structuring and fund-raise committee for the allotment of 677,913,784 equity shares of face value INR 10 per share to eligible shareholders, specific investors and renouncees, the share capital of the Transferee Company as on 6 November 2025 is as under:

Particulars	**Amount (INR)**
Authorized Capital	
1,800,000,000 Equity Shares of INR 10/- each	18,000,000,000
200,000,000 Preference Shares of INR 10/- each	2,000,000,000
Total	**20,000,000,000**
Issued and Paid-up Capital*	
1,779,523,684 Equity Shares of INR 10/- each, fully paid up	17,795,236,840
Total	**17,795,236,840**

*****The Transferee Company has outstanding ESOPs under the Transferee Company Option Plan, the exercise of which may result in further increase in the issued and paid-up share capital of the Transferee

Company. Details of the unexercised options under the Transferee Company Option Scheme as on 30 September 2025 are set out below:

Unexercised ESOPs under USFBL ESOP Plan 2020	Vested / Unvested	Exercise price per option Amount (INR)
17,206,904	Vested	27.30/31.80/44.14/44/44.19
25,373,943	Unvested	27.30/31.80/44.14/44/44.19

The Board of Directors of USFBL at their meeting held on 14 November 2025 approved the grant of up to 3,10,00,000 options under ESOP Plan 2020 to the employees. The grant letters pertaining to the said ESOPs would be issued in due course and, therefore, have not been included above.

The equity shares of the Transferee Company are listed on the Stock Exchanges in India.

3.6 The Transferor Company holds 75,92,72,222 (seventy-five crore ninety-two lakhs seventy-two thousand two hundred twenty two) equity shares, representing 42.67% of the total paid-up equity share capital of the Transferee Company as on 6 November 2025.

4. MAIN OBJECTS

4.1 The main objects of the Transferor Company as on the date of filing of this Scheme are *inter alia*, as follows*:*

(a) To carry on the business, whether in India or outside, of making investment in group companies in the form of shares, bonds debentures, debt, loan or securities and providing guarantees, other form of collateral, or other contingent liabilities on behalf of or for the benefit of any group companies.

(b) To carry on financial activity, whether in India or outside in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time.

4.2 The main objects of the Transferee Company as on the date of filing of this Scheme are *inter alia*, as follows*:*

(a) To establish and carry on the business of banking in any part of India or outside India.

(b) To carry on business of accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

(c) To carry on the business of:

(i) borrowing, raising or taking up of money;

(ii) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security or movable or

immovable properties, bills of exchange, hundis, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or negotiable or not;

(iii) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;

(iv) granting and issuing of letters of credits, travellers' cheques and circulars notes;

(v) buying, selling and dealing in bullion and specie;

(vi) buying and selling of and dealing in foreign exchange including foreign bank notes;

(vii) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;

(viii) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others;

(ix) negotiating of loans and advances;

(x) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;

(xi) providing of safe deposit vaults;

(xii) collecting and transmitting of money and all kinds of securities;

(xiii) issuing credit cards, debit cards, prepaid instruments, smart card or any similar instruments and extending any other credits;

(xiv) acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority (PFRDA), in connection with the National Pension System of the PFRDA; and

(xv) carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time, and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of the Banking Regulation Act, 1949 specified or may from time to time specify by notification in the official gazette or as may be permitted by RBI from time to time as a form of business in which it would be lawful for a banking company to engage.

(d) To carry on the business of merchant banking, investment banking, portfolio investment management, wealth management and investment advisors; to form, constitute, promote, act as

managing and issuing agents, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and body corporate.

(e) To carry on the business of mutual fund distribution, equipment leasing and hire purchase.

(f) To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension & employees benefit, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit and other products and to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.

(g) To carry on the business of factoring by purchasing and selling debts, receivables and claim including invoice discounting and rendering bill collection, debt collection and other factoring services.

(h) To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Transferee Company, both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.

PART II

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

SECTION 1- TRANSFER AND VESTING

5. Upon the Scheme coming into effect, and with effect from the Appointed Date, the entire Amalgamated Undertaking of the Transferor Company shall stand vested in the Transferee Company, as a going concern, so as to become the undertaking of the Transferee Company, without the requirement for any further act, instrument, deed, matter or thing.

6. Vesting of Assets

Without prejudice to the generality of Clause 5 above, pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of the Applicable Laws, if any, upon the Scheme becoming effective and with effect from the Appointed Date:

(a) All the estate, tangible and intangible assets (including but not limited to brands, trademarks, patents, designs, copyrights, confidential business information, software and all website content), properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Amalgamated Undertaking of whatsoever nature and where so ever situate, shall without any further act or deed, stand transferred to and vested in the Transferee Company as a going concern, so as to become the estates, assets, rights, claims, title, interest and authorities of the Transferee Company.

(b) Without limitation, all the immovable properties (whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto), together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company shall without any further act, instrument or deed, stand transferred to and be vested in the Transferee Company, as a going concern. Without prejudice to the aforesaid, the Transferee Company shall be entitled to and exercise all rights and privileges attached to the immovable properties. The Transferee Company shall under the provisions of this Scheme be deemed to be authorized to execute, if required, such instruments, deeds and writing on behalf of the Transferor Company and to implement or carry out all such procedures or compliances to give effect to the provisions of this Scheme. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate Government Authorities, upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company. It is clarified for the removal of doubt that the Transferee Company shall be entitled to execute such deeds, agreements, conveyance and/or documents as may be required to ensure mutation of the title to the immovable properties in favour of the Transferee Company by the appropriate Government Authorities upon the Scheme becoming effective.

(c) Without prejudice to the provisions of Clauses 6(a) and 6(b) above, all movable property or incorporeal property or property otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery shall without any further act, deed or notification or instrument of conveyance, stand transferred to and vested in the Transferee Company.

(d) In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Sub-Clauses (a), (b) and (c) above) including investments in shares and any other securities, sundry debtors, actionable claim, receivables, refunds, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall without any further act, deed or notification or instrument of conveyance, stand transferred to and vested in the Transferee Company.

(e) All other assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in its books, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall without any further act, deed or notification or instrument of conveyance, stand transferred to and vested in the Transferee Company.

(f) All the profits or Taxes (including advance tax, tax deducted at source, foreign tax credits and minimum alternative tax credit entitlement ("**MAT Credit**"), tax losses, unabsorbed depreciation, indirect tax credits or refunds due, existing or future incentives, un-availed credits and exemptions, Goods and Services Tax ("**GST**") set off or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, Taxes (indirect tax credits or refunds due), GST set off, or any costs, charges, expenditure or losses of Transferee Company, as the case may be.

(g) All the profits and income accruing or arising to the Transferor Company or expenditure, or losses arising or incurred (including the effect of Taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or expenditure or losses of taxes of the Transferee Company, as the case may be. It is clarified that all assets and receivables, whether contingent or otherwise, of the Transferor Company as on the Appointed Date, whether provided for or not, in its books of account and all other assets or receivables which may accrue or arise on or after the Appointed Date shall be deemed to be the assets and receivables or otherwise, as the case may be of the Transferee Company.

(h) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, Tax deferrals, exemptions, goodwill and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges (including Tax benefits and exemptions) enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, (whether recorded in books of accounts or not), including Tax benefits, Tax refunds and exemptions, shall without any further act, deed or notification or instrument of conveyance stand transferred to and vested in the Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Government Authorities as may be necessary in this regard.

7. Bank Accounts

For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in its name in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company, after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. To the extent such collection is made in the name of the Transferor Company, it shall also without any further act or deed be and stand transferred to the Transferee Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company, in relation to the cheques or other negotiable instruments, payment orders received or, as the case may be, shall be continued by or against the Transferee Company after the coming into effect of this Scheme.

8. Contracts, Deeds, etc.

(a) Upon the coming into effect of this Scheme, with effect from Appointed Date, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of intent, undertaking, policies including licenses, lease arrangements/ agreements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

(b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Amalgamated Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company to be carried out or performed.

(c) Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date, powers of attorney given by, issued to or executed in favour of the Transferor Company, and all approvals, including municipal approvals, allocations, clearances, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, authorisations, statutory rights, licenses (including

licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 8(c), the said third-party or authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of the Scheme by the Hon'ble NCLT and upon the Scheme becoming effective, with effect from the Appointed Date. The Transferee Company shall be entitled to make applications to any Government Authority as may be necessary in this regard.

(d) Upon the Scheme becoming effective and with effect from the Appointed Date, all insurance policies, if any, registered in the name of the Transferor Company shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Section 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, all insurance providers shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company.

(e) It is hereby clarified that all transactions during the period between the Appointed Date and the Effective Date would be duly reflected in the financial statements of Transferee Company, upon the coming into effect of this Scheme.

9. Transfer and Vesting of Liabilities

(a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "**Liabilities**") shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become, as and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 9, unless otherwise specifically required.

(b) Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date

and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

(c) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of the Applicable Laws, if any, and without any further act, deed or notified or instrument of conveyance stand transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

(d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations amongst the Transferor Company and the Transferee Company with effect from the Appointed Date.

(e) Upon the Scheme becoming effective, the secured creditors of the Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company (to whom such creditors had advanced the facilities), as existing immediately prior to the amalgamation of Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, the secured creditors of the Transferor Company shall not be entitled to any further security over the properties, assets, rights, benefits and interest of the Transferee Company, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in the future in relation to any new indebtedness that may be incurred by the Transferee Company after the Scheme becoming effective. For this purpose, no further consent from the existing secured creditors shall be required and sanction of the Scheme shall be considered as a specific consent towards the same.

(f) The present Scheme is not a Scheme of compromise or arrangement with the creditors of either the Transferor Company or the Transferee Company (including the holders of the NCDs) and the Scheme will not affect the rights of the creditors as all the creditors will be paid in full as and when their respective amounts fall due in the usual course of business by the Transferee Company.

10. Encumbrances

(a) The transfer and vesting of the assets comprised in the Amalgamated Undertaking to the Transferee Company under Clause 5, Clause 6, Clause 7 and Clause 8 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

(b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above.

(c) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme and shall not extend to any of the assets or to any of the other units or divisions of the Transferee Company unless otherwise expressly provided. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

(d) Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.

(e) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

(f) Subject to necessary consents being obtained, if required, the provisions of this Clause 10 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

11. Employees of Transferor Company

(a) Upon this Scheme becoming effective, all the Employees shall be deemed to have become the employees of the Transferee Company without interruption of service or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company and on the basis of continuity of service with reference to the Transferor Company from the Appointed Date or their respective joining date, whichever is later, on the same terms and conditions and shall not be less favourable than those on which they are engaged by the Transferor Company. The services of such Employees with the Transferor Company up to the Effective Date shall be taken into account for the purpose of all benefits to which the Employees may be eligible under the Applicable Laws. For the purpose of payment of any compensation, gratuity and other terminal benefits, the uninterrupted past service of such Employees with the Transferor Company and such

benefits to which the Employees are entitled in the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.

(b) Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Employees, if any, made by the Transferor Company from the Appointed Date to the Effective Date, shall be deemed to be made by Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.

(c) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall be entitled to the employment policies and shall be entitled to avail of any schemes and benefits (including employee stock options, if any) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company from the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by the Transferor Company with the Employees.

(d) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "**Funds**") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. If the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the Funds of the Transferor Company.

(e) In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

(f) Without prejudice to the generality of the Clause 8(a) above, upon the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, undertakings, and other instruments of whatsoever nature entered into by the Transferor Company with contract labour, consultants or agencies procuring/providing the contract labour or manpower for the Transferor Company shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

12. Legal, Taxation and other Proceedings

(a) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

(b) If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

(c) In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

(d) Without prejudice to the provisions of Clauses 5 to 12, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

SECTION 2 - CONDUCT OF BUSINESS

13. From the Appointed Date until the Effective Date:

(a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold, and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;

(b) the Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business;

(c) the Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of Employees without the consent of the Board of Directors of the Transferee Company;

(d) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including Taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including Taxes), as the case may be, of the Transferee Company;

(e) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;

(f) all Taxes paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the Tax payment (including, without limitation, income tax, central goods and service tax, state goods and service tax of respective states, integrated goods and service tax, sales tax; excise duty, customs duty, service tax, VAT, CENVAT credit, input tax credit, etc.), whether by way of deduction at source, advance tax, tax collected at source, minimum alternate tax credit, dividend distribution tax, taxes withheld or paid in foreign country, or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly; and

(g) the Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor Company and give effect to the Scheme.

14. Till the Scheme becomes effective, the Transferor Company and the Transferee Company shall be free to increase or alter in any other manner their respective authorised, issued, subscribed, and paid-up share capital as may be required pursuant to their respective business need or for compliance with any Applicable Law. During the pendency of the Scheme, in the event of any issuance or any increase in the issued, subscribed, and paid-up share capital or restricting of the share capital of either of the Transferor Company or the Transferee Company (other than allotment of shares pursuant to the Transferor Company Option Scheme or Transferee Company Option Scheme) including by way of share split, bonus issuance, consolidation or other similar action, the Share Swap Ratio shall be adjusted appropriately and the same shall be approved by the Board of Directors of both the Transferor Company and the Transferee Company.

SECTION 3 – CONSIDERATION, ISSUANCE OF NEW EQUITY SHARES, CANCELLATION OF SHARES OF TRANSFEREE COMPANY HELD BY TRANSFEROR COMPANY, AND IMPACT ON THE NCDs

15. Consideration

15.1. Upon coming into effect of this Scheme and as consideration for the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Transferee Company), 699 equity shares of face

value INR 10/- (Indian Rupees ten) of the Transferee Company (credited as fully paid-up) for every 100 fully paid-up equity shares of face value INR 10/- (Indian Rupees ten) of the Transferor Company ("**Share Swap Ratio**"). The shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause 15.1 of Section 3 of Part II of this Scheme shall be referred to as "**New Equity Shares**".

15.2. The Transferor Company and the Transferee Company have engaged RBSA Valuation Advisors LLP, registered valuer, to provide a valuation report. In connection with such engagement, dated 5 July 2024, RBSA Valuation Advisors LLP has issued a valuation report dated 20 September 2024.

15.3. The Transferee Company has engaged DAM Capital Advisors Limited as the merchant banker to provide a fairness opinion on the valuation of both the Transferor Company and the Transferee Company done by a registered valuer and the Share Swap Ratio adopted under the Scheme. In connection with such engagement, dated 6 July 2024, DAM Capital Advisors Limited has issued a fairness opinion dated 20 September 2024.

16. Issuance of New Equity Shares

16.1. In the event of there being any pending share transfers, whether lodged or outstanding, of any equity shares of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case maybe, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising in the transfer of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transition period.

16.2. Where New Equity Shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

16.3. The New Equity Shares of the Transferee Company allotted and issued in terms of Clause 15.1 above, shall be listed and/ or admitted to trading on the Stock Exchanges, where the equity shares of the Transferee Company are listed and/ or admitted to trading as on the Effective Date, subject to the Transferee Company obtaining the requisite approvals from all the relevant Government Authorities pertaining to the listing of the New Equity Shares of the Transferee Company. The Transferee Company shall enter into such arrangements and give such confirmations and undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the Stock Exchanges.

16.4. The New Equity Shares of the Transferee Company to be allotted and issued to the shareholders of the Transferor Company as provided in Clause 15.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all

respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.

16.5. The issue and allotment of the New Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act and other statues and regulations were duly complied with.

16.6. Unless otherwise notified in writing on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof, the New Equity Shares issued to the equity shareholders of the Transferor Company by the Transferee Company shall be issued in dematerialized form by the Transferee Company, provided that the details of the depository accounts of the members of the Transferor Company are made available to the Transferee Company by the Transferor Company at least 2 (two) working days prior to the Effective Date.

16.7. For the purposes of allotment of the New Equity Shares, pursuant to Clause 15.1 above, in case any shareholder of the Transferor Company (as on the Record Date) becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares, the Transferee Company shall not issue fractional shares to such shareholders and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument, or deed, issue and allot such consolidated New Equity Shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company (**Trustee**), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of each of such shareholder of the Transferor Company, to whom they belong and their respective heirs, executors, administrators, or successors for the specific purpose of selling such shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to each of such shareholder of the Transferor Company in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next INR. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company by the Trustee pertaining to the fractional entitlements.

16.8. With respect to any New Equity Shares that are unable to be issued by the Transferee Company due to the Applicable Laws (including without limitation, on account of non-receipt of approvals of any regulatory authority as required under the Applicable Law) or otherwise, the issuance of such New Equity Shares shall be held in abeyance by the Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Laws and deemed fit by the Board of the Transferee Company, including issuance of such New Equity Shares to a trustee, followed by a sale of such New Equity Shares and distributions of the net sales proceeds by the Trustee (after deduction of taxes and expenses incurred) to such shareholders of the Transferor Company (as on the Record Date), who are unable to receive any New Shares, in proportion to their entitlements (to the extent such issuance could not be given effect to). If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of this Scheme, and shall take all such appropriate actions as may be necessary under the Applicable Laws. The Transferee Company and/or the depository shall

execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated herein.

16.9. The New Equity Shares in respect of which the allotment or transfer is held in abeyance under the Applicable Laws shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

17. Cancellation of the shares held by Transferor Company in the Transferee Company

17.1. Simultaneous with the issuance of the New Equity Shares, in accordance with Clause 15.1 above of this Scheme, the existing issued and paid-up equity share capital of the Transferee Company, as held by the Transferor Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

17.2. Upon the Scheme becoming effective and upon the New Equity Shares of the Transferee Company being allotted and issued by it to the shareholders of the Transferor Company whose names appear on the register of members as a member of the Transferor Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the Transferor Company in the records of the depositories/ register of members, as the case may be, as on the Record Date, the equity shares of the Transferee Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

17.3. The cancellation of the equity share capital held by the Transferor Company in the Transferee Company, in accordance with this Clause 17 of the Scheme, shall be effected as part of this Scheme itself and not under a separate procedure, in terms of Section 66 the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act and other applicable provisions, confirming the reduction. The consent of shareholders of the Transferee Company to this Scheme shall be deemed to be consent of such shareholders for the purposes of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliance would be separately required.

18. Combination of Authorised Share Capital

Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall stand carried forward and merged with the authorised share capital of the Transferee Company, without any further act, deed, resolution or writing on the part of the Transferee Company (including payment of stamp duty and/or fees payable to the Registrar of Companies). Upon the Scheme becoming effective, the office of the Registrar of Companies shall immediately take note of the consolidation of authorised share capital of the Transferor Company and enhance the authorised share capital of the Transferee Company accordingly in its records. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum and articles of association of the Transferee Company for increase in the authorised

share capital, as may be required under the Act, and no further resolution(s) under Sections 4, 13, 14 and 61 of the Act shall be required.

19. Employee Stock Option Scheme

19.1. With respect to the stock options granted to Eligible Employees by the Transferor Company under the Transferor Company Option Scheme, upon the Scheme becoming effective, the Transferee Company shall issue stock options to such Eligible Employees taking into account the Share Swap Ratio and on the same terms and conditions as (and which are not less favourable than those) provided in the Transferor Company Option Scheme. Such stock options may be issued by the Transferee Company under the Transferee Company Option Scheme.

19.2. It is hereby clarified that upon this Scheme becoming effective, stock options granted by the Transferor Company to the Eligible Employees, including the employees of the Transferee Company, under the Transferor Company Option Scheme shall automatically stand cancelled and extinguished. Accordingly, upon such cancellation, the fresh stock options shall be granted by the Transferee Company to the Eligible Employees on the basis of the Share Swap Ratio, such that the Eligible Employees shall, as stock option holders of the Transferee Company, enjoy the same economic benefit as they would have received under the Transferor Company Option Scheme. Fractional entitlements, if any, arising pursuant to the application of the Share Swap Ratio shall be rounded off to the nearest higher integer. The exercise price payable for stock options granted by the Transferee Company to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees under the Transferor Company Option Scheme as adjusted after taking into account the effect of the Share Swap Ratio.

19.3. The approval granted to the Scheme by the shareholders, RBI, and any other Government Authorities shall be deemed to be their approval granted in relation to all matters pertaining to the Transferee Company Option Scheme, including without limitation modifying the Transferee Company Option Scheme (such as increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted, or modifying the exercise price of the stock options), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Applicable Law.

19.4. It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Company Option Scheme, as the case may be.

19.5. The Board of Directors of the Transferor Company and the Transferee Company or any of the committee(s) thereof, including the nomination and remuneration committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 19 of the Scheme.

20. Impact of the Scheme on holders of the NCDs

20.1. The present Scheme is not a Scheme of compromise or arrangement with the holders of the NCDs and the Scheme will not affect the rights of the NCD holders as they will be paid the principal amount of the

NCDs and the coupon thereon in full as and when their respective amounts fall due in accordance with the terms of NCDs by the Transferee Company.

20.2. There shall be no change in terms and conditions of the NCDs pursuant to this Scheme. The holders of the NCDs as on the Effective Date will continue to hold the NCDs, without any interruption and with the same rights that they enjoy as on the Effective Date. The liability of the Transferee Company towards the NCD holders is neither being reduced nor being extinguished under the Scheme.

20.3. Since there will be no adverse impact on the holders of the NCDs upon this Scheme becoming effective, this Scheme does not provide any exit offer / mechanism to the dissenting holders of the NCDs.

20.4. Additional disclosures in relation to the NCDs that are required to be disclosed in the Scheme pursuant to the SEBI Debt Circular are set out in **Part B** of **Annexure A**.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

21. Taxes/ Duties/ Cess etc.

21.1. Applicability of provisions of the IT Act

(a) The provisions of this Scheme as they relate to the amalgamation of the Transferor Company with the Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme and the power to make any such amendments shall vest with the Board of Directors or any committee of the Board of Directors to which the power is delegated.

(b) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and Tax returns, withholding tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes, carry forward and set-off of accumulated losses and tax benefits), service tax law, VAT laws, sales tax laws, excise duty laws, customs duty laws, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim Tax benefits under the IT Act and other tax laws (including STPI or SEZ benefits) etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

21.2. Tax Treatment

(a) Upon the Scheme coming into effect, all Taxes payable by or on behalf of the Transferor Company from the Appointed Date onwards, including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim MAT Credit, set-off and carry forward of accumulated losses, unabsorbed tax depreciation, book losses, book depreciation, deferred revenue expenditure, deduction, rebate, allowance, amortization benefit, etc. under the IT Act, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST, etc. shall, for all purposes, be treated as the Tax, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit, tax benefits or refund etc. of the Transferee Company.

(b) The Transferee Company shall also be permitted to claim refunds/ credits in respect of any transaction between the Transferor Company and the Transferee Company.

(c) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Company under the IT Act or any other statute in respect of its income assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from advance tax paid by the Transferee Company and credit for such withholding tax/ advance tax/ minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.

(d) The service tax, VAT, excise duty, customs duty and sales tax under the pre - GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by it for the period commencing from the Appointed Date shall be deemed to be the service tax, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax, CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.

(e) Any Tax liability under the IT Act or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Company including advance tax and tax deducted at source as on the close of business in India on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

(f) All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company pending or arising as at the Appointed Date shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.

(g) Transferee Company shall be entitled to claim deduction in respect of expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme including stamp duty expenses, if any, as deduction to the Transferee Company in accordance with relevant provisions of the IT Act.

22. Accounting Treatment

22.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books, in accordance with the "Pooling of interest" method

referred to in Accounting Standard – 14 "Accounting for Amalgamation", as prescribed by the Central Government under Section 133 of the Act, as specified here under:

(a) The assets, liabilities and reserves of the Transferor Company, shall be recorded by the Transferee Company in its books of accounts at their respective book values, and in the same form, as appearing in the books of the Transferor Company (converted into applicable GAAP of the Transferee Company i.e., Indian GAAP) as at the close of business of a day immediately preceding the Appointed Date.

(b) The share capital held by the Transferor Company in the Transferee Company shall stand cancelled and extinguished upon the Scheme becoming effective.

(c) Any inter-company balances outstanding between Transferee Company and the Transferor Company shall stand cancelled and there shall be no further obligation/outstanding balances in this regard.

(d) The Transferee Company shall issue and allot equity shares to the shareholders of the Transferor Company in accordance with Clause 15.1 above and credit the face value of such equity shares to its share capital account.

(e) The difference, if any arising, between the value of assets, liabilities and reserves of the Transferor Company as recorded by the Transferee Company (as referred to in Clause 22.1(a) above), after making adjustments referred to in Clause 19 (with respect to stock options to be granted by Transferee Company against the stock options of the Transferor Company as per the Share Exchange Ratio and ensuring necessary compliance), Clause 22.1(b) and Clause 22.1(c) and the face value of the shares allotted (as referred to in Clause 22.1(d) above) shall be recorded as capital reserve in the books of the Transferee Company.

(f) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policy followed by the Transferee Company will prevail. The effects on the financial statements of any changes in the accounting policies shall be reported in accordance with Accounting Standard – 5, net profit or loss for the period, prior period items and changes in accounting policies.

(g) Notwithstanding the above, the Board of the Transferee Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit in accordance with the applicable accounting standards under the Act and applicable regulations issued by the RBI and applicable generally accepted accounting principles as applicable to the Transferee Company.

22.2. Upon the Scheme becoming effective, the Transferor Company shall stand dissolved pursuant to Clause 26 below, and hence, no accounting treatment has been prescribed under this Clause 22 in relation to the books of the Transferor Company.

23. Reduction of Securities Premium Account

23.1. Immediately upon the Scheme becoming effective and with effect from the Appointed Date:

(a) The debit balance in the capital reserve, if any, arising pursuant to the amalgamation of the Transferor Company with the Transferee Company on the Appointed Date, pursuant to accounting treatment as contemplated under Clause 22.1 above, shall be set-off against the resulting securities premium account (as adjusted after recording of balance in securities premium account of the Transferor Company pursuant to accounting treatment as referred to in Clause 22.1 above).

(b) The reduction of the debit balance in the capital reserve against the amounts held in the securities premium account as set out in Clause 23.1(a) above does not involve the reduction of the issued, subscribed, and paid-up share capital of the Transferee Company. Further, the reduction does not envisage the transfer or vesting of any of the properties and/or liabilities of the Transferee Company to any person.

(c) The approvals including approvals from the shareholders of the Transferee Company received pursuant to provisions of Sections 230 to 232 of the Act under this Scheme shall be deemed to be sufficient approval(s) for giving effect to the provisions of this Clause 23.1 including under Section 52, Section 66 and other related provisions of the Act. The Transferee Company shall not, nor shall be obliged to: (i) call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the securities premium account after the approval of this Scheme, or (ii) obtain any additional approvals / compliances under Section 66 and other applicable provisions of the Act.

(d) The reduction in the securities premium account (as an integral part of this Scheme) in accordance with this Clause 23.1 is in accordance with the provisions of Sections 230 to 232 read with Section 52 of the Act, as the same does not result in the extinguishment or diminution of any liability in respect of the unpaid share capital of the Transferee Company or payment to any shareholder of any paid-up share capital of the Transferee Company and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 230 of the Act confirming such reduction of share capital of the Transferee Company. The reduction in the securities premium account in the manner contemplated in this Scheme would not have any impact on the shareholding pattern of the Transferee Company nor would it have any adverse impact on the creditors or employees of the Transferee Company. The order of the NCLT sanctioning this Scheme shall also be deemed to be an order passed under Sections 66, 52 and other applicable provisions of the Act for the purpose of confirming the reduction.

(e) Notwithstanding the reduction in the securities premium account, the Transferee Company shall not be required to add 'And Reduced' as a suffix to its name. The reduction in the securities premium account shall be effected as an integral part of this Scheme and in accordance with the

applicable provisions of the Act without any further act or deed on the part of the Transferee Company.

24. Resolutions

24.1. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

24.2. Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of the provisions of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

25. Savings of concluded transactions

The transfer and vesting of Amalgamated Undertaking under Clause 5 above and the continuance of proceedings by or against the Transferee Company under Clause 12 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, and the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on behalf of the Transferee Company.

26. Dissolution of the Transferor Company

26.1. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without the process of winding-up and its names shall be deleted from the records of the appropriate Registrar of Companies without any further act or deed.

26.2. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.

26.3. Upon the Scheme coming into effect, all the existing shares or share certificates pertaining to the shares of the Transferor Company shall stand cancelled and will become invalid and shall cease to be transferable. Such cancellation of shares of the Transferor Company, in accordance with this Clause 26.3 of the Scheme, shall be effected as part of this Scheme itself and not under a separate procedure, in terms of Section 66 the Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act and other applicable provisions, confirming the reduction. The consent of shareholders of the Transferor Company to this Scheme shall be deemed to be consent of such shareholders for the purposes of effecting the reduction under the provisions of Section 66 of the

Act as well and no further compliance would be separately required. Further, the Board of Directors of the Transferee Company will not be required to approach the shareholders of the Transferor Company to surrender their share certificates after the Scheme becoming effective.

27. Conditionality of the Scheme

The effectiveness of the Scheme is conditional upon and subject to:

(a) the receipt of RBI Approval;

(b) the receipt of Stock Exchange Approvals;

(c) the receipt of approval from any other relevant Governmental Authority as may be required under the Applicable Law;

(d) the Scheme being approved by the respective requisite majority (in number and value) of such class of persons including the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under Applicable Law, either at a meeting or through consent or no-objection letters or otherwise, and as may be directed by the NCLT under Sections 230 to 232 of the Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors or any Applicable Law permitting the respective parties not to convene the meetings of its members and/or creditors;

(e) the Scheme being approved by e-voting by the requisite majority of the public shareholders of the Transferee Company as required under the SEBI Merger Circular (since the Scheme involves amalgamation of a listed entity with its promoter);

(f) the Scheme being approved by e-voting by the requisite majority of the debenture holders of the Transferee Company as required under the SEBI Debt Circular;

(g) the Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act;

(h) the certified copy of the order of the NCLT under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and Transferee Company;

(i) fulfilment of any compliance(s), conditions(s) etc., if any, stipulated by the RBI, Stock Exchanges and/or any other relevant Government Authority prior to effecting the Scheme; and

(j) the requisite sanction or approval of the Government Authority being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.

28. Effect of Non-Receipt of Approvals/ Sanctions

28.1. In the event of any of the said sanctions and approvals referred to in Clause 27 above not being obtained and/or the Scheme not being sanctioned by the RBI, Stock Exchanges, and other Government Authority and/or the order not being passed as aforesaid within such period or periods as may be agreed upon

between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect.

28.2. In the event of revocation of the Scheme under Clause 28.1 above, no rights and liabilities whatsoever shall accrue or to be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liabilities or obligations which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, and in such case, each company shall bear its own cost unless otherwise mutually agreed.

28.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme at any time prior to the Effective Date.

29. Applications

29.1. The Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to: (a) the NCLT, under Sections 230 to 232 and other applicable provisions of the Act, read with applicable Rules, (b) the RBI, under the RBI Amalgamation Directions, and (c) the Stock Exchanges, pursuant to Regulation 37 and 59A of the LODR Regulations read with the SEBI Merger Circular; in each case, for sanctioning of this Scheme and all matters ancillary or incidental thereto.

29.2. The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

30. Modifications or amendments to the Scheme

30.1. The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Hon'ble NCLT or to any conditions or limitations which the NCLT and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee of the concerned Board or any director, or executive authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the "**Delegate**").

30.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates of the Transferor Company or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or

directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

30.3. The Transferee Company even after the Scheme coming into effect may approach the Hon'ble NCLT or other concerned or competent authority(ies) for any incidental orders to remove any deficiency or overcome any difficulty in implementation of the Scheme or clear any ambiguity or to comply with any statutory requirement which necessitates the order of the Hon'ble NCLT or other concerned or competent authority(ies).

31. Severability

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of the Transferor Company and the Board of the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Company, in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme, including but not limited to such Part or provision.

32. Costs, Charges and Expenses

32.1. Other than as provided in Clause 32.2 below, all costs, charges, Taxes, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferor Company and the Transferee Company in the proportion of 30:70 or as may be otherwise mutually agreed between the Transferor Company and the Transferee Company.

32.2. Any stamp duty payable in respect of this Scheme (including in relation to carrying out and implementing this Scheme) shall be borne by the Transferee Company.

33. Other Corporate Actions

Nothing in this Scheme shall prevent the Transferee Company, from taking any corporate action, including but not limited to issue of any further capital, declaration of dividend, conversion of any convertible debt instrument that is issued or to be issued by the Transferee Company to any person or any investors, raising of funds by issue of equity shares and or preference shares and or any convertible or non-convertible securities or instruments or bonus shares or rights offer or in any other manner subject to compliance of the Applicable Laws during pendency of this Scheme before any authority including Hon'ble NCLT or Hon'ble NCLAT, as the case may be.

Annexure A

Part A

1. ***Details of the NCDs of the Transferee Company in terms of the SEBI Debt Circular:***

ISIN	**INE735W08038**	**INE735W08053**	**INE735W08061**
Date of issue	26 June 2020	28 June 2024	27 November 2024
Number of NCDs issued and allotted	1,950	20,000	10,500
Face value	INR 1,000,000	INR 100,000	1,00,000
Coupon	12.5% per annum, payable quarterly – starting from 26 September 2020 until 26 June 2027	11.0% per annum, payable quarterly – starting from 28 September 2024 until 28 June 2031	10.90% per annum, payable quarterly – starting from 27 February 2025 until 27 November 2031
Tenure /	7 years	7 years	7 Years
Maturity date	26 June 2027	28 June 2031	27 November 2031
Terms of redemption	Redeemable at par at maturity	Redeemable at par at maturity	Redeemable at par at maturity
Terms of early redemption	An early redemption is not permitted except pursuant to the exercise of the call option (*see below*).	An early redemption is not permitted except pursuant to the exercise of the call option (*see below*).	An early redemption is not permitted except pursuant to the exercise of the call option (see below).
Put / Call option	Call option: On 26 June 2025, with the prior approval of the RBI (Department of Regulation, RBI Central Office), the Transferee Company has a right but not an obligation to redeem the outstanding NCDs at par value along with the applicable coupon	Call option: On 28 June 2029, with the prior approval of the RBI (Department of Regulation, RBI Central Office), the Transferee Company has a right but not an obligation to redeem the outstanding NCDs at par value along with the applicable coupon	Call option: On 27 November 2029, with the prior approval of the RBI (Department of Regulation, RBI Central Office), the Transferee Company has a right but not an obligation to redeem the outstanding NCDs at par value along with the applicable coupon
Credit Rating	ICRA A (Negative) (pursuant to rating letter dated 12 August 2025)	ICRA A (Negative) (pursuant to rating letter dated 12 August 2025)	CARE A; Stable (Single A; Outlook: Stable) (pursuant to rating letter dated 12 August 2025)
Debenture Trustee	IDBI Trusteeship Services Limited	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited

Part B

1. ***Latest audited financials along with notes to accounts and any audit qualifications****:* Please refer to following URL on the website of the Transferee Company.

   https://www.utkarsh.bank/investors/

2. ***An auditor's certificate certifying the payment/ repayment capability of the resultant entity***: Please refer to following URL on the website of the Transferee Company.

   https://www.utkarsh.bank/investors/

3. ***Fairness report***: Please refer to following URL on the website of the Transferee Company.

   https://www.utkarsh.bank/investors/

4. ***Safeguards for the protection of holder of NCDs***: Please refer to Clause 20.1 and 20.2 of the Scheme.

5. ***Exit offer to the dissenting holders of NCDs, if any***: Please refer to Clause 20.3 of the Scheme.

Muthiah Ganapathy — Digitally signed by Muthiah Ganapathy, Date: 2024.10.03 15:20:51 +05'30'

Utkarsh Small Finance Bank

Report of the Independent Directors of Utkarsh Small Finance Bank Limited recommending the draft Scheme of Amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited and their respective shareholders

1. Background

1.1 A meeting of the Independent Directors (**Committee**) was held on September 20, 2024 to consider and recommend the proposed scheme of amalgamation of Utkarsh CoreInvest Limited (**UCL/ Transferor Company**) with Utkarsh Small Finance Bank Limited (**USFBL/ Transferee Company**) and their respective shareholders (**Scheme**), under the provisions of Section 230 to 232 of the Companies Act, 2013 (**Act**) and the Rules made thereunder and other regulatory guidelines, a draft of which was tabled before the Committee.

1.2 The equity shares of the Transferee Company are listed on BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**). The Transferor Company is the promoter and holding company of the Transferee Company and holds [69.02% (sixty-nine point zero two percent)] of the total paid-up equity share capital of the Transferee Company as on the date of this Report.

1.3 This report is made in accordance with the Master Circular issued by the Securities and Exchange Board of India (**SEBI**) bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (**SEBI Merger Circular**) and the SEBI Master Circular bearing number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21 May 2024 (**SEBI Debt Circular**) (collectively, the **SEBI Circulars**), and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI Listing Regulations**). In accordance with the SEBI Circulars, the following were presented for consideration of the Committee:

(i) A draft of the Scheme;

(ii) Valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP, a registered valuer, providing the share exchange ratio based on valuation of UCL and USFBL (**Valuation Report**);

(iii) Fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, a SEBI Registered Category I Merchant Banker (**Fairness Opinion**); and

(iv) Certificate dated September 20, 2024 from Deloitte Haskins & Sells, Chartered Accountants & Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of the Transferee Company, certifying that: (a) the Transferee Company is capable of payment of interest/ repayment of principal debt amounts, and (b) the accounting treatment provided in the Scheme is in conformity with the applicable accounting standards and regulations under the Act and as specified by the sector regulator i.e., Reserve Bank of India (**RBI**) (**Statutory Auditors Certificate**).

Utkarsh Small Finance Bank Limited

Certified True Copy

2 Review of the Scheme

2.1 The Committee notes that, upon of the Scheme coming in effect, in consideration of the amalgamation, and based on the Valuation Report and Fairness Opinion, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company as on the Record Date (*as defined in the Scheme*), 699 equity shares of the face value of INR 10 each of Transferee Company, credited as fully paid-up, for every 100 equity shares of the face value of INR 10 each fully paid-up held by such member in the Transferor Company (**Share Exchange Ratio**).

2.2 The Committee further notes that, the Scheme is conditional upon and subject to the following:

i) the approval of the RBI in terms of the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated 21 April 2016, and RBI certification under Section 44(B)(1) of the Banking Regulation Act, 1949;

ii) no-objection / no-adverse observation letter from the BSE and the NSE in relation to the Scheme as per Regulation 37 and Regulation 94 of SEBI Listing Regulations read with SEBI Circulars;

iii) the expiry of the lock-in restriction on 219,752,029 (twenty-one crore ninety-seven lakhs fifty-two thousand twenty-nine) equity shares held by the Transferor Company in the Transferee Company under Regulation 16(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (this restriction / lock-in period expires on 18 January 2025);

iv) the Scheme being approved by the respective requisite majority (in number and value) of such class of persons including the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under applicable law, either at a meeting or through consent or no-objection letters or otherwise, and as may be directed by the National Company Law Tribunal, Allahabad bench ("**NCLT**") under Sections 230 to 232 of the Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors;

v) the Scheme being approved by e-voting by the requisite majority of the public shareholders of the Transferee Company as required under the SEBI Merger Circular (since the Scheme involves amalgamation of a listed entity with its promoter);

vi) the Scheme being approved by e-voting by the requisite majority of the debenture holders of the Transferee Company as required under the SEBI Debt Circular;

vii) the Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act;

viii) fulfilment of any compliance(s), condition(s) etc., if any, stipulated by the RBI, SEBI, BSE, NSE and/or any other relevant governmental authority prior to effecting the Scheme;

ix) receipt of such other sanction(s), approval(s) etc., of any other Governmental Authority as may be required by Applicable Laws in respect of the Scheme; and

x) certified copy of the NCLT order sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by both the Transferor Company and the Transferee Company.

2.3 Lastly, the Committee notes that, the Scheme is proposed to take effect from the Appointed Date (i.e., 1 April 2025).

3 Need and Rationale for the Scheme

3.1 The Transferee Company is functioning as a small finance bank (**SFB**) and was issued a license in this regard by the RBI on 25 November 2016. As per the conditions laid in the said license read with RBI Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated 27 November 2014 and the RBI Guidelines for 'on-tap' Licensing of 'Small Finance Banks' in Private Sector dated 5 December 2019 (**SFB Guidelines**), the promoter of SFB was required to reduce its equity stake in the SFB to 40% within a period of 5 years and thereafter to 26% within a period of 15 years from the date of commencement of business operations by the SFB.

3.2 Further, in terms of Direction 7.1 of the Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, USFBL submitted its plan for undertaking dilution of the promoter's shareholding including by way of reverse merger of UCL with USFBL and this dilution plan submitted by USFBL was acknowledged by the RBI pursuant to its email dated 9 February 2024.

3.3 Accordingly, the proposed amalgamation of UCL with USFBL, among other business objectives and benefits (as indicated in the Scheme), would enable the Transferee Company to meet the aforesaid dilution requirements.

4 Synergies

4.1 The Scheme will create value for all stakeholders (including respective shareholders, debenture holders, and employees) as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances, and optimal utilization of common resources.

4.2 The proposed amalgamation would result in formation of a larger, stronger and single unified entity having greater economic capacity for conducting its operations with more focused operational efforts and synergies and efficient functioning.

5 Effect of the Scheme on the respective stakeholders of USFBL /Transferee Company

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter shareholders	The Transferor Company is the promoter of the Transferee Company. Pursuant to the Scheme, the Transferor Company will be dissolved without winding up and the shareholders of the Transferor Company would benefit by directly holding shares in the Transferee Company and derive value from the business of Transferee Company directly.
2.	Non-promoter shareholders	The Scheme will not impact the rights and interest of the Transferee Company's non-promoter shareholders.

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
3.	Depositors	The Scheme will not impact the rights and interest of the Transferee Company's depositors.
4.	Creditors	The Scheme will not impact the rights and interest of the Transferee Company's creditors, and any amounts due to any creditor will be paid in full, as and when their dues become payable in accordance with the usual course of business of the Transferee Company
5.	a. Holders of Non-convertible Debentures (**NCDs**)) b. Safeguards for the protection of holders of NCDs c. Exit Offer to the dissenting holders of NCDs	a. No impact on the holders of the NCDs as will be paid the principal amount of the NCDs and the coupon thereon in full by the Transferee Company as and when their respective amounts fall due in accordance with the terms of the NCDs. b. There will be no change in terms and conditions of the NCDs pursuant to the Scheme. The holders of the NCDs as on the Effective Date (*as defined in the Scheme*) will continue to hold the NCDs, without any interruption and with the same rights that they enjoy as on the Effective Date. The liability of the Transferee Company towards holders of the NCDs is neither being reduced nor being extinguished under the Scheme. c. There will be no adverse impact on the rights and interest of holders of the NCDs, accordingly, the Scheme does not provide any exit offer / mechanism to the dissenting holders of the NCDs.
6.	Deposit Trusts and Debenture Trustees	The Scheme will not impact the rights and interest of the Transferee Company's Deposit Trusts or the Debenture Trustees.
7.	Employees and Key Managerial Personnel (**KMP**)	The Scheme will not impact the rights or obligations of the Transferee Company's employees or KMPs.
8.	Directors	The Scheme will not impact the rights or obligations of the Transferee Company's directors.

6 Cost benefit analysis of the Scheme

6.1 Keeping in view the rationale, purpose and synergies of the proposed amalgamation as mentioned above, the Committee is of the view that:

(i) the Scheme would result in USFBL complying with the RBI mandated dilution norms applicable to small finance banks;

(ii) the amalgamation proposed under the Scheme would result in reduction in compliance and administrative costs, increase efficiencies, and better administration, thereby contributing to future profitability of the Transferee Company; and

(iii) the benefits resulting from the proposed amalgamation would exceed costs from the proposed amalgamation, resulting in increased productivity and efficiency, thereby resulting in enhancement of stakeholder value.

7 Recommendation of the Committee of Independent Directors

7.1 The Committee after due deliberations and in consideration of, *inter alia*, the draft Scheme, Share Exchange Ratio, Valuation Report, Fairness Opinion, Statutory Auditors Certificate, and the above referred considerations, is of the view that the Scheme is not detrimental to the shareholders of the Transferee Company and recommends the draft Scheme for favorable consideration by the board of directors of the Transferee Company.

For Independent Directors of
Utkarsh Small Finance Bank Limited

Parveen Kumar Gupta
Chairman
DIN: 02895343
Date: September 20, 2024

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Utkarsh Small Finance Bank

Reports of Audit Committee

Report of the Audit Committee of Utkarsh Small Finance Bank Limited, recommending the draft Scheme of Amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited and their respective shareholders.

1. Background

1.1 A meeting of the Audit Committee (**Committee**) was held on September 20, 2024 to consider and recommend the proposed scheme of amalgamation of Utkarsh CoreInvest Limited (**UCL/ Transferor Company**) with Utkarsh Small Finance Bank Limited (**USFBL/ Transferee Company**) and their respective shareholders (**Scheme**), under the provisions of Section 230 to 232 of the Companies Act, 2013 (**Act**) and the Rules made thereunder and other regulatory guidelines, a draft of which was tabled before the Committee.

1.2 The equity shares of the Transferee Company are listed on BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**). The Transferor Company is the promoter and holding company of the Transferee Company and holds [69.02% (sixty-nine point zero two percent)] of the total paid-up equity share capital of the Transferee Company as on the date of this report, i.e., 30 June 2024.

1.3 This report is made in accordance with the Master Circular issued by the Securities and Exchange Board of India (**SEBI**) bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (**SEBI Merger Circular**) and the Master Circular bearing number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21 May 2024 (**SEBI Debt Circular**) (collectively, the **SEBI Circulars**) and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI Listing Regulations**). In accordance with the SEBI Circulars, the following were presented for consideration of the Committee:

(i) A draft of the Scheme;
(ii) Valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP, a registered valuer, providing the share exchange ratio based on valuation of UCL and USFBL (**Valuation Report**);
(iii) Fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, a SEBI Registered Category I Merchant Banker (**Fairness Opinion**); and
(iv) Certificate dated September 20, 2024 from Deloitte Haskins & Sells, Chartered Accountants & Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of the Transferee Company, certifying that: (a) the Transferee Company is capable of payment of interest/ repayment of principal debt amounts, and (b) the accounting treatment provided in the Scheme is in conformity with the applicable accounting standards and regulations under the Act and as specified by the sector regulator i.e., Reserve Bank of India (**RBI**) (**Statutory Auditors Certificate**).

2. Review of the Scheme

2.1 The Committee notes that, upon of the Scheme coming in effect, in consideration of the amalgamation, and based on the Valuation Report and Fairness Opinion, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company as on the Record Date (*as defined in the Scheme*), 699 equity shares of the face value of INR 10 each of Transferee Company, credited as fully paid-up, for every 100 equity shares of the face value of INR 10 each fully paid-up held by such member in the Transferor Company (**Share Exchange Ratio**).

2.2 The Committee further notes that, the Scheme is conditional upon and subject to the following:

(i) the approval of the RBI in terms of the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated 21 April 2016, and RBI certification under Section 44(B)(1) of the Banking Regulation Act, 1949;
(ii) no-objection / no-adverse observation letter from the BSE and the NSE in relation to the Scheme as per Regulation 37 and Regulation 94 of SEBI Listing Regulations read with SEBI Circulars;
(iii) the expiry of the lock-in restriction on 219,752,029 (twenty-one crore ninety-seven lakhs fifty-two thousand twenty-nine) equity shares held by the Transferor Company in the Transferee Company under Regulation 16(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (this restriction / lock-in period expires on 19 January 2025);
(iv) the Scheme being approved by the respective requisite majority (in number and value) of such class of persons including the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under applicable law, either at a meeting or through consent or no-objection letters or otherwise, and as may be directed by the National Company Law Tribunal, Allahabad bench ("**NCLT**") under Sections 230 to 232 of the Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors;
(v) the Scheme being approved by e-voting by the requisite majority of the public shareholders of the Transferee Company as required under the SEBI Merger Circular (since the Scheme involves amalgamation of a listed entity with its promoter);
(vi) the Scheme being approved by e-voting by the requisite majority of the debenture holders of the Transferee Company as required under the SEBI Debt Circular;
(vii) the Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act;
(viii) fulfilment of any compliance(s), condition(s) etc., if any, stipulated by the RBI, SEBI, BSE, NSE and/or any other relevant governmental authority prior to effecting the Scheme;
(ix) receipt of such other sanction(s), approval(s) etc., of any other Governmental Authority as may be required by Applicable Laws in respect of the Scheme; and
(x) certified copy of the NCLT order sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by both the Transferor Company and the Transferee Company.

2.3 Lastly, the Committee notes that, the Scheme is proposed to take effect from the Appointed Date (i.e., April 01, 2025).

3. Need and Rationale for the Scheme

3.1 The Transferee Company is functioning as a small finance bank (**SFB**) and was issued a license in this regard by the RBI on 25 November 2016. As per the conditions laid in the said license read with RBI Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated 27 November 2014 and the RBI Guidelines for 'on-tap' Licensing of 'Small Finance Banks' in Private Sector dated 5 December 2019 (**SFB Guidelines**), the promoter of SFB was required to reduce its equity stake in the SFB to 40% within a period of 5 years and thereafter to 26% within a period of 15 years from the date of commencement of business operations by the SFB.

3.2 Further, in terms of Direction 7.1 of the Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, USFBL submitted its plan for undertaking dilution of the promoter's shareholding including by way of reverse merger of UCL with USFBL and this dilution plan submitted by USFBL was acknowledged by the RBI pursuant to its email dated 9 February 2024.

3.3 Accordingly, the proposed amalgamation of UCL with USFBL, among other business objectives and benefits (as indicated in the Scheme), would enable the Transferee Company to meet the aforesaid dilution requirements.

4. Synergies

4.1 The Scheme will create value for all stakeholders (including respective shareholders, debenture holders, and employees) as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances, and optimal utilization of common resources.

4.2 The proposed amalgamation would result in formation of a larger, stronger and single unified entity having greater economic capacity for conducting its operations with more focused operational efforts and synergies and efficient functioning.

5. Effect of the Scheme on the respective stakeholders of USFBL /Transferee Company

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter shareholders	The Transferor Company is the promoter of the Transferee Company. Pursuant to the Scheme, the Transferor Company will be dissolved without winding up and the shareholders of the Transferor Company would benefit by directly holding shares in the Transferee Company and derive value from the business of Transferee Company directly.
2.	Non-promoter shareholders	The Scheme will not impact the rights and interest of the Transferee Company's non-promoter shareholders.
3.	Depositors	The Scheme will not impact the rights and interest of the Transferee Company's depositors.

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
4.	Creditors	The Scheme will not impact the rights and interest of the Transferee Company's creditors, and any amounts due to any creditor will be paid in full, as and when their dues become payable in accordance with the usual course of business of the Transferee Company
5.	A. Holders of Non-convertible Debentures issued by the Transferee Company (**NCDs**) B. Safeguards for the protection of holders of NCDs C. Exit Offer to the dissenting holders of NCDs	A. No impact on the holders of the NCDs as they will be paid the principal amount of the NCDs and the coupon thereon in full by the Transferee Company as and when their respective amounts fall due in accordance with the terms of the NCDs. B. There will be no change in terms and conditions of the NCDs pursuant to the Scheme. The holders of the NCDs as on the Effective Date (*as defined in the Scheme*) will continue to hold the NCDs, without any interruption and with the same rights that they enjoy as on the Effective Date. The liability of the Transferee Company towards holders of the NCDs is neither being reduced nor being extinguished under the Scheme. C. There will be no adverse impact on the rights and interest of holders of the NCDs, accordingly, the Scheme does not provide any exit offer / mechanism to the dissenting holders of the NCDs.
6.	Deposit Trusts and Debenture Trustees	The Scheme will not impact the rights and interest of the Transferee Company's Deposit Trusts or the Debenture Trustees.
7.	Employees and Key Managerial Personnel (**KMP**)	The Scheme will not impact the rights or obligations of the Transferee Company's employees or KMPs.
8.	Directors	The Scheme will not impact the rights or obligations of the Transferee Company's directors.

6. Cost benefit analysis of the Scheme

6.1 Keeping in view the rationale, purpose and synergies of the proposed amalgamation as mentioned above, the Committee is of the view that:

(i) the Scheme would result in USFBL complying with the RBI mandated dilution norms applicable to small finance banks;

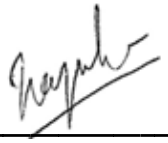
(ii) the amalgamation proposed under the Scheme would result in reduction in compliance and administrative costs, increase efficiencies, and better administration, thereby contributing to future profitability of the Transferee Company; and

(iii) the benefits resulting from the proposed amalgamation would exceed costs from the proposed amalgamation, resulting in increased productivity and efficiency, thereby resulting in enhancement of stakeholder value.

7. Recommendation of the Audit Committee

7.1 The Committee after due deliberations and in consideration of, *inter alia*, the draft Scheme, Share Exchange Ratio, Valuation Report, Fairness Opinion, Statutory Auditors Certificate, and the above referred considerations, recommends the draft Scheme for favorable consideration by the board of directors of the Transferee Company.

For Audit Committee of
Utkarsh Small Finance Bank Limited



Nagesh Dinkar Pinge
Chairman of the Audit Committee
DIN: 00062900
Date: September 20, 2024

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

CONFIDENTIAL
CO.DOR.HOL.No.S6110/16-02-007/2024-2025

January 02, 2025

Managing Director & CEO
Utkarsh Small Finance Bank Limited
Utkarsh Tower, NH-31 Sehmalpur,
Kazi Sarai, Harhua, Varanasi,
Uttar Pradesh-221105

Dear Sir,

Amalgamation of Utkarsh CoreInvest Limited (transferor company) with Utkarsh Small Finance Bank Limited (transferee company)

Please refer to your application dated September 30, 2024, and subsequent correspondence, on the captioned subject.

2. We convey our 'No-Objection' to the proposal for voluntary amalgamation of Utkarsh CoreInvest Limited (UCL) with Utkarsh Small Finance Bank Limited (USFB) subject to the following conditions:

a) No person, directly or indirectly, shall be allowed to acquire, on an aggregate basis, 5% or more of the paid-up share capital or voting rights in the transferee company, without the prior approval of RBI, as per Section 12B (3) read with Section 12B (1) of BR Act, 1949.

b) USFB shall obtain approval of National Company Law Tribunal (NCLT) as well as any other statutory/ regulatory approval as required for the scheme of amalgamation and forward a copy of the same to RBI.

c) The scheme of amalgamation should be approved by requisite majority of shareholders and creditors of UCL and USFB after following due procedure. The documents relating to shareholder meetings shall be forwarded to us in compliance with schedule to Master Direction on Amalgamation of Private Sector Banks dated April 21, 2016.

d) An audited balance sheet of USFB, as on the effective date of the scheme, shall be submitted to us within two months from the effective date after ensuring compliance with the prescribed accounting policies and standards.

e) The Trust holding fractional shares, as mentioned in Para 16.7 of the Scheme of Amalgamation, shall not exercise any voting rights, till the shares held by it are disposed off.

f) UCL shall approach RBI for cancellation of registration and surrender of the certificate of registration within fifteen days of the effective date of the Scheme of Amalgamation and other requirements, if, any, in accordance with the extant regulations/guidelines issued in this regard.

g) The NOC is issued subject to compliance with all the applicable statutory and regulatory requirements unless specific exemptions are granted by the Reserve Bank or other regulators/ authorities.

h) Any pending cause of actions, suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in the future, shall not abate or be discontinued. But the proceedings can be initiated and continued, and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.

i) The No-Objection for the proposed amalgamation shall not be treated as granting exemption from any of the regulatory requirement of RBI. Any deviation from the existing regulatory instructions would require a separate approval by Reserve Bank for which RBI will have to be approached separately.

j) RBI may impose additional conditions that it deems appropriate.

Yours Faithfully

(Rishabh Garg)
Assistant General Manager

Annexure 5

BSE
The Power of Vibrance

DCS/AMAL/NB/R37/3684/2025-26

July 04, 2025

To,
The Company Secretary,
Utkarsh Small Finance Bank Limited
Utkarsh Tower, NH - 31 (Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh, 221105

Sub: Scheme of amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited their respective shareholders.

We refer to your application for scheme of amalgamation Utkarsh CoreInvest Limited ("Transferor Company") with Utkarsh Small Finance Bank Limited ("Transferee Company") their respective shareholders under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 and rules made thereunder filed with the Exchange under Regulation 37 and Regulation 59A of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated July 03, 2025, has inter alia given the following comment(s) on the said scheme of Arrangement:

1. **"The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."**

2. **"The Entity shall discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

3. **"The Entity shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."**

4. **"The Entities shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

5. **"The entity is advised that the applicant that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

6. **"The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**

7. **"The entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."**

8. **"The entity is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."**

9. "The entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

10. "No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

11. "The entities are advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."

12. "The entities are advised that the "Scheme" shall be acted upon subject to the companies involved in the scheme of arrangement complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document."

13. Both the entities are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013 —

    i. Need and rationale of the scheme, synergies of business of the companies involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme.

    ii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.

    iii. Latest financials of UCL and USFBL not older than 6 months from the date of NOC of Stock Exchange should be updated on the Website and same also to be disclosed in the explanatory statement.

    iv. Pre and Post scheme shareholding of UCL and USFBL as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.

    v. Value of Assets and liabilities of UCL that are being transferred to Transferee Company and post-merger balance sheet of USFBL.

    vi. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.

    vii. Disclose the impact on reserves of USFBL pursuant to the scheme of arrangement along with quantitative details showing the impact of both pre & post the scheme of arrangement and statement that the same is in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details.

14. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.

15. The entities involved in the proposed scheme shall not provide any mis-statement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular'.

16. **"The listed entity(ies) involved in the proposed scheme shall include information pertaining to the unlisted entity, if any, in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process."**

17. **"The listed entity(ies) involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same."**

18. **"The entities involved in the proposed scheme shall ensure that to comply with the applicable/relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including obtaining the consent from the creditors for the proposed scheme and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
iii. To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents / information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as

the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Ashok Kumar Singh
Deputy Vice President

Nilima Burghate
Deputy Manager

Ref: NSE/LIST/ 44422 July 07, 2025

The Company Secretary
Utkarsh Small Finance Bank Limited

Kind Attn: Muthiah Ganapathy

Dear Sir/Madam,

Sub: Observation Letter for draft scheme of arrangement amongst Utkarsh CoreInvest Limited (hereinafter referred to as "UCL/Transferor Company") and Utkarsh Small Finance Bank Limited (hereinafter referred to as "USFBL/Transferee Company") and their respective shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft Scheme of arrangement filed by Utkarsh Small Finance Bank Limited.

Based on our letter reference no. NSE/LIST/44422 dated December 30, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Regulation 59A, 94(2) and 94A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Operational Circular NO SEBI/HO/DDHS/DDHS_PoD-1/P/CIR/2024/48 dated May 21, 2024, SEBI vide its letter dated July 03, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Company shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

b) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

c) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges.*

d) *The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Circular and also ensure that all the liabilities of the Transferor Company are transferred to the Transferee Company.*

This Document is Digitally Signed
Signer: SAILI MOHAN KAMBLE
Date: Mon, Jul 7, 2025 14:22:33 IST
Location: NSE
Non-Confidential

Ref: NSE/LIST/44422 July 07, 2025

e) The Company shall ensure that all the information pertaining to all the Unlisted Companies involved, if any in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.

f) The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.

g) The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.

h) The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.

i) The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.

j) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.

k) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT, and the Company is obliged to bring the observations to the notice of NCLT.

l) The Companies shall ensure that the "Scheme" shall be acted upon subject to the companies involved in the scheme of arrangement complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document.

m) The Companies shall ensure that the following disclosure as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.

i. Need and rationale of the scheme, synergies of business of the companies involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme

ii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.

This Document is Digitally Signed

Signer: SAILI MOHAN KAMBLE
Date: Mon, Jul 7, 2025 14:22:33 IST
Location: NSE

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Ref: NSE/LIST/44422 July 07, 2025

iii. *Latest financials of UCL and USFBL not older than 6 months from the date of NOC of Stock Exchange should be updated on the website and the same also to be disclosed in the explanatory statement.*

iv. *Pre and Post scheme shareholding of UCL and USFBL as on the date of notice of shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.*

v. *Value of Assets and liabilities of UCL that are being transferred to Transferee Company and post-merger balance sheet of USFBL.*

vi. *Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.*

vii. *Disclose the impact on reserves of USFBL pursuant to the scheme of arrangement along with quantitative details showing the impact of both pre & post the scheme of arrangement and statement that the same is in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details.*

n) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

o) *The Company should ensure that the entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular ref. no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022, for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper.*

p) *The Company should ensure the listed entity(ies) involved in the proposed scheme shall include information pertaining to the unlisted entity, if any, in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process.*

q) *The listed entity(ies)involved in the proposed scheme shall ensure to disclose the No-Objection letter of the Stock Exchange on its website within 24 hours of receiving the same.*

This Document is Digitally Signed

Signer: SAILI MOHAN KAMBLE
Date: Mon, Jul 7, 2025 14:22:33 IST
Location: NSE

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Ref: NSE/LIST/44422 July 07, 2025

r) *The company shall ensure that the entities involved in the proposed scheme have compiled with the applicable/relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including obtaining the consent from the creditors for the proposed scheme and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 07, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

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Signer: SAILI MOHAN KAMBLE
Date: Mon, Jul 7, 2025 14:22:33 IST
Location: NSE

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Ref: NSE/LIST/44422 July 07, 2025

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: SAILI MOHAN KAMBLE
Date: Mon, Jul 7, 2025 14:22:33 IST
Location: NSE

Non-Confidential

Utkarsh Small Finance Bank

To,
The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

November 07, 2024

Sub: **Report of complaints in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 and Para I(A)(7) of Annex – XII-A of the SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21 May 2024 (hereinafter referred to as SEBI Circulars) as amended from time to time**

Ref: **Application under Regulation 37 and Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Listing Regulations) for the proposed draft scheme of amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited (Company) and their respective shareholders (Scheme)**

Dear Sir/Madam,

This is in reference to the Scheme filed by the Company under Regulation 37 and Regulation 59A of the SEBI Listing Regulations with BSE Limited (**BSE**) on 1 October 2024 and subsequent hosting of the said Scheme, along with other relevant documents, by BSE on its website on 10 October 2024.

As per the SEBI Circulars, the Company is enclosing herewith as **Annexure I** the report of complaints received by the Company on the Scheme for the period from 10 October 2024 to 31 October 2024 in the prescribed format, for your consideration.

The report of complaints is also being uploaded on the website of the Company in accordance with the SEBI Circulars on the following link: https://www.utkarsh.bank/investors/

We request you to kindly take the above on record.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2024.11.07 18:17:41 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No. F5674

Utkarsh Small Finance Bank

Report of Complaints

Period of Report of Complaints: 10 October 2024 to 31 October 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	1
2.	Number of complaints forwarded by Stock Exchange(s) / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/Pending)
1.	Vikas Makhija	October 10, 2024	Resolved

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2024.11.07 18:18:33 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No. F5674

Utkarsh Small Finance Bank

Deputy Manager – Listing Approvals **November 19, 2024**
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E) Mumbai – 400 051

Sub: **Report of complaints in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 and Para I(A)(7) of Annex – XII-A of the SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21 May 2024 (hereinafter referred to as SEBI Circulars) as amended from time to time**

Ref: **Application under Regulation 37 and Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Listing Regulations) for the proposed draft scheme of amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited (Company) and their respective shareholders (Scheme)**

Dear Sir/Madam,

This is in reference to the Scheme filed by the Company under Regulation 37 and read with Regulation 59A of the SEBI Listing Regulations with **National Stock Exchange of India Limited** (**NSE**) on 1 October 2024 and subsequent hosting of the said Scheme, along with other relevant documents, by NSE on its website on 24th October 2024.

As per the SEBI Circulars, the Company is enclosing herewith as **Annexure I** the report of complaints received by the Company on the Scheme for the period from 24th October 2024 to 13th November 2024 in the prescribed format, for your consideration.

The report of complaints is also being uploaded on the website of the Company in accordance with the SEBI Circulars on the following link: https://www.utkarsh.bank/investors/

We request you to kindly take the above on record.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2024.11.19 12:21:07 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No. F5674

Utkarsh Small Finance Bank

Report of Complaints

Period of Report of Complaints: 24 October 2024 to 13 November 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange(s) / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/Pending)
1.	NIL	NIL	NIL

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy

Digitally signed by Muthiah Ganapathy
Date: 2024.11.19 12:20:20 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No. F5674

Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

Utkarsh CoreInvest Limited ("UCL") Litigation status as on November 30, 2025

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
1.	2538/15.20.67/2019_2020	Civil	Foreign Exchange Department, Reserve Bank of India	November 18, 2019	Utkarsh CoreInvest Limited	An application for **Compounding** under Regulation 10(1) and Regulation 16(B)(5) of FEMA 20R/2017-18 dated November 7, 2017, FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 had been filed by UCL with Foreign Exchange Department, Reserve Bank of India, Central Office on June 13, 2019. The Compounding application had been filed with RBI as per the instructions received from Department of Economic Affairs (DEA), Ministry of Finance, Government of India. Through the Compounding application, UCL had **requested regularisation of certain foreign investments** made in the erstwhile Utkarsh Micro Finance Limited (including share transfers among non-residents), subject to change in status of M/s Utkarsh Micro Finance Limited from NBFC-MFI-ND-SI to NBFC-CIC-ND-SI and UCL was engaged in correspondence with Ministry of Finance, Government of India and Foreign Exchange Department, and RBI Central office in the matter. Further, in response to UCL's application dated June 13, 2019 in the matter requesting for compounding, **FED RBI CO issued a Compounding Order** under the Foreign Exchange Management Act, 1999 on November 18, 2019 and **UCL had paid a Compounding fees of INR 43,09,797** to RBI, to which a certificate (dated December

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						12, 2019) was received from RBI.
2.	29642070127012 0	Income Tax litigation	CIT (A)	January 27, 2020	Utkarsh CoreInvest Limited	For the FY 2016-17, the Income Tax Return of UCL was filed with a refund claim of ₹11,67,97,070/- The return was selected for scrutiny and the Income Tax Order was passed on Dec 29, 2019 stating an Income Tax refund of ₹23,83,813/- only. Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020. Further, the notice of Hearing u/s 250 had been received by the Company towards which the reply to the notice has been submitted on March 08, 2025. Currently, the Company is awaiting order from CIT(A).
3.	ITA 48/VNS/2025	Income Tax litigation	Income Tax, Appellate Tribunal	April 15, 2021	Utkarsh CoreInvest Limited	For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and the Company received Income Tax Assessment Order dated Mar 18, 2021 u/s 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961 with a demand amounting to ₹1,03,89,279/-. Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021. The order of dismissal into the case has been passed by the CIT(A) on January 07, 2025. Further, the Company has filed an appeal before the Hon'ble Income-tax Appellate Tribunal (ITAT) on March 19, 2025 against the order passed by CIT(A).

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						Currently, the Company is awaiting notice of hearing from Income Tax Appellate Tribunal (ITAT).
4.	Sec 91 CRPC Pertaining to FIR No. 181/23, Dated April 19, 2023	Criminal	Civil court, Varanasi	April 19, 2023	P.C. Pathak	A notice dated April 19, 2023 was issued under Section 91 of Code of Criminal Procedure, 1973 against UCL pertaining to an FIR registered with Cantonment, Police Station, Commissionerate, Varanasi for offences under sections 419, 420 and 409 of Indian Penal Code, 1860. The investigating authority alleged that UCL availed INR 250 million loan from Micro Units Development & Refinance Agency Limited ("MUDRA") and distributed the amount amongst themselves and their associates. The investigating authority asked UCL, among others, to furnish complete details of INR 250 million received from MUDRA. UCL vide its reply dated May 23, 2023 submitted, *inter alia*, that (a) it had availed INR 250 million refinance facility from MUDRA in the Fiscal Year 2017 which is extended only to eligible financial institutions, and has disbursed the loans to eligible borrowers, i.e., 20,000 women beneficiaries under the Pradhan Mantri Mudra Yojana Scheme; (b) the refinance facilities have been closed by repaying the principal and interest in full and a 'No Dues Certificate' dated March 30, 2019 to that effect has also been issued by MUDRA; and (c) the three financial years' i.e., financial years 2016-17, 2017-18 and 2018-19 audited balance sheets along with the independent auditor's (as

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						approved by the RBI) report was provided for clarity on the funds utilization. With respect to furnishing details on loans and customers, to whom loans were disbursed, UCL had requested the investigating authority to instruct under the signature of appropriate authority for sharing details of the customers as UCL would be unable to disclose this information as mandated by various acts. Currently, the investigating team is under process of submitting the final report / expunging the case.

For Utkarsh CoreInvest Limited

Neeraj Kumar Tiwari

Neeraj Kumar Tiwari
Company Secretary
ICSI M. No. 12101

Annexure 8

Utkarsh Small Finance Bank

List of Litigations matters pertaining to Utkarsh Small Finance Bank Limited - as on November 30, 2025

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Pre - Litigation	Mrs. Rinki	District Legal Service Authority, District Court, Maharajganj	477/2023	Mrs. Rinki has filed a Mediation Proceeding against the Bank alleging the no clarity given by the Bank in respect of ROI being charged on the Loan. The Bank has received a notice regarding the proceeding and has filed the Written Statement. The Court sought evidence from the complainant regarding the rate of interest.	The case has been dismissed by the Authority. Advocate has obtained the closure order and forwarded the same to the concerned Branch but the same was misplaced by the branch and never handed over to Legal Department. However, our advocate has again applied for the certified copy of the closure order.
2	Pre - Litigation	Mrs. Menka	District Legal Service Authority, District Court, Maharajganj	479/2023	Mrs. Menka has filed a Mediation Proceeding against the Bank alleging the she had availed a loan of Rs. 75000 but she received only Rs. 72,240/-. Further, she also alleged that no clarity given by the Bank in respect of ROI being charged on the Loan. The Bank has received a notice regarding the proceeding and has filed the	The case has been dismissed by the Authority. Advocate has obtained the closure order and forwarded the same to the concerned Branch but the same was misplaced by the branch and never handed over to Legal Department. However, our advocate has again applied for the certified copy of the closure order.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					Written Statement. The Court sought evidence from the complainant regarding the rate of interest.	
3	Pre - Litigation	Mrs. Meera	District Legal Service Authority, District Court, Maharajganj	478/2023	Mrs. Meera has filed a Mediation Proceeding against the Bank alleging that she has availed a loan of Rs. 45,000/- and no clarity given by the Bank in respect of ROI being charged on the Loan. The Bank has received a notice regarding the proceeding and has filed the Written Statement. The Court sought evidence from the complainant regarding the rate of interest.	The case has been dismissed by the Authority. Advocate has obtained the closure order and forwarded the same to the concerned Branch but the same was misplaced by the branch and never handed over to Legal Department. However, our advocate has again applied for the certified copy of the closure order.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
4	Pre - Litigation	Mrs. Ranju	District Legal Service Authority, District Court, Maharajganj	512/2023	Mrs. Ranju has filed a Mediation Proceeding against the Bank alleging that the loan document does not containt the loan and EMIs amount and the Bank is following up for repayment. The Bank has received a notice regarding the proceeding and has filed the Written Statement. The Court sought evidence from the complainant regarding the rate of interest.	The case has been dismissed by the Authority. Advocate has obtained the closure order and forwarded the same to the concerned Branch but the same was misplaced by the branch and never handed over to Legal Department. However, our advocate has again applied for the certified copy of the closure order.
5	Pre - Litigation	Mrs. Rita	District Legal Service Authority, District Court, Maharajganj	513/2023	Mrs. Rita has filed a Mediation Proceeding against the Bank alleging that she has availed a lona of Rs. 50,000/- and no clarity given by the Bank in respect of ROI being charged on the Loan. The Bank has received a notice regarding the proceeding and has filed the Written Statement. The Court sought evidence from the	The case has been dismissed by the Authority. Advocate has obtained the closure order and forwarded the same to the concerned Branch but the same was misplaced by the branch and never handed over to Legal Department. However, our advocate has again applied for the certified copy of the closure order.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					complainant regarding the rate of interest.	
6	Permanant Lok Adalat	Mrs. Prittimayi Biswal	Permanant Lok Adalat - Khurda Bhubaneshwar	PLA/89/2024	Mrs. Prittimayi Biswal has filed suit / application against the Bank alleging that the Bank is not following due process for recovery and harrasing the customer. Further, she is praying before the PLA to provide her some time to pay her debts.	Bank has filed written statement on 06/06/2025. Now the matter is fixed for taking additional statement of the Plaintiff which the plaintiff is not pressing.
7	Permanant Lok Adalat	Mrs. Sonodi Devi	Permanant Lok Adalat - Chtro Branch Girdih	PLA/272/2024	Sonodi Devi has filed suit / application against the Bank for waving the complete loan amount. The Bank has received a notice regarding the proceeding.	Bank has filed its reply. Next date of hearing is yet to be notified.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
8	Permanant Lok Adalat	Jitendra Kumar Gupta	Permanant Lok Adalat - Jaunpur	PLA/25/2024	Mr. Jitendra Kumar Gupta has moved an application before the PLA Jaunpur against the Bank. The applicant, Jitendra Kumar Gupta, disputes recovery actions initiated by Utkarsh Small Finance Bank under the SARFAESI Act after his loan account was classified as NPA. He challenges the demand notice and enforcement measures against his mortgaged property, claiming the bank's actions are improper. The case seeks to restrain recovery and protect the secured asset. The bank asserts the allegations are baseless and intended to evade legitimate debt obligations.	Next date of hearing is yet to be provided.
9	Permanant Lok Adalat	Gunjan Enterprises	Permanent Lok Adalat (Public Utility Services), Jaipur Metropolitan – I	PLA/358/2025	The complainant alleges that Utkarsh Small Finance Bank misled him by promising a ₹10 lakh business loan at 8.5% interest but disbursed only	The bank shall file its written statement on the next date of hearing

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					₹9,57,678 after deducting charges. Despite prior collection of ₹1,10,000 for processing, the bank charged 20% interest instead of the agreed 8.5%, resulting in inflated EMIs of ₹26,494 instead of ₹20,500. The complainant claims financial loss of ₹84,280, mental harassment, and unfair recovery practices. He seeks refund of excess amount, correction of interest rate, and compensation of ₹10 lakh for damages.	
10	Permanant Lok Adalat	BSNL	Permanent Lok Adalat (Public Utility Services), Chandigarh	4782/2025	We received summons only. Further Summons issued by the Permanent Lok Adalat for Public Utility Services, Chandigarh in Case No. 4782/2025, under Section 22(C)(3) of the Legal Services Authorities Act, 1987. It involves a dispute between BSNL and Utkarsh Small	The summons directs the bank to appear before the Lok Adalat on either personally or through an authorized representative, and to submit a written statement.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					Finance Bank, concerning a claim amount of ₹685.	
11	Permanant Lok Adalat	BSNL	Permanent Lok Adalat (Public Utility Services), Chandigarh	4781/2025	We received summons only. Further Summons issued by the Permanent Lok Adalat for Public Utility Services, Chandigarh in Case No. 4782/2025, under Section 22(C)(3) of the Legal Services Authorities Act, 1987. It involves a dispute between BSNL and Utkarsh Small Finance Bank, concerning a claim amount of ₹685.	The summons directs the bank to appear before the Lok Adalat either personally or through an authorized representative, and to submit a written statement.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
1	Consumer Case	Mrs. Neha Kumari	District Forum, Giridih	Complaint case No. 88/2022	Mrs. Neha Kumari filed a consumer complaint against Utkarsh Small Finance Bank Ltd. and its officials, alleging deficiency in service and unfair trade practices. She claims that although she repaid a ₹20,000 loan on time, the bank wrongly charged moratorium interest during the COVID-19 period and failed to record an EMI payment, which negatively impacted her CIBIL credit score. This error has prevented her from obtaining further loans, causing financial loss and business disruption. Despite repeated requests, the bank did not rectify the issue. She seeks ₹3,25,000 in compensation for mental agony, service deficiency, and legal expenses, along with correction of her credit report.	Bank has filed its Written statement. We have submitted evidence on previous date. Next date is fixed for complainant evidence.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
2	Consumer Case	Mr. Laxmikant	District Consumer Disputes Redressal Commission, Maharajganj	CC/22/271	The claimant has filed the perition against dishonor of a claim under the Group insurance policy issued by Bajaj Allianz Life Ins. Co. in favor of the Bank.	The case is at Plaintiff Evidence Stage and the plaintiff is not pressing the case.
3	Consumer Case	Mr. Varun Mundhra	District Consumer Dispute Redressal Commission, Howrah	CC/28/2023	Mr. Varun Mundhra has filed a consumer case against PNB and made USFBL a proper party for a wrong transfer of amount through RTGS.	No prayer has been made against the Bank before District Forum, hence, no order will be passed against the Bank.
4	Consumer Case	Mr. Jayant Mahajan	District Consumer Disputes Redressal Commission - III, Janakpuri, New Delhi	CC/23/460	Jayant Mahajan filed a consumer complaint against Utkarsh Small Finance Bank Ltd., alleging deficiency in service and negligence. Further, it is allgeged that having a sufficient balance of ₹16.63 lakhs in his premium savings account, a cheque of ₹5 lakhs issued by him for investment in SBI Mutual Fund was wrongly dishonored due to "insufficient funds." This error led to the reversal of his investment,	An appeal has been filed before the Hon'ble State Consumer Commission and the same is pending. Further, the original matter shall be heared before the District Consumer Commission post adjudication of the appeal by the State Consumer Commission. Therefore, the State Consumer Commission is giving only general dates without want of any proceedings.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					financial loss, and damage to his reputation.	
5	Appeal	The Bank	State Consumer Dispute Redressal Commission, Delhi	A/322/2024	Customer has filed the original consumer complaint as his cheque was dishonored. In the original consumer complaint, Hon'ble DCDRC has refused to allow the Bank in submission of Written Statement. Further, the Bank preferred an appeal before the State Commission.	The Bank has preferred an appeal. Affidavit has been submitted by the Bank and notice has been given to the respondent. On 10/07/2025, respondent did not file its reply / objection and last opportuinity was granted to him by the Hon'ble Commission. Previous date was 15/10/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
6	Consumer Case	Mrs. Sunaina Devi	District Consumer Forum, Pashchim Champaran, Bihar	CC/09/2024	Sunaina Devi filed a consumer complaint against Utkarsh Small Finance Bank, alleging that despite repaying her ₹60,000 loan in full through 52 installments totaling ₹73,950, the bank falsely claimed an additional ₹29,450 as dues and refused to issue a loan clearance certificate. She asserts that the bank harassed her with threats of legal action and jail, causing mental, financial, and physical distress. She seeks cancellation of the false demand, issuance of the loan clearance certificate, ₹1,00,000 in compensation, and ₹20,000 in legal expenses.	Written statement of the Bank has been filed by our advocate. Case is at stage of written argument of the opposite party. On 27/08/2025 Bank ensured appearance and submitted our written argument positively. The case is now being reserved for Order.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
7	Consumer Case	Shri Yogendra Yadav	District Consumer Commission, Deoria	CC/72/2022	Yogendra Yadav and Sanoj Devi filed a consumer complaint against Utkarsh Small Finance Bank, alleging that despite fully repaying a ₹75,000 loan through monthly installments, the bank's agents falsely claimed additional dues and harassed them for recovery. They accuse the bank of creating fake accounts using forged documents and subjecting them to mental, physical, and social distress.	The consumer commission (Bench) is not complete, therefore, general date has been given.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
8	Consumer Case	Mr. Mohsin Ali	District Consumer Forum I Bareilly	CC/154/2024	Mohsin Khan filed a consumer complaint against Utkarsh Small Finance Bank and Bharti AXA Life Insurance, alleging that he was misled into investing ₹50,000 in a policy falsely presented as a fixed deposit with annual returns and easy withdrawal. Instead, the amount was invested in a long-term insurance plan requiring yearly payments for eight years. Despite requesting a refund upon discovering the true terms, the bank refused, causing financial and mental distress. He seeks a refund with interest, ₹1 lakh compensation, and ₹25,000 in legal expenses for deficiency in service and deceptive practices.	Bank has filed its vakalatnama and written statement.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
9	Consumer Case	Mr. Pardeep Kumar	District Consumer Forum Panchkula	CC/137/2024	Mr. Pardeep Kumar filed a consumer complaint before the District Consumer Disputes Redressal Commission, Panchkula, against Utkarsh Small Finance Bank and its employees, alleging that despite no loan disbursement, the bank began deducting EMIs from his account and misled him into signing documents under false assurances. He claims financial loss, mental distress, and damage to his credit score due to unauthorized deductions and misrepresentation. The complaint seeks closure of the loan account without charges, refund of ₹14,000 and ₹13,340 with interest, return of security cheques, ₹3 lakhs compensation, ₹35,000 litigation costs, and correction of his CIBIL record.	Written statement has been filed. Next date of hearing is fixed for filing evidence by the opposite parties.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
10	Consumer Case	Mr. Rajwant Sharma	District Consumer Forum Varanasi, Uttar Pradesh	CC/272/2024	Rajwant Sharma filed a complaint against Utkarsh Small Finance Bank Ltd. after ₹99,999 was fraudulently debited from his savings account on 10 August 2024 without his knowledge or authorization. Despite promptly reporting the incident to the bank, cybercrime cell, and local police, and receiving a temporary credit (shadow amount), the bank later reversed the credit and denied liability, citing that the transaction was authenticated using the correct UPI PIN. Sharma maintains he did not share any credentials or perform the transaction, and alleges negligence and unfair practices by the bank. He seeks compensation of ₹1,99,999 for financial loss and mental distress.	Bank has filed written statement now the case is at the stage of written argument to be filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
11	Consumer Case	Mr. Krishna Kumar Agrawal	District Consumer Disputes Redressal Commission, Jaipur	CC/118/2025	The complaint pertains to the dishonour of Cheque No. 014406 dated 22.06.2024 for ₹2,00,000 issued in favor of R.K. Painters, despite the account having a balance exceeding ₹59 lakhs. The complainant alleges that: No prior intimation or explanation was provided for the dishonour. The incident caused reputational damage and mental distress. Multiple communications with the branch and customer care yielded no satisfactory resolution. The bank later cited the Positive Pay System, which the complainant claims was never communicated during account opening or prior transactions.	Bank has filed its written statement on 29/08/2025. Futher, Next date is fixed for taking our WS on record by the commission and supply of a copy of our WS to the complainant.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
12	Consumer Case	Sangeeta Devi	District Consumer Forum Varanasi, Uttar Pradesh	112/2025	She had taken a loan of ₹75,000 from the bank on 4th January 2023, with an agreement to repay it in 52 installments of ₹1,830 each. She paid 38 installments totaling ₹41,540 and later approached the bank for a one-time settlement. The branch manager and field officer informed her that a payment of ₹43,964 would clear the loan entirely. She paid this amount, but later discovered discrepancies in the receipt date and total amount paid. The receipt issued was dated 5th January 2023, which was misleading since the actual payment was made on 5th January 2024. Furthermore, despite the one-time payment, the bank continued to collect installments, and the total amount paid by Seema Devi reached ₹1,07,120—significantly more than the original loan plus interest. She alleges fraud and misrepresentation by bank	Bank has filled its vakalatnama and written statement.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					officials and seeks a refund of the excess amount, a “No Dues Certificate,” and compensation of ₹50,000 for mental, physical, and financial distress.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
13	Consumer Case	Ms. Chandra Kanta Jaggi	District Consumer Disputes Redressal Commission, Yamuna Nagar at Jagadhri.	Consumer Case No. 369/2025	The complainant, Mrs. Chander Kanta Jaggi, an 81-year-old senior citizen, filed a complaint against Utkarsh Small Finance Bank Ltd. regarding a fixed deposit of ₹1.30 crore (FDR No. 13910300000169776) created on 29.01.2025 with a maturity amount of ₹1.56 crore. Initially, her son Navneet Kumar Jaggi was listed as the nominee, but due to personal concerns and safety issues, she requested the bank to change the nominee to her daughter and transfer the maturity proceeds to her personal savings account. The bank refused, citing that the FDR was created online and linked to a joint account, requiring mutual consent for changes. The complainant alleged this refusal was illegal, deficient in service, and caused her mental harassment, prompting her to seek relief through the Consumer Commission.	Bank has filed vakalatnama and written statement. Copy of the same has been provided by the commission to the complainant.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
14	Consumer Case	Rajnesh Kumar	District Consumer Disputes Redressal Commission, Yamuna Nagar	Consumer Complaint No.: 306/2025	Rajnesh Kumar, a resident of Ambala, filed a consumer complaint against Utkarsh Small Finance Bank and ICICI Bank for deficiency in service. He had received ₹600 through an online game called "Daman Game," credited via ICICI Bank on 26.01.2025. ICICI later flagged the transaction as fraudulent and requested Utkarsh Bank to reverse the funds. Without prior notice, Utkarsh Bank froze Rajnesh's account, causing him financial hardship. Despite multiple written requests and a legal notice offering to return the ₹600, the bank failed to unblock the account. Rajnesh alleges negligence, mental harassment, and unfair trade practices, seeking compensation of ₹2,00,000 and litigation costs of ₹30,000.	Bank has filed vakalatnama and written statement. Copy of the same has been provided by the commission to the complainant.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
15	Consumer Case	Suresh Kumar	District Consumer Dispute Resolution Commission, Jaipur	467/2025	The summons concerns a consumer complaint filed by Suresh Kumar before the Jaipur District Consumer Commission under Section 35 of the Consumer Protection Act, 2019, against Utkarsh Small Finance Bank for freezing his savings account (₹2,710 disputed transaction) without limiting the freeze to the disputed amount. He seeks unfreezing of the account.	Vakaltnama filled by the Bank, compliance representation to be done on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
1	Consumer Case	Mr. Rahul Gupta	District Consumer Forum, Kushinagar, Uttar Pradesh	CC/81/2023	Rahul Gupta filed a consumer complaint against Utkarsh Small Finance Bank Ltd., alleging that despite his willingness to repay overdue installments totaling ₹3.6 lakhs on two loans, the bank refused to accept the payment and instead demanded the full outstanding amount of ₹24.06 lakhs. He claims this demand is unjust, especially since he had been regularly paying installments until May 2022, when family medical emergencies disrupted his finances. He alleged that the bank threatend to auction his mortgaged home, where he lives with his family, has caused him severe mental, financial, and emotional distress. He seeks relief to cancel the inflated dues, accept his repayment, and prevent any coercive action against his property.	Bank has filed its vakalatnama and written statement and the matter is at evidence stage.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
2	Consumer Case	Mr. Harpreet Singh Bhatia	District Consumer Forum, Lucknow - II, Uttar Pradesh	CC/229/2022	Harpreet Singh Bhatia filed a consumer complaint against Utkarsh Small Finance Bank, alleging that despite agreeing to a loan of ₹3,00,000 at 9.71% annual interest, the bank charged an inflated 21% interest and failed to provide proper account statements. He claims the bank withheld his post-dated cheques, refused to settle the loan despite multiple visits, and caused financial and mental distress through misleading practices and pressure tactics. He seeks correction of the loan account, return of cheques, issuance of a no-dues certificate, and compensation for harassment and legal costs.	For filing of replication by the plaintiff against the written statement filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
3	Consumer Case	Mr. Mata Prasad	District Consumer Dispute Redressal Commission, Sonbhadra	CC/27/2024	Mr. Mata Prasad filed a consumer complaint against Utkarsh Small Finance Bank, alleging that despite his willingness to pay overdue installments on a financed truck worth ₹59.4 lakhs, the bank repossessed and sold the vehicle for only ₹35 lakhs without proper notice or consent. He claims this caused him severe financial, physical, and mental distress. The bank later demanded ₹16.8 lakhs as remaining dues, which he disputes. He seeks cancellation of the false dues, return of the vehicle or compensation of ₹5 lakhs, and a no-dues certificate, citing deficiency in service and unlawful conduct by the bank.	Bank has filed written statement before the commission and the matter is listed for arguments.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
4	Consumer Case	Mr. Mata Prasad	District Consumer Dispute Redressal Commission, Sonbhadra	CC/28/2024	Mr. Mata Prasad filed a consumer complaint against Utkarsh Small Finance Bank, alleging that after his financed truck worth ₹54 lakhs was damaged and undergoing maintenance, the bank repossessed and sold it for only ₹29.51 lakhs without proper notice. Despite his readiness to pay overdue installments, the bank ignored his pleas and later falsely claimed ₹7.22 lakhs as dues. He seeks cancellation of the fake dues, a no-dues certificate, ₹5 lakhs in compensation for mental, physical, and financial distress, and legal costs, citing serious deficiency in service.	Bank has filed written statement before the commission and the matter is listed for arguments.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
5	Consumer Case	Md. Salman	Hon'ble District Consumer Dispute Redressal Commission, Pratapgarh	CC/10/2024	Mohd Salman filed a consumer complaint against Utkarsh Small Finance Bank, alleging that after financing a 16-wheeler truck for ₹45 lakhs, the bank unlawfully seized the vehicle on September 23, 2023, despite him having paid installments and being willing to continue payments. He claims the seizure caused him financial losses of ₹6 lakhs and mental distress, and that the bank demanded payment for four additional installments without justification. He seeks the return of the vehicle, time to pay remaining dues without extra interest, ₹2 lakhs compensation for harassment, and legal costs.	Bank has filed its written statement and the matter is fixed for arguments on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
6	Consumer Case	Mr. Anurag Yadav	District Consumer Dispute Redressal Commission, Jhansi	CC/155/2024	Anurag Yadav was served multiple legal notices by Utkarsh Small Finance Bank for defaulting on a loan of ₹51.46 lakhs taken to purchase a Tata Hitachi Excavator. Despite repeated reminders, he failed to repay the loan, leading to repossession and sale of the vehicle, which resulted in a shortfall of ₹12.93 lakhs. The bank initiated legal proceedings, including a Section 138 notice under the Negotiable Instruments Act for a dishonored cheque of ₹15.41 lakhs. Anurag is now facing demands for repayment, compensation, and litigation costs totaling over ₹20 lakhs, with threats of arbitration and criminal action for non-compliance.	Bank has submitted its written statement and the matter is at the stage of evidence to be submitted by the respondent.
7	Consumer Case	Mr. Manoj Kumar Dubey	District Consumer Dispute Redressal Commission, Bhadohi	CC/67/2024	Mr. Manoj Kumar Dubey has filed a consumer complaint regarding a loan taken for a commercial vehicle.	Written statement has been filed. The case is at the stage of argument.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
8	Consumer Case	Mr. Vijay	District Consumer Forum Bareilly II	CC/186/2024	Mr. Vijay has filed a consumer complaint against Utkarsh Small Finance Bank. Vijay alleges that despite paying over ₹17 lakhs in EMIs for a financed truck, he missed two payments due to his daughter's medical emergency. He claims the bank seized and sold his truck without proper notice, causing him financial and emotional distress. Vijay seeks the return of his vehicle upon payment of the pending EMIs, compensation for daily income loss, mental and financial damages, and legal expenses.	The case has been scheduled for the opposite party to present their evidence.
9	Consumer Case	Mr. Pawan	District Consumer Dispute Redressal Commission, Sonbhadra	CC/24/2024	The petition filed by Pavan Kumar alleges that after obtaining a loan from Utkarsh Small Finance Bank to purchase a truck, he faced unlawful actions by the bank. Despite regular repayments, the bank's agents forcibly seized his vehicle without proper notice and later sold it, citing outstanding dues. Pavan Kumar claims this was done in violation of legal procedures and seeks the return of his vehicle along with a halt to any further recovery actions based on the disputed amount. He also requests compensation for	Written Statement has been filed. The case is fixed for arguments.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					legal expenses and any other relief deemed appropriate by the court.	
10	Consumer Case	Mr. Pawan	District Consumer Dispute Redressal Commission, Sonbhadra	CC/25/2024	The petition filed by Pavan Kumar alleges that after obtaining a loan from Utkarsh Small Finance Bank to purchase a truck, he faced unlawful actions by the bank. Despite regular repayments, the bank's agents forcibly seized his vehicle without proper notice and later sold it, citing outstanding dues. Pavan Kumar claims this was done in violation of legal procedures and seeks the return of his vehicle along with a halt to any further recovery actions based on the disputed amount. He also requests compensation for	Written Statement has been filed. The case is fixed for arguments.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					legal expenses and any other relief deemed appropriate by the court.	
11	Consumer Case	Mr. Kamal Garg	District Consumer Disputes Redressal Commission, Lucknow	CC/175/2023	The complaint filed by Mrs. Kamal Garg alleges that after her son Neeraj Garg, who had taken a loan against property with mandatory life insurance from ICICI Prudential through Utkarsh Small Finance Bank, died due to COVID-19, the insurance claim was unjustly denied. The insurer cited non-disclosure of a past kidney transplant, which the complainant claims was never disclosed or known to them, as all paperwork was handled by bank agents. Despite the policy being active and premiums paid, the bank initiated possession proceedings on	Bank has filed its written statement. The case is at the stage of submission of evidence.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					the mortgaged property. Mrs. Garg seeks the insured amount, compensation for mental agony, and legal expenses, citing unfair trade practices and deficiency in service.	
12	Consumer Case	Baldev Gupta	District Consumer Forum Kushinagar Uttar Pradesh	CC/290/2024	Baldev Gupta filed a complaint. He has availed a loan of ₹20,00,000 in the name of M/s Gupta Traders from Utkarsh Small Finance Bank with a 120-month tenure and ₹30,000 monthly EMI. The dispute appears to center around issues related to loan processing, insurance charges, and possibly non-disclosure of pre-existing medical conditions, which could affect insurance claims. The case is under legal review, with multiple hearing dates noted, and the	Bank has filed vakalatnama and written statement. Further, the next date is fixed for taking WS on record and recalling the Ex-parte Order.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					complainant seeks resolution regarding financial and procedural grievances.	
13	Consumer Case	Ashok Das	District Consumer Forum Mirzapur, Uttar Pradesh	CC/7/2024	Customer has availed a vehicle loan from the Bank for purchase of a TOTO and filed complaint basis violation of terms of the agreement.	Bank has filed vakalatnama and file its written statement on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
14	Consumer Case	Devansh Building Materia	Distric Consumer DisputeRedressal Commission, Gonda	CC/35/2025	The complaint filed by Malti Verma, proprietor of Devansh Building Material in Gonda, alleges that Utkarsh Small Finance Bank unlawfully seized her financed truck (UP43BT1682) despite her willingness to pay pending EMIs. She claims the bank refused to accept payments and release the vehicle, causing daily financial losses of ₹12,055 and mental distress. She seeks the truck's release upon payment of ₹3,29,274, compensation of ₹5,00,000 for harassment, and recovery of losses incurred due to the bank's unfair practices and negligence.	Bank has filed written statement and the matter is fixed for order as per hearing dated 31/10/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
15	Consumer Case	NAIB JAHAN W/o. Late, Mohammad Islam	District Consumer Dispute Redressal Commission, Jaunpur	CC/94/2025	The complainant, Nayab Jahan, widow of Mohd Islam, has filed a consumer complaint, against multiple parties including ICICI Prudential Life Insurance Co. Ltd. and Utkarsh Small Finance Bank. The complaint arises from a loan of ₹20 lakhs taken by Mohd Islam for his furniture business, for which he mortgaged their only residential house. After his death on 03.12.2024, the insurance claim was allegedly rejected without proper documentation, and the bank continued to deduct loan installments from his savings account even posthumously. The complainant alleges a stay on the auction of the mortgaged house until the insurance claim is settled.	Bank shall file written statement on the next date of hearing. The matter is listed for Evidence.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
16	Consumer Case	Kishore Yadav	District Consumer Dispute Redressal Commission, Kushinagar	CC/162/2025	The Complainant has alleged as under: "The bank claimed that ₹23,27,853 was still due and threatened to repossess the truck. Kishore disputed the amount, stating that overdues and extra charges were unjustified. He requested a recalculation of the EMI based on his financial hardship and technical issues with the truck. On 7 November 2024, the bank allegedly coerced his son into signing a settlement agreement and took a post-dated cheque of ₹27,50,000 under duress. The bank demanded ₹20,00,000 for settlement, threatening legal action and repossession if not paid by 5 June 2025."	Bank has filed vakalatnama and written statement. Customer / Borrower has filed replication to the objection filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
17	Consumer Case	Taufique Ahmed	District Consumer Disputes Redressal Commission, Sundargarh-II, Rourkela	Consumer Complaint No.: 112/2025	Taufique Ahmed, a resident of Sundargarh, Odisha, filed a consumer complaint (No. 112 of 2025) before the District Consumer Disputes Redressal Commission, Sundargarh-II, Rourkela, against Utkarsh Small Finance Bank Ltd. He alleged that despite making regular payments towards a vehicle loan, the bank's personnel were threatening to seize his vehicle (Regd. No. OD-14AC-4390). The Commission admitted the complaint on 2nd September 2025. Alongside the complaint, the complainant filed an interim application under Section 38(8) of the Consumer Protection Act, seeking protection from vehicle seizure. Considering the urgency and the complainant's ongoing EMI payments, the Commission granted interim relief, restraining the bank and its agents from seizing the vehicle until the written version is filed. The complainant is required to continue paying EMIs regularly, and the order was dispatched to all parties for compliance	The bank is to submit its written version, account statement, agreement copy, and any objections before the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
18	Consumer Case	Mustaque Ansari	District Consumer Disputes Redressal Commission, Sundargarh-II, Rourkela	132/2025	The complaint relates to a finance dispute where the complainant alleges that the bank threatened to seize his vehicle (Regd. No. OD-14AB-2906) despite ongoing repayment. The Commission admitted the complaint and issued notices to the opposite parties. In Interim Application No. 83/2025 under Section 38(8) of the Consumer Protection Act, the Commission granted interim relief, directing the bank and its agents not to seize the vehicle until further orders, provided the complainant continues paying regular EMIs	Written Statement and Objection to be filled on next date of hearing.
19	Consumer Case	Subhash Chand	District Consumer Disputes Redressal Commission, Rewari,	C.C. No. 818 of 2025	The complaint alleges misrepresentation of interest rate (assured 8–9%, later increased to 13%), illegal and forceful repossession of the financed truck on 10.12.2024 without notice or due process, misconduct by recovery agents, and financial loss of goods worth approximately ₹60,000. It also cites violations of SARFAESI Act provisions and RBI guidelines, along with loss of livelihood. The complainant seeks return of the truck, compensation for goods, litigation expenses,	Vakalatnama shall be filed on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter
					and damages for harassment and mental agony.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Civil Suit - 1218/2020	Mrs. Manisha Saraswati Mittal	Civil Judge, Junior Division, Rohtak	CS/1218/2020	Mrs. Manisha Saraswati Mittal has filled a suit before junior Civil Judge, Rohtak for stay of operation of account in the name of Mr. Dhrampal Mittal and Mrs. Nutun Mittal (both deceased) and Paramount Public School Education Society, Sanjuli. The Bank has been arrayed as party since account of aforesaid deceased person and education society in our Bank.	Arguments on application under Order 7 Rule 11 CPC not advanced. Adjournment requested. Heard and allowed. Now, case is adjourned for consideration on the above said application and the application under Order 6 Rule 17 CPC in the next date of hearing. Previous date was 04/11/2025.
2	Misc. Civil 317/19	Deepak Surendra Agrawal	District & Session Judge, Firozabad	Misc. Civil 317/19	The plaintiff has filed a petition for declaring himself as insolvent.	The matter is at the Hearing stage. Previous date of hearing was 03/112025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
3	TS/105/2024	Chandrani Ghosh	City Civil Court, Calcutta, West Bengal	TS/105/2024	A title suit has been filed seeking an injunction against the Bank to restrain withdrawals by the nominee from the deceased account holder.	Bank has submitted its written statement. Currently, the main respondent has moved a writ petition before the High Court at Calcutta and the said court has required the files from the lower court entertaining the case. District Court is awaiting order from upper court.
4	CS/255/2024	Sharda Devi	Civil Judge Junior Division Maharajganj	CS/255/2024	Sharda Devi filed a civil suit against Utkarsh Small Finance Bank, alleging harassment and threats by bank agents over loan recovery. Despite regularly paying installments, she faced excessive interest charges and intimidation, including threats to seize and auction her property. She seeks court intervention to stop unlawful recovery practices, ensure repayment of only the principal amount through the court, and protect her dignity and rights.	Court was vaccant on last date of hearing. Next date of hearing is fixed for submission of written statement.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
5	CS/288/2024	Mamta Agrawal	Civil Judge Senior Division, Shahjahanpur	CS/288/2024	Mamta Agrawal has filed a civil suit for deceased claim settlement of the account / FD holder Mr. Parag Agrawal.	Vakalatnama has been filed. Next date of hearing is fixed for hearing/interim hearing applications.
6	SUCC/23/2024	Gagan Singla	District Court Panchkula, Haryana	SUCC/23/2024	The plaint filed by Gagan Singla and Girish Singla seeks a succession certificate under Section 372 of the Indian Succession Act, 1925, following the deaths of their parents, Hari Ram Singla and Sneh Lata Singla. They claim entitlement to funds held in joint and individual bank accounts and a D-Mat account with Axis Bank and Utkarsh Small Finance Bank, and request the court to grant the certificate to access these assets.	Vakalatnama has been filed by the Bank. Next date of hearing is fixed for filling of written reply.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
7	CS/184/2024	Gurinder Pal Singh	Judicial Complex Jalalabad (Fazilka)	CS/184/2024	Gurinder Pal Singh filed a suit seeking mandatory and permanent injunctions to recover ₹1,74,551 fraudulently withdrawn from his bank accounts after falling victim to a scam involving fake calls impersonating HDFC Bank. The stolen funds were traced to multiple accounts across banks including State Bank of India, Utkarsh Small Finance Bank, and Indusind Bank, held by various individuals. He requests the court to direct the banks to restore the amounts to his accounts and prevent further withdrawals by the accused parties.	Vakalathnama and Written statement has been filed by the Bank. Complaiance has been made in this case. Nothing is pending with respect to the compliance. Our advocate appeared on previous date i.e., 29/10/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
8	CS SCJ - CIVIL SUIT FOR CIVIL JUDGE/1016/2024	Ms. Geeta Gandhi	Saket Court Complex South East Delhi	CS/1016/2024	A civil suit has been filed for granting an injunction against the Bank. The plaint filed by Smt. Geeta Gandhi and Rajat Gandhi seeks a declaration and mandatory injunction against Akshita Sekhri and several banks and financial institutions. The plaintiffs allege that Akshita fraudulently got herself registered as nominee in multiple bank accounts and insurance policies of the deceased Kartik Gandhi, despite having no legal relationship with him. They claim Kartik was coerced under threats and falsely implicated in criminal cases, leading to his wrongful imprisonment. During his treatment, Kartik revealed the coercion and requested his mother to protect him. After his death, the plaintiffs discovered numerous accounts and policies in his name and now seek the court's intervention to nullify the fraudulent nominations, prevent unauthorized fund transfers, and	Vakalatnama has been filed by the Bank. Further, compliance has been made by the Bank. Nothing is pending with respect to compliance.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					compel full disclosure of Kartik's financial holdings.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
9	SUCC/149/2024	Mr. Vijay	Senior Civil Judge, Rohini Courts, North, New Delhi	SUCC/149/2024	A succession suit has been filed for deceased claim settlement. Vijay Kumar filed a succession petition in the Rohini Court, Delhi, seeking a succession certificate under Section 372 of the Indian Succession Act, 1925, following the death of his daughter, Varsha Rani, on 28.02.2024. He claims entitlement to her bank account and term deposit held with Utkarsh Small Finance Bank, as her father and Class-I legal heir. His wife, Raj Bala, has submitted a no-objection affidavit supporting the petition. The petition includes Varsha's death certificate, bank details, and supporting documents, and asserts there is no will or legal dispute regarding the assets. Vijay Kumar requests the court to grant the certificate to access the funds.	Bank has filed vakalatnama and written statement in this captioned case. Further, the case is at the statge of plaintif evidence.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
10	CS/1611/2025	Rajeev Gupta	Civil Court, Ambala Civil Judge Jr. Division	CS/1611/2025	Information regarding Decesed father's (Ram Murti Gupta) Account. - Rajeev Gupta filed a civil suit seeking mandatory and permanent injunctions against Utkarsh Small Finance Bank and his family members, following the death of his father, Ram Murti Gupta. He alleges that his siblings and mother, in connivance, took possession of all financial and property documents and are attempting to encash deposits and dispose of assets without his consent. As a Class-I legal heir, he claims entitlement to an equal share and demands disclosure of all bank accounts, fixed deposits, and other assets of the deceased, while also seeking to restrain any unauthorized disbursement or alienation of property.	Bank has filed written statement and next date is fixed for Plantiff Evidence.
11	Civil Suit	Rita Garg	Civil Judge Senior Division Agra	CS/693/2025	Court has issued a summons to appear before the court. Summons was without plaint.	Branch through advocate appeared on the last date of hearing and filed vakalatnama. The plaintiff has submitted the copy of

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
						plaint and the bank has submitted written statement before the Court.
12	R.C.S./139/2025.	M/s. Ashoka Sports Fit	C.J.J.D & J.M.F.C., Belapur, Thane	R.C.S./139/2025.	As per the copy of plaint, the plaintiff alleged that Mr. Santosh misled her into signing account closure documents under the guise of charge reversal forms. After the manager's transfer, the plaintiff discovered the account was closed and no refund was possible. The bank responded that all charges were as per standard terms, but failed to provide full account statements or resolve the grievance. A legal notice sent by the plaintiff went unanswered, prompting the suit for recovery of ₹1,00,000, including damages, legal costs, and interest. The plaintiff seeks adjudication under Section 73 of the Indian Contract Act, citing breach of trust, misrepresentation, and failure to deliver promised services.	Bank has filed vakalatnama on the previous date of hearing. Bank shall file its written statement. On 03/11/2025 our advocate appeared.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
13	Civil Suit	Nisha Girdhar	District Judge, South-West, Dwarka Court Complex, New Delhi	CS (DJ/ADJ) No. 323 of 2025	Nisha Girdhar has filed a civil suit in the District Court of South-West Delhi against her brother Vikas Girdhar, her mother Kailash Girdhar, and several financial institutions including HDFC Bank, Utkarsh Small Finance Bank, and IDBI Bank. The suit seeks a declaration of her one-third share in the estate of her late father, Jagdish Kr. Girdhar, who passed away intestate in March 2024. Nisha alleges that her brother, by unduly influencing their uneducated mother, misappropriated approximately ₹49.65 lakhs from her father's fixed deposits and joint accounts during his bedridden state. She also claims entitlement to a share in a ₹12.5 lakh refund from a cancelled property booking. Despite attempts at amicable resolution and a legal notice, the defendants refused to cooperate, prompting Nisha to seek partition, possession, recovery, and injunction through the court.	The Bank has filed vakalatnama and Written statement has been allowed and filed.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
14	Succession Suit	Mahendra Kumar Debnath (Son-in-law of the deceased Vijay M. Chandnani)	District & Sessions Court, Indore	MJC SUC/134/2025	Mahendra Kumar Debnath has filed a legal application in the District and Sessions Court, Indore seeking a succession certificate for the estate of late Vijay M. Chandnani, who passed away on 25 January 2024. The deceased had executed a will bequeathing all assets to the applicant. The estate includes properties, bank accounts, FDs, shares, mutual funds, and insurance policies worth approximately ₹97.7 lakhs	Vakalatnama has been filed by the bank and the matter is fixed for written statement on the next date of hearing.
15	Succession Suit	Geeta Gandhi	Senior Civil Judge, South East Saket	Succ/76/2024	A succession certificate petition filed by Smt. Geeta Gandhi under Section 372 of the Indian Succession Act in the Court of Administrative and Civil Judge, South-East Delhi. It seeks issuance of a succession certificate for the assets and bank accounts of late Kartik Gandhi, who died on 15.01.2024. The petitioner, being the mother of the deceased, lists multiple banks and insurance companies holding the deceased's accounts and policies	Vakalatnama has been filed. Next date is fixed for submission of written statement of the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	CS/96/2021	Mr. Sombir	Civil Judge (Jr. Div) Ganaur, Sonipat	CS/96/2021	This suit is filed against another financial institution regarding balance transfer, with no monetary claim against the Bank. The bank has filed an Application for striking its name from the Defendant list under Order 7 Rule 11of CPC. The Bank has filed an application under Section 8 of Arbitration Act for referring the matte r to the sole arbitrator	The matter is at the stage of arguments on application filed under section 8 of Arbitration and Conciliation Act 1996, by the Bank.
2	Insolvency/04/2023	Mr. Sushant Kishorrao Kale	Nagpur, District Sessions Court III	Insolvency/04/2023	Mr. Sushant Kale filed an insolvency proceeding u/s 10 of Provincial Insolvency Act before District Judge,Nagpur against USFBL declaring himself as insolvent.	The next date of hearing is fixed for supply of copies.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
3	CS/357/2024	Mr. Varun Singh	Civil Judge Senior Division - Varanasi	CS/357/2024	A civil suit has been filed in respect of a loan taken from the respondent bank and this case has been transferred from small causes court.	Bank shall file its written statement.

4	CS/75/2024	Mr. Liyakat	Civil Judge, Junior Division, Hathin, Haryana	CS/75/2024	As per the petition filed by Liyakat, represented through his brother and Special Power of Attorney holder Habib, seeks a permanent and temporary injunction against Utkarsh Small Finance Bank. It is alleged that Liyakat has availed a loan from the Bank to buy a commercial vehicle (Ashok Leyland, RJ-11-GC-3197) and had been regularly paying installments until an accident rendered the vehicle inoperable for over three months. Due to this, he missed two installments and requested time to pay. It is alleged that the bank allegedly responded with threats and attempted to forcibly seize the vehicle using musclemen. The petitioner argues that such actions violate RBI guidelines and Supreme Court rulings, which prohibit forcible repossession without due legal process. He claims financial hardship and irreparable loss if the vehicle is taken and requests the court to	Next date of hearing is fixed for submission of Agruments. Previous date was 01/11/2025.

					restrain the bank from seizing the vehicle and to uphold his legal rights.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
5	CS/167/2024	Sajjad Alam	Karkardooma Court Complex Shahdara Delhi	CS/167/2024	A civil suit has been filed against the borrower alleging execution of a sale deed using forged documents.	The matter is listed to for arguments on application filed by the Bank under order 7 rule 11 of CPC.
6	TS/171/2024	D M P LOGISTIC PRIVATE	Howrah Civil Court Complex Howrah West Bengal	TS/171/2024	A title suit has been filed for granting an interim/temporary injunction. As per the plaint a caveat has been filed by D.M.P. Logistic Private Limited in the City Civil Court, Calcutta, seeking to prevent Utkarsh Small Finance Bank from obtaining any ex-parte interim injunction under Section 9 of the Arbitration and Conciliation Act, 1996. The dispute concerns a Tata commercial goods carrier vehicle, and the caveator requests that no action be taken without prior notice or service of documents to them or their advocate.	Matter is posted for arguments on the next date.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
7	TS/165/2024	D M P LOGISTIC PRIVATE	Howrah Civil Court Complex Howrah West Bengal	TS/165/2024	A title suit has been filed for granting an interim/temporary injunction. As per the plaint a caveat has been filed by D.M.P. Logistic Private Limited in the City Civil Court, Calcutta, seeking to prevent Utkarsh Small Finance Bank from obtaining any ex-parte interim injunction under Section 9 of the Arbitration and Conciliation Act, 1996. The dispute concerns a Tata commercial goods carrier vehicle, and the caveator requests that no action be taken without prior notice or service of documents to them or their advocate.	The case has been posted for further proceeding on upcoming dates.
8	CS/2493/2024	Harpal Singh	Civil Court, Karnal	CS/2493/2024	A civil suit has been filed by Mr. Harpal Singh (paternal uncle of the borrower Mr. Jaspreet Singh) regarding a property mortgaged with the Bank.	Next date is fixed for replication of the Plaintiff.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
9	CS/2372/2024	Dheeraj Sahani	Civil Court, Karnal	CS/2372/2024	A civil suit has been filed by Mr. Dheeraj Sahani in whose favour our borrower Mr. Jaspreet Singh has executed an agreement to sale of the same property which is mortgaged with the Bank. This suit is filed seeking grant of a temporary injunction against the Bank.	Matter has been adjourned on the last date of hearing. Next date of hearing is fixed for arguments on application of Order 7 rule 11.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
10	Insolvency Petition 177/2023	Mr. MAHENDRBHAI MOHANBHAI AKBARI	Civil Court, Surat	Insolvency Petition 177/2023	A civil suit for declaration of insolvency has been filed. Mahendra Mohanbhai Akbari filed an insolvency petition under the Provincial Insolvency Act, stating that he is unable to repay debts exceeding ₹1 crore owed to multiple banks and financial institutions due to the collapse of his business, Maitri Corporation, and deteriorating health. He claims to have no current income and only a few mortgaged properties, which are insufficient to cover his liabilities. The petition lists loans and credit card dues from institutions including HDB Financial Services, Aditya Birla Capital, Equitas, Utkarsh Small Finance Bank, Piramal Housing Finance, and others. He seeks to be declared insolvent, citing harassment from creditors and lack of means to repay.	Bank has filed written statement. Next date is fixed for notice to opponents for filing ws by other parties. On 01/11/2025 presiding officer was on leave, hence the case is postponed to the next date.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
11	CS/2747/2024	Mrs. Balbiri Devi and Mr. Amar Singh	Civil Court, Yamunanagar	CS/2747/2024	A civil suit has been filed for granting a permanent injunction. Balbiri Devi and her husband filed a civil suit seeking a declaration and permanent injunction against Utkarsh Small Finance Bank and the Naib-Tehsildar, Saraswati Nagar. They claim the bank unlawfully issued a notice to seize their residential house, which they never mortgaged. The plaintiffs assert that the notice pertains to agricultural land owned by their son, not their home, and that the bank is attempting to dispossess them illegally. As senior citizens with no other residence, they request the court to declare the notice null and void and restrain the defendants from interfering with their possession of the house.	Next date is fixed for filing of replication to the objection filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
12	Civil Suit 477/2024	Harikishan	Civil Judge Junior Division Jhansi	Civil Suit 477/2024	As per the plaint, plaintiff, Harkishan, filed a civil suit against Puneet Yadav and Utkarsh Small Finance Bank, alleging fraud and breach of contract. Harkishan had taken a vehicle loan from the bank and later, with the bank's verbal consent, sold the vehicle to Puneet Yadav under a notarized agreement, expecting Puneet to repay the remaining loan. However, Puneet failed to make the payments and denied ownership, leading to a police complaint. it is alleged that the bank misused blank cheques given in trust and threatened recovery actions against Harkishan. The plaintiff seeks a court order directing Puneet to fulfill the loan obligations and restraining the bank from taking recovery actions against him.	Bank shall file its written statement on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
13	Cs - CIVIL SUIT	Moti Ram	District Court, Palwal	CS 755/2025	Moti Ram filed a suit for permanent injunction and mandatory relief against Utkarsh Small Finance Bank, seeking protection from the forcible repossession of his financed Tata Sigma vehicle. He claims to have paid a substantial portion of the loan but defaulted on four installments due to financial hardship. Despite requesting more time, the bank allegedly threatened to seize the vehicle. Moti Ram seeks court intervention to restrain the bank from taking the vehicle and to allow him one year to pay the remaining dues without penalty.	Matter is fixed for argument on application order 39 rule 1 &2 with section 151 C.P.C.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
14	OS	Kollipara Jayadeep	Hayathnagar, XXIV AMM Complex Rangareddy Telangana	408/2025	Kollipara Jayadeep filed a civil suit against RBL Ltd Bank and Utkarsh Small Finance Bank, seeking relief through declaration and injunction. The plaint alleges issues requiring judicial intervention, and the court has summoned the defendants to respond with a written statement and supporting documents.	Bank shall file its written statement on the next date of hearing.
15	CS/1519/2025	Rahul Communication	District Court, Yamunanagar	CS/1519/2025	Rahul Communication, through its partners, filed a suit against Utkarsh Small Finance Bank seeking a permanent injunction to restrain the bank from recovering an allegedly inflated outstanding loan amount of ₹15,41,735 and from auctioning their mortgaged residential property. The plaintiffs claim they have paid several installments totaling ₹2,81,000, but the bank has not adjusted these payments and has added excessive charges and interest. They allege the bank is acting with	On the last date appearance has been made through advocate. Application for rejection of the Plaint under Order 7 Rule 11 has been filed positively. Previous date was 04/11/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					malafide intent and threatening unlawful auction, causing them financial and emotional distress.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
16	Civil Suit (Mandatory Injunction)	Bushra Infratech Pvt. Limited	IN THE COURT OF SH. UPENDRA SINGH, CIVIL JUDGE (SR. DIVISON), FARIDABAD	CS/2676/2025	The civil suit filed by Bushra Infratech Pvt. Ltd. seeks a mandatory and permanent injunction for the release of two excavators (JCB and Hyundai) that were financed by the bank. The plaintiff alleges that despite paying overdue EMIs totaling ₹20.5 lakhs, the bank unlawfully repossessed the machines using force and refused to return them unless the full loan amount was paid upfront. The plaintiff claims this action violates RBI guidelines and Supreme Court directives, and that the machines are essential for their livelihood. The suit requests the court to restrain the bank from coercive recovery practices and from selling or alienating the equipment.	Vakalatnama has been filed by the Bank. Next date of hearing is fixed for arguments.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
17	Special Civil Suit	Ravindra Vitthal Fatkar	Civil Court at Akola, Maharashtra	109/2025	The suit is against Sulochana Dilip Rajurkar, Gopal Dilip Rajurkar, and Utkarsh Small Finance Bank, seeking specific performance of a property sale agreement or alternatively, refund of ₹10 lakhs paid as earnest money. The plaintiff alleges that despite entering into a notarized sale agreement on 20 April 2024 and receiving possession of the property, the defendants mortgaged the same property to Utkarsh Bank for ₹27.21 lakhs without disclosing this to the plaintiff. The bank later issued a SARFAESI notice for recovery. The plaintiff claims fraud and breach of contract, and seeks injunction against the bank from taking coercive action, along with compensation of ₹1 lakh for mental harassment.	Bank has filed vakalatnama and shall file its wirtten statement on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
18	Civil Suit	Shri Krishna Traders (proprietor Dushyant Kumar Sharma)	Civil Judge (Junior Division), Nuh	901/2025	The dispute centers on a financed vehicle—a TATA Signa 5530 (Reg. No. HR-38-AJ-6987)—purchased under an agreement requiring 48 monthly installments of ₹1,01,986 each. The plaintiff claims that due to financial hardship and his father's illness, some installments became overdue, but he is ready to pay the dues. Instead, the bank allegedly demanded the entire outstanding amount of ₹40,00,000 in one go and threatened to seize the vehicle. The plaintiff alleges that on 17.09.2025 and 18.09.2025, bank representatives attempted to snatch the vehicle unlawfully at Nuh bypass and Hodal Chowk. The suit seeks to restrain the bank from forcibly repossessing the vehicle and includes an application under Order 39 Rules 1 & 2 CPC for an interim injunction until final disposal.	Bank has filed vakalatnama and shall file its wirtten statement on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
19	Civil Suit	Safikul Mondal	City Civil Court, Calcutta (5th Bench)	2368 of 2025	Civil suit filed by Safikul Mondal against Utkarsh Small Finance Bank Ltd. The dispute centres around a commercial vehicle (Ashok Leyland, Reg. No. WB-19L-7341) financed by the Bank. The plaintiff alleges that although he has paid a substantial portion of the loan (₹21,41,858), the bank is threatening to forcibly repossess the vehicle due to a few missed installments caused by mechanical breakdowns. He claims the bank misled him into signing 45–50 blank and printed documents without disclosure and failed to provide copies. The plaintiff further alleges coercive recovery practices, including threats and attempted seizure without due legal process	Bank has filed vakalatnama and shall file its wirtten statement on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
20	Civil Suit	Jahida Khatoon	Munsif Court, 2nd	008/2025	The suit is filed by Jahida Khatoon in Munsif Court, Hajipur, seeking partition of ancestral property at Mauja Mahua Mukundpur under Sunni Muslim Hanafi law. The dispute involves her sons and daughters, with allegations that Mahatab Alam manipulated records and took a ₹28.19 lakh loan from Utkarsh Small Finance Bank using the joint property. The plaintiff claims 17/80 share and asserts that the property remains undivided, making any auction by the bank unlawful. She prays for separate possession of her share and restraining the bank from recovery actions.	Vakalatnama shall be filed by the Bank on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Criminal Case Complaint (P)	Mamta Devi	Patna Sardar Court (CJM)	8004/2021	A criminal complaint has been filed against the Branch Manager of Utkarsh Small Finance Bank Limited and others. Legal Department confirmed that neither the petitioner nor the court has issued process under section 204 of Cr.P.C. Hence, the Bank has not received any summons or warrant.	The case is at the stage of hearing. Advocate is looking into the records. He confirmed that there is no notice issued yet. As per the advocte, the Hon'ble Court shall take cognizance first, then the matter shall be taken up further and summons shall be issued to the bank accordingly, if required.
2	Criminal Case Complaint (P)	Kausalaya Devi	Bhojpur CJM Division	901/2024	The petition titled CJM Comp. 901 (C) of 2024 is filed by Kaushalya Devi, a resident of Jagdishpur, Bhojpur, against eleven individuals including several bank branch managers and local women. The complaint alleges that Kaushalya Devi, an illiterate woman, was deceived by the accused under the pretense of helping her obtain an old-age pension. She was asked to provide her Aadhaar card and photographs, and was misled	The case is at the stage of hearing. Summons has not been received till date. Post receipt of the summons the Bank shall represent the same and shall submit an objection / say to this effect.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					into signing documents and giving thumb impressions, which were then used to fraudulently obtain a loan in her name. The case involves charges under IPC Sections 420, 406, 323, 341, 504, 506, and 34 for cheating, criminal breach of trust, assault, wrongful restraint, and criminal intimidation.	
3	Cr. M. A. - Criminal Misc. Application 201/2025	Aryan Rastogi	Dharamshala Kangra Himachal Pradesh	Cr. M. A. - Criminal Misc. Application 201/2025	Aryan Rastogi, an 18-year-old resident of Dharamshala, filed a legal application under Section 503 of the Bhartiya Nagrik Suraksha Sanhita, 2023, seeking the release of ₹44,000—part of a ₹98,000 cyber fraud he fell victim to after advertising a rental property on OLX. The fraudster tricked him into transferring money under the guise of a rental advance and later demanded a refund of an excess amount. Although ₹54,000 was returned to Aryan via Paytm, the remaining	Bank has filed its reply / say and our compliance has been made positively on the previous dates. Nothinng is pending from the Bank. The proceeding is going on against the other defendents. This case is being maintained in our MIS in order to comply with any upcoming order / direction of the Hon'ble Court.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					₹44,000 was traced to multiple bank accounts, including those at Utkarsh Small Finance Bank, Karur Vysya Bank, and IDBI Bank. Aryan requested the court to direct the concerned banks and Cyber Crime Police Station, Dharamshala, to release the frozen funds into his father's Canara Bank account, from which the fraudulent transaction had originated.	
4	Cr. Case Complaint (P)198/2025	Noor Tara Khatoon	Judicial Magistrate First Class (J.M.F.C.), Civil Court, Siwan, Bihar	198/2025	As per the copy of complaint it is alleged that a fraudulent bank account was opened in the complainant's name using forged documents. A loan of ₹50,000 was fraudulently sanctioned and withdrawn without her consent. Her husband, Afzal Ali, was falsely designated as a guarantor.	The case is at the stage of hearing. The Bank has submitted the necessary documents with respect to the borrower as per the direction of the Hon'ble Court. Futher, the Hon'ble Court has not required the appearance of the Bank and shall notify to our advocate in the same, if required.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
5	(Cr.M.P. No. 931/25)	Mohamed Aarif	Judicial Magistrate Court No.1, Madurai	(Cr.M.P. No. 931/25)	As per the copy of complaint Mohamed Aarif filed Cr.M.P. No. 931/25 in response to a police investigation under Crime No. 2/2025 at CCD-III Police Station, Madurai City, which confirmed fraudulent activity and led to the freezing of multiple bank accounts. Among these was an account with Utkarsh Small Finance Bank (Account No. 1617010000000247, IFSC: UTKS0000001) containing ₹12,171. Aarif's petition requests the court to direct the police to transfer the frozen funds into court custody to ensure secure handling and further legal proceedings.	Bank has submitted vakalatnama and necessary documents as per the compliance.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
6	Criminal Complaint (P)	Nargis Praveen	Additional Cheif Judicial Magistrate, Jhanjharpur	CR No. 564/2024	As per the copy of complaint Mrs. Nargis Praveen alleged that she and many other women were fraudulently enrolled into group loan schemes by a woman named Nikhat Praveen (Accused No. 1) and her associates.	During the hearing, the court clarified that the branch manager's attendance is not required. The case has been adjourned to the next date, and only the case investigation officer has been summoned. Additionally, the court has directed that an anticipatory bail petition be filed without delay. Next date of hearing is not provided.
7	Criminal Misc	Ranjini Nair	CJM Kozhikode	CMP/122/2025	Complainant has filed a petition for release of the fund in relation to a cyber fraud. Amount is lying in the account maintained with USFBL Jaipur Branch.	Bank shall file its vakalatnama and ensure appearance.
8	Crl.MP. No. 6789 of 2025	V.S Roshan	Hon'ble XVIII Metropolitan Magistrate Court, Saidapet, Chennai.	Crl.MP. No. 6789 of 2025	Only summons have been recived in the captioned matter thus contents of the Petition seems to be unknown.	Vakalathnama and Memo has been filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
9	CRMA/144/2025/D	Mr. Mukeshbhai Gordhanbhai Rabadiya	Judicial Magistrate First Class, Margao, Goa,	CRMA/144/2025/D	This is in reference to the notice dated 29.08.2025 issued by Adv. Leona Barreto regarding the matter CRMA/144/2025/D filed before the Hon'ble Judicial Magistrate First Class at Margao, Goa. The petition pertains to the release/unfreezing of a bank account under Section 457 of the CrPC and Section 503 of the Bharatiya Nagarik Suraksha Sanhita (BNSS).	Bank has filed vakalatnama and ensuerd appearance of the Bank. The Bank has to file reply on the next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
10	C.C. No. 1177 N 2025	Mr. Haresh Lalji Gada	Judicial Magistrate First Class, 17th Court, Borivali, Mumbai	C.C. No. 1177 N 2025	Mr. Haresh Lalji Gada, a retired teacher, who was allegedly defrauded of ₹42,65,000 by cyber fraudsters through a fake investment scheme promoted via the Finwave app. The fraud involved multiple bank transfers to accounts held in various banks, including Utkarsha Small Finance Bank. After realizing the scam, Mr. Gada lodged a complaint with the Cyber Police, which led to the registration of FIR No. 280/2025 under various sections of the Bharatiya Nyaya Sanhita and the Information Technology Act. The police investigation resulted in the seizure of ₹7,81,882.83 from several accounts. Mr. Gada has now filed an application before the Judicial Magistrate First Class, 17th Court, Borivali, Mumbai, seeking the return of the seized amount, claiming it as part of his	Vakalathnama has been filed on last date of hearing i.e, 30-09-2025. Bank has to file its say on the next scheduled date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					life savings and requesting the court to direct the Cyber Police to facilitate its release.	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
11	NA	Insaf Ali	Chief Judicial Magistrate, Jodhpur	NA	The attached file pertains to a civil dispute where Insaf Ali has filed a petition against Utkarsh Small Finance Bank Ltd. The issue arises from the alleged wrongful freezing of his savings account (No. 1736019358953226) with a balance of ₹26,202, following a ₹400 transaction flagged by Telangana Cyber Crime. Despite the small disputed amount, the entire account was frozen. The petitioner seeks release of non-disputed funds under Section 457 CrPC (now 503 BNSS) before the Chief Judicial Magistrate, Jodhpur, and has also served a legal notice demanding immediate action and compensation.	The case between Insaf Ali and Utkarsh Small Finance Bank was referred for mediation by the Chief Judicial Magistrate, Jodhpur, under Sections 457 CrPC and 503 BNSS. Both parties, represented by their respective advocates, participated in the mediation process. After discussions, the petitioner agreed to settle the matter and expressed that he no longer wishes to pursue any action against the Bank. The mediation was successful

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
12	Criminal Misc Application	Ved Prakash	Hon'ble Chief Judicial Magistrate, Kinnaur at Reckong Peo, HP	Cr.MA/1/2025	The criminal misc., application has been filed for removal of debit freeze and alleged unauthorized transactions in the account maintained with the Bank, as outlined in the previous correspondence.	Vakalatnama has been filed. The court is vaccant.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum/Court	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Criminal Case Complaint (P)	Ranjit Kumar (Rita Saree Center)	Patna Sardar Court (CJM)	9415/2023	Ranjit Kumar, the proprietor of Rita Saree Centre in Patna, filed a legal complaint against Utkarsh Small Finance Bank and several of its employees, alleging fraud, harassment, and criminal intimidation. He claims he was misled into taking a ₹7.5 lakh loan under false promises, forced to pay ₹50,000 in illegal commission, and pressured to hand over security cheques that were never returned despite regular EMI payments. When he faced financial hardship and requested an extension, bank agents allegedly threatened him, attempted to forcibly shut his shop, and warned of misusing the cheques to file false cases. The complaint invokes multiple sections of the Indian Penal Code, including cheating, breach of trust, forgery, and criminal conspiracy.	Bank has filed its vakalatnama and objection. The case is now listed for order.

2	CT-Complaint Cases - 470/2024	Sajjad Alam	Karkardooma Court Complex East Delhi	470/2024	Third Party named Sajjad Alam has filed a complaint against the borrower under section 156(3) Cr.P.C alleging execution of a Sale deed using forged documents.	Bank has filed its vakalatnama and objection. Next date of hearing is fixed for order.
3	Cr. Misc Application 2158/2024	Mr. Omprakash Brijraj Yadav	District And Civil Court Complex Gandhinagar Gujarat	Cr. Misc Application 2158/2024	A criminal misc. application has been filed against the State of Gujarat and others. No summons or notice has been served to the Bank till date.	The next date of hearing is fixed for Process to Opponent.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Anticipatory Bail Application	SEEMA GAUTAM	Allahabad High Court	NABAIL/1123/2025	As per the copy of petition petitioner submits that the he is innocent and has been falsely implicated in the present case due to ulterior motive. Instant FIR registered against the applicant with malice intention and allegation in the FIR is that the applicant is provoking loan holders that there is no need to deposit loan amount. Allegation in the FIR is that the applicant has formed Ambedkar Janmorcha and illegally persuading the villagers. Learned counsel for the applicant next submits that the applicant has criminal history in regard to similar offences and investigation is going on. In case, applicant is granted anticipatory bail, he would not misuse the liberty of bail and would co-operate with the investigation. Applicant has definite apprehension of his arrest by the police.	Vakalatnama has been filed by the Bank. The matter was not put up on previous date i.e., 31/10/2025.
2	Writ Petition Criminal	MAHAKAL ENTERPRISE,	Kerala High Court	WP(C) 16763/2025 (U)	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Bank has filed Vakalathnama and Counter affidavit.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
		REPRESENTED BY ITS PROPRIETOR				Previous date of hearing was 27/10/2025.
3	CR. MISC. /24583/2025	Yashoda Devi	Patna High Court	CR. MISC. /24583/2025	The petitioner, Yashoda Devi, is alleged to have fraudulently obtained loans in the names of multiple women under a Mahila Committee scheme, including amounts disbursed by our Pirpainti Branch, Bhagalpur District. The court has rejected her anticipatory bail, citing serious allegations and ongoing investigation The case pertains to Shivnarayanpur P.S. Case No. 97/2024, involving allegations of embezzlement of loan amounts disbursed by various financial institutions, including Utkarsh Small Finance Bank.	Bank shall file its vakalatnama on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
4	33393/2025	KUSUM BAI	Madhya Pradesh High Court	33393/2025	The petition challenges fraudulent land transactions involving ancestral tribal land located in Village Mangeli, Jabalpur. The petitioners allege that the land was sold using forged documents and benami transactions, with permissions obtained illegally from the Revenue Board instead of the competent authority, the Collector. Despite judicial directions from the Judicial Magistrate First Class (JMFC), Jabalpur, to conduct an inquiry and submit a report by 13.02.2025, no action has been taken by the police. The petition seeks directions under Section 528 of the B.N.S.S. Act, 2023, for proper investigation, registration of FIRs, and scrutiny of financial transactions linked to the fraudulent sale.	Vakalatnama has been filed by the Bank.
5	Criminal Writ Petition Misc.	M\/S Learnbridge By Nv Private Limited,Represented By Its Director Vipin Mohan	Kerala High Court	Crl.MC /8168/2025	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Bank has filed Vakalathnama. Counter affidavit has to be filed as and when directed by the Hon'ble court.

Utkarsh Small Finance Bank

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Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Commercial Suit	Asian Paints Limited	HON'BLE High Court of Delhi	CS(COMM) 420/2023	Asian Paints has instituted a suit against the Bank where one of the customer of the Bank was acting as a fake dealer of petitioner. The Bank was directed to provide KYC details and freeze the account of the alleged fake dealer.	The Bank has provided the requisite details and the account has been frozen under complicance to the direction given by the Hon'ble High Court. Bank is not required to appear before the Hon'ble Court unless court issue a fresh notice. This case is kept only for future compliance likely to be directed by the Hon'ble Court as the case is ongoing.
2	Civil Writ Petition (Commercial)	Trent Limited	High Court of Delhi	CS(COMM) 872/2024	A civil writ petition has been filed against the violation of the trademark "ZUDIO". The petitioner seeks to mark a debit freeze on the account maintained with USFBL and provide KYC details.	Vakalatnama, authority letter and reply / say of the bank has been filed. The Bank has complied with the court's direction and is not required to appear in further proceedings unless summoned.
3	Civil Writ Petition (Commercial)	Eicher Motors Limited	High Court of Delhi	CS(COMM) 832/2024	A civil writ petition has been filed against the violation of the trademark. The petitioner seeks to mark a debit freeze on the account maintained with USFBL and provide KYC details.	The Bank has submitted its reply and necessary document as per the directions of the court. Compliance affidavit filed by the Bank has been kept on record by the Hon'ble High Court.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
4	CS(COMM) 175/2025	STAR INDIA PRIVATE LIMITED V/S 1XBETCOM & ORS.	Delhi High Court	CS(COMM) 175/2025	Petitioner has moved a writ petition against several respondents including USFBL, with respect to the debit freeze marked on the account number of the petitioner.	On 23/04/2025 our advocate has submitted written response along with necessary documents as required by the Hon'ble High Court under compliance. Further, the Bank is not required to appear in further proceedings unless summoned.
5	WP(C) /14395/2025	RADHARAMAN DAS	Odisha High Court	WP(C) /14395/2025	The Petitioner, by filing the Writ Petition, has sought for a direction from this Court to the Opposite Party No.4 & 5 to release the Bank Account bearing No. 1702020000000166 at Utkarsh Small Finance Bank and the Bank Account bearing No.257978412477 at IndusInd Bank.	Vakalatnama has been filed by the Bank. Matter was listed on 15/07/2025 and adjourned for service of summons to other parties. Further, this case was disposed off on 29/10/2025. Order copy received from our advocate.
6	WP(C) 20621/2025 (C)	NH HOLIDAYS TOURS AND TRAVELS	Kerala High Court	WP(C) 20621/2025 (C)	The petitioner moved the petition praying that this Hon'ble Court may be pleased to direct the first respondent to defreeze and permit operation of Account No. 1735020000000038 maintained with Utkarsh Small Finance Bank, Malappuram Branch, Malappuram District, pending final	Vakalatnama has been filed on 23/06/2025. Next date of hearing in the matter is for compliance of the order passed.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					disposal of the writ petition, and to grant such other interim reliefs as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case.	
7	WP(C) 24100/2025	Plot Pixels Realty Private Limited	Kerala High Court	WP(C) 24100/2025	The account was frozen due to a credit transaction of ₹19,074, flagged as suspicious by the Telangana Police via the Cyber Crime Portal. The petitioner claims no involvement in any unlawful activity and was not given an opportunity to be heard before the freeze. It is alleged by the petitioner that the freeze has crippled business operations, causing financial and reputational harm.	Bank has filed vakalatnama and represent the Bank. The interim order of the Hon'ble Court has been complied with by the Bank.
8	WP(C) NO. 15602 OF 2025(A)	Irshad Ali	Kerala High Court	WP(C) NO. 15602 OF 2025(A)	Writ petition (civil) praying inter alia that in the circumstances stated in the affidavit filed along with the WP(C) the High Court be pleased to direct the 1st respondent i.e., Bank, to unfreeze the bank account of the petitioner having Account No. 1735020000000007 maintained with the Utkarsh Small Finance Bank, Malappuram Branch,	Vakalatnama has been filed and compliance has been made by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
9	CW-12115/2025	Mohammad Shahid S/o Shri Mohammed Yusuf	Court: High Court of Judicature for Rajasthan at Jodhpur	CW-12115/2025	Mohammad Shahid, a 22-year-old resident of Jodhpur and a genuine customer of Utkarsh Small Finance Bank, filed a writ petition in the Rajasthan High Court challenging the arbitrary freeze placed on his savings account (No. 1564018619750713). The freeze was initiated by the bank based on complaints from various police stations across India alleging cyber fraud and disputed transactions. Shahid asserts that he is neither an accused nor connected to the complainants and that the freeze has caused severe financial hardship, especially as he uses the account for his father's medical expenses. Despite multiple representations and attempts to seek clarity, the bank and police authorities failed to provide any justification or relief. Shahid contends that the action violates his fundamental rights under Articles 14, 19, 21, and 300A of the Constitution and seeks the court's	Bank has filed vakalatnama and as per the updates received, Hon'ble High Court has directed to freeze the account to the extent of the disputed amount only and unfreeze the account. However, we are yet to receive order for such compliances. Previous date was 03/10/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					intervention to lift the freeze, compensate him with interest, and prevent future arbitrary actions.	
10	Civil Writ Petition	Adarsh Sahkari Grih Nirman Swawlambi Samity Limited	Jharkhand High Court	WPC/4337/2025	Adarsh Sahakari Grih Nirman Swawlambi Samity Ltd. filed a civil writ petition against Utkarsh Small Finance Bank, where the society challenges the bank's decision to freeze its accounts based on internal governance disputes. The society claims the freeze was unauthorized, lacked judicial or statutory backing, and was triggered by complaints from terminated members. It seeks immediate restoration of account access, citing disruption to essential services for over 2200 households, and asserts its autonomy under cooperative laws and constitutional provisions.	Bank has filed its vakalatnama and shall submit its counter affidavit on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
11	Civil Writ Petition	Subin Raj	High Court of Kerala	WP(C) No. 30851/2025	Subin Raj, a 24-year-old resident of Malappuram, Kerala, filed a writ petition before the Kerala High Court against Utkarsh Small Finance Bank and the Station House Officer of Cottonpet Police Station, Bangalore. The petitioner requested the court to direct the bank to unfreeze his account (No. 1735018943316691) held at the Malappuram branch, which had been frozen due to a police action. The Hon'ble Justice Sh. S. Manu, after hearing the petitioner's counsel, issued an interim order on 21st August 2025. The court directed that the freezing or lien on the petitioner's account should be limited only to the disputed amount mentioned in Exhibit P1 (a letter from the bank dated 01.08.2025). Additionally, the court ordered that notices be sent to the respondents via speed post and email, and instructed the petitioner to submit digital copies of all documents	The court vide order date 06/10/2025 has directed the Bank to to confine the freezing of the petitioner's bank account only to the extent of the amount mentioned (Rs.733/-) in the order/requisition. The bank has complied with the order accordingly. The present petition stand disposed off.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					and email addresses of the respondents within three working days	

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
12	Civil Writ Petition	Mohammed Jabir E.K	High Court of Kerala at Ernakulam	W.P.(C) No. 33507/2025	The petitioner sought interim relief to de-freeze and operate his bank account (No. 1698020000000249) held with Utkarsh Small Finance Bank, Kozhikode Branch, which had been frozen due to a dispute. The court directed issuance of notices to the respondents via speed post and email, and instructed the petitioner to submit digital copies of all documents and contact details within three working days. Meanwhile, the court ordered that the freeze on the petitioner's account be limited only to the disputed amount as mentioned in Exhibit P1A, which contains complaint details from the bank.	Vakaltnama is to be filed by Bank on next date of hearing.
13	Civil Writ Petition	Mehboob Zubair K	High Court of Kerala at Ernakulam	WP(C) No. 35760 of 2025	It is a court order from the High Court of Kerala in the matter of *WP(C) No. 35760 of 2025*, dated 26th September 2025. The petitioner, Mehboob Zubair K, a 30-year-old proprietor of M/s City Traders in Malappuram, Kerala, filed a writ petition seeking an interim direction to de-freeze and allow operations on his	Vakaltnama is to be filed by Bank on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					bank account (Account No. 1698020000000246) held with Utkarsh Small Finance Bank, Kozhikode branch. The respondents in the case are the said bank and the Special Cell, Delhi. The court, presided over by Justice C. Jayachandran, ordered that notices be issued to both respondents via speed post and email (for the second respondent),	
14	Civil Writ Petition	Diksha Puri	Hon'ble High Court of Delhi	W.P.(C) 14259/2025	The petitioner challenged the freezing of her savings account with Utkarsh Small Finance Bank, Noida Branch, pursuant to FIR No. 02/2025 relating to alleged online banking fraud. The petitioner argued she was not named in the FIR, had no link to the accused, and received no prior notice, except that ₹10,000 allegedly passed through her account. The Hon'ble High Court of Delhi, noting the hardship caused, directed that the freeze be lifted, retaining only a lien/debit freeze on ₹10,000. The Bank was instructed to allow operations	Vakaltnama is to be filed by Bank on next date of hearing.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					subject to this lien, and the State was directed to communicate the order.	
15	Civil Writ Petition	Rakesh Kumar	Rajasthan High Court	42528/2025	Rakesh Kumar filed a writ petition in the Rajasthan High Court challenging the freezing of his Utkarsh Small Finance Bank account without prior notice. The freeze was imposed due to cybercrime complaints alleging fraudulent transactions, though the petitioner claims the funds were from legitimate business dealings and he is not named as an accused. Despite cooperating and sending legal notices, authorities failed to respond, causing severe financial hardship and violation of fundamental	Vakaltnama has been filed by Bank on 04/11/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					rights under Articles 14, 19(1)(g), and 21. The petition seeks immediate unfreezing of the account, cites procedural lapses under Section 102(3) CrPC, and relies on precedents that freezing an entire account is disproportionate, requesting relief to restore business operations	
16	Civil Writ Petition	MOHAMMED MIJILAD	Hon'ble High Court of Kerala	WP(C) No. 32328 of 2025	Mohammed Mijilad K, who sought to de-freeze his savings account with Utkarsh Small Finance Bank, Malappuram Branch, which was frozen following a notice issued at the instance of the Tenkasi Police Station, Tamil Nadu. The petitioner argued that the freeze was causing hardship and requested permission to operate the account. On 26 August 2025, Justice S. Manu directed that notices be issued to	Bank has complied with the order, and the status of the same shall be put up before the court on the next date of hearing. Representation on behalf of the Bank has been made through our advocate and we are awaiting for further directions from the court.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					the respondents by speed post and email, and the petitioner was asked to provide digital copies and email details to the Registry. The matter was posted for 07 October 2025. Importantly, the court granted interim relief by limiting the freeze or lien on the account to only the disputed amount.	
17	Civil Writ Petition	Muhammed Izudheen K	High Court of Kerala	WP(C) No. 34674 of 2025	The case WP(C) No. 34674 of 2025 before the High Court of Kerala involves petitioner Muhammed Izudheen K. seeking directions to de-freeze his account (No. 1735019961265336) with Utkarsh Small Finance Bank, Malappuram Branch, which was frozen following requisitions from the Vidhyadhar Nagar Police Station, Jaipur, Rajasthan. The petitioner claims the freeze is causing hardship and requests permission to operate the account pending disposal of the writ petition.	Vakalatnama has been filled by the Bank and the Bank has complied with the order dated 19/09/2025.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					On 19 September 2025, Justice S. Manu ordered issuance of notices to the respondents by speed post and email, with the petitioner directed to provide digital copies and email details within three working days	
18	Civil Writ Petition	Shanti Devi	High Court of Judicature at Patna	13569 of 2025	Shanti Devi has filled writ petition in the High Court of Judicature at Patna against Utkarsh Small Finance Bank Limited. Her savings account (No. 1380019056341013) at the Bank's Barh Branch was allegedly frozen in June 2025 on suspicion of cybercrime, without any prior notice or opportunity to be heard. The petition seeks a writ of Certiorari to quash the freezing order and a writ of Mandamus to direct the bank to unfreeze the account. Shanti Devi is willing to furnish a bond or security equivalent to the disputed amount and refers to previous similar court orders to support her plea.	Vakalatnama has been filled in the said matter.
19	Civil Writ Petition	Archana Devi	High Court of	13661 of 2025	Archana Devi has filed a writ petition in the Patna High Court challenging the	Vakalatnama has been filled in the said matter.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
			Judicature at Patna		freezing of her savings account by Utkarsh Small Finance Bank. She claims the action was taken without prior notice or a chance to be heard, violating her fundamental rights. The petition seeks to quash the bank's order and requests the court to direct the bank to unfreeze the account, citing financial hardship and reliance on similar past court rulings	
20	Civil Writ Petition	Guddu Kumar	High Court of Judicature at Patna	13666 of 2025	Guddu Kumar has filed a writ petition in the Patna High Court challenging the freezing of his savings account by Utkarsh Small Finance Bank. He claims the action was taken without prior notice or a chance to be heard, violating her fundamental rights. The petitioner seeks to quash the bank's order and requests the court to direct the bank to unfreeze the account, citing financial hardship and reliance on similar past court rulings	Vakalatnama has been filled in the said matter.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
21	Civil Writ Petition	MUHAMMED HASSAN SHIBILY	High Court of Kerala	WP(C) /40227/2025	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Vakalatnama has been filed by the Bank.
22	Civil Writ Petition	MUHAMMED ARSHAD	High Court of Kerala	WP(C) 41336/2025 (N)	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Vakalatnama has been filed by the Bank.
23	Civil Writ Petition	MUHAMMED RASHID	High Court of Kerala	WP(C) 37257/2025	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Vakalatnama has been filed by the Bank.
24	Civil Writ Petition	VINOD N.K	High Court of Kerala	WP(C) 41710/2025 (K)	Petitioner has moved an writ petition, against the debit freeze marked on the account number of the petitioner.	Vakalatnama has been filed by the Bank.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Writ Petition	Ranjit Kaur	Punjab & Haryana High Court	CWP-19909-2024	A writ petition has been filed against the Bank regarding possession order obtained under SARFAESI proceedings. The co-borrower	This case is pending before the Hon'ble High court and not listed on last date of hearing.

					seeks a stay against the compliance of the possession order.	
2	Application U/s 482 Cr.P.C. No. 9713 of 2024	Sun Shine Road Line & Another	HIGH COURT ALLAHABAD LUCKNOW BENCH	Application U/s 482 Cr.P.C. No. 9713 of 2024	An application has been filed for quashing the order passed by Hon'ble Court of ACJM VIII Lucknow, under section 138 N.I. Act. The case pertains to a vehicle loan, and the Bank sold the vehicle due to default by the borrower.	The Bank has submitted its vakalatnama and reply.
3	WP/17901/2024	SAVITA S JADHAV AND ORS V/S	Bombay High Court	WP/17901/2024	A writ petition moved by the petitioner before Hon'ble Bombay High Court, wherein USFBL is defendant number 44. The writ petition pertains to declaring the proceeding under section 13(4) of the SARFEASI ACT, 2002 as ultra vires or unconstitutional. The SERFAESI action was not initiated by USFBL but by some other FI. More details awaited.	Vakalathnama has filed in the captioned matter but the next date of hearing is yet to be notifed.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Special Civil Suit	Mr. Bhupendra Shshidhara Mishra	District and Civil Court Complex, Surat	SPCS/71/2023	The petitioner, a former employee of the Bank, has instituted a civil suit seeking withdrawal of allegations made against him, damages, and issuance of a relieving letter. The Bank had earlier terminated his services due to misconduct leading to monetary loss.	The Bank has filed its written statement. The matter is presently fixed for plaintiff's evidence.
2	Civil Suit	Mr. Dhiraj Kumar Thakur	Senior Civil Judge, Central District, Tis Hazari Courts, Delhi	CS/SCJ/1537/2023	The petitioner has filed a suit seeking issuance of a relieving letter. He was relieved from Bank service; however, during the pendency of his full and final settlement, an incident of misconduct was reported, leading to initiation of departmental proceedings.	The matter was listed for mediation on 16.09.2025, wherein a settlement was reached for ₹52,600 towards full and final dues. The petitioner has agreed to withdraw the suit.
3	Civil Suit	Mr. Ram Chandra Verma	District and Sessions Judge, East, Karkardooma Courts, Delhi	CS No. 451/2023	The petitioner has filed a civil suit challenging his termination, alleging wrongful dismissal arising out of allegations related to the opening of fictitious current accounts.	An application under Order XI Rule 14 CPC was filed on behalf of the plaintiff, to which the Bank has duly responded and submitted the requisite list of documents. Evidence of DW-1, Ms. Priyanka Sharma, was tendered on

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
						04.09.2025; cross-examination is partly complete and shall continue on the next date.
4	Special Civil Suit	Ms. Kavita Navinkumar Khare	Nagpur District Sessions Court–III	Spl. C.S./216/2024	The petitioner has filed a special civil suit against the Bank, challenging the termination of her employment and seeking reliefs including compensation.	Both parties appeared through counsel. Issues have been framed (Exh. 15). Examination-in-chief of P.W.1 completed; Exhibits 22 to 35 marked. Adjournment application (Exh.36) allowed. Cross-examination deferred. Next hearing on 03.12.2025 fixed for evidence part heard.
5	Succession Suit	Rahul Kumar Patel	District & Sessions Court, Jabalpur	SUCC/58/2025	The petitioner, husband of late Manisha Patel, contends that despite her employment with Utkarsh Small Finance Bank and her statutory entitlements, the bank is withholding payments due to her nominee. The petitioner asserts that Manisha had nominated her father, Raju Lal Patel, and demands that the	Vakalathnama and Authority letter has to be submitted before the Hon'ble Court.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
					bank release all dues and benefits accordingly. The petitioner also seeks legal intervention to prevent unauthorized disbursement or delay in settlement of the deceased employee's financial entitlements.	

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
1	Labour Matter	Ved Prakash	Labour Court, Gautam Budhnagar, U.P.	PWA/342/16	The petitioner, an ex-employee, has instituted proceedings seeking payment of his full and final settlement, including encashment of earned leave, sick leave, casual leave, and bonus dues.	Case paper from the court has been lost. The scheduled date of the case to be notified on retreval of case papers.
2	Labour Matter	Dev Nayak Mishra	Labour Court, New Delhi	7373/2016 (LIR 8712/2016)	The petitioner has filed a complaint seeking payment of his full and final dues from the respondent company.	Written statement filed by the Bank. Defendant's evidence and witnesses.
3	Labour Matter	Mahesh Kumar Upadhyay	Labour Court	NIL	The petitioner has sought acceptance of his resignation and release of full and final settlement amounts.	The Bank is to file its written statement and Affidavit on the next date of hearing.
4	Labour Matter	Mr. Satyendra	Labour Deputy Assistant Commissioner, Varanasi	CPDSA-65/2020	The complainant has alleged that his resignation was obtained under duress and without due process,	Hearing was scheduled; however, the petitioner was absent. The Labour Commissioner may close the proceedings.

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
					while he was pursuing promotion and benefits.	
5	Labour Matter	Soumya Ranjan (BFSI SSCI)	BFSI	NA	The BFSI issued a notice to the Bank regarding compliance with the Apprenticeship Act, 1961.	The Bank submitted a reply clarifying compliance; the matter stands closed.
6	Labour Matter	Mr. Dharmendra Kumar	Labour Deputy Assistant Commissioner, Varanasi	NA	The petitioner has alleged that his termination was carried out arbitrarily by the Bank.	Hearing was called; the petitioner was not present. Proceedings may be closed by the Labour Commissioner.
7	Labour Matter	Mr. Pravin Kumar Singh	Assistant Labour Commissioner, Varanasi	NA	The petitioner has filed a complaint under Section 3 of the Payment of Wages Act, 1936, alleging non-payment of wages.	The petitioner was absent; the Bank's representative advocate appeared.
8	Labour Matter	Mr. Avinash Kumar Singh	Labour Court – I, Ghaziabad, U.P.	63/2023	The petitioner filed an application under Section 33C(2) of the Industrial Disputes Act, 1947, seeking reinstatement to service.	The Bank filed a rejoinder; pleadings are complete. Restoration petition was allowed upon payment of ₹40,000 as cost. The case is presently at the

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
						stage of evidence by the respondent.
9	Labour Matter	Mr. Avinash Kumar Singh	Labour Court – II, Ghaziabad, U.P.	59/2023	The petitioner has sought recovery of outstanding salary for the period of discontinuation of his service under the U.P. Industrial Disputes Act.	Written statement and rejoinder have been filed. Restoration petition is pending against an ex-parte order passed without hearing the Bank.
10	Labour Matter	Mr. Pradeep Kumar Singh	Assistant Labour Commissioner, Varanasi	CP (Central) Dispute No. 08/2024	The petitioner has challenged his termination under the Industrial Disputes Act, 1947, seeking reinstatement.	Hearing was held; petitioner was absent. The Commissioner may drop the proceedings.
11	Labour Matter	Shri Ravendra Kushwaha	Ministry of Labour & Employment, Jabalpur	F.No.1-3(07)/2024-RLC	The petitioner raised a dispute regarding deduction of salary for 11 days during his notice period.	The matter has been amicably resolved between the parties and stands closed.

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
12	Labour Matter	Mr. Jitendra Kumar	Assistant Labour Commissioner, Chhapara	NIL	The petitioner has alleged non-deposit of amounts collected from customers.	The Bank has filed its detailed reply; order copy awaited.
13	Labour Matter	Yotshnarani Jena	Industrial Tribunal, Bhubaneswar	ID Case No. 49/2024 (U/S 2-A(2))	The petitioner has sought reinstatement of employment.	The Bank has no objection to representation through counsel; matter listed for further hearing.
14	Labour Matter	Avinash Kumar Singh	Labour Court – II, Ghaziabad, U.P.	59/2023	The petitioner has moved an execution application for enforcement of the ex-parte order in Case No. 59/2022.	The Court will proceed after hearing the restoration application in the original matter.
15	Labour Matter	Suklal Majumdar	Industrial Tribunal, Bhubaneswar	ID No. 29/2025	The petitioner had previously approached the Labour Office and Human Rights Commission, Bhubaneswar. The Bank submitted replies; earlier proceedings were closed on 22.04.2025.	The Bank has ensured appearance before the Tribunal and will file its written statement on the next date.
16	Labour Matter	Mr. Gyanendu Parida	Presiding Officer, Industrial Tribunal-cum-Labour Court, Bhubaneswar	30/2025	The petitioner has filed an application before the Central Government Industrial Tribunal-cum-	The Bank has ensured appearance and will submit its written statement on the next date.

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
					Labour Court, Bhubaneswar.	
17	Labour Matter	Restoration Application	Avinash Kumar Singh	Nil		In the original proceedings of *Avinash Kumar Singh vs. USFBL (Case No. 63/2023)*, the Labour Court had passed an ex-parte order directing reinstatement of employment without affording an opportunity of hearing to the Bank. Accordingly, the Bank filed a Restoration Application challenging the said ex-parte order dated 03.06.2025.

Serial No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
18	Labour Matter	Restoration Application	Avinash Kumar Singh	₹5,66,903		In *Avinash Kumar Singh vs. USFBL (Case No. 59/2023)*, the Labour Court passed an ex-parte order directing payment of salary dues without hearing the Bank. The Bank thereafter filed a Restoration Application dated 20.03.2025 seeking recall of the ex-parte order.
19	Labour Matter	Bisnu Charan Rout	Labour Court, Bhubaneswar	N/A	Notice received from Labour Court, Bhubaneswar regarding termination on disciplinary grounds.	We have received notice from labour court / CGIT Bhubhneshwar on behalf of said employee. Employee has been Terminated on disciplinary Further details has been sought from concern desk
20	Labour Matter	Maria Susai Raj. T	Principal Labour Court, Chennai	SOA 06/2025	Notice received from Labour Court, Chennai regarding termination on POSH grounds.	The Vakalatnama, Written Statement and documents have been filed on 05.11.2025. The Labour Court has directed to submit all the relevant documents pertaining to the case on the next scheduled date.

Sr. No.	Nature of the Matter	Name of the Petitioner / Complainant	Forum	Case Number	Brief Summary of the Facts	Current Status of the Matter
1	Termination of employee on account of alleged fraudulent conduct.	Md. Zeeshan Ali	Assistant Labour Commissioner (Central), Dhanbad-I	Industrial Dispute No. 1(11)/2025.E.6	The complainant has filed a grievance before the Deputy Labour Commissioner challenging his termination on allegations of fraud.	The matter was heard on 07.04.2025. The ALC advised the Bank to review the termination order. The Bank reviewed its stand and issued a relieving letter. Further, disgareed to release three months salary. The Labour Commissioner please to refer the Ministry of Labour and Employment (Central) dated 22.09.2025 has declared Failure of Concilation. Ministry of Labour and Employment (Central) has refered the matter to Labour Court for adjudication. The matter before Labour Commissioner and the case has been forwarded to Central Government Industrial Tribunal (CGIT).
2	Discontinuation of Performance Improvement Plan (PIP) during notice period.	Satyajeet Kumar	Labour Officer, Noida	004/2025	Notice received from the Labour Officer, Gautam Buddha Nagar on behalf of the employee, who is currently serving notice period. The issue pertains to discontinuation of PIP.	Written statement filed by the Bank on 04.09.2025.

Sr. No.	Nature of the Matter	Name of the Petitioner / Complainant	Forum	Case Number	Brief Summary of the Facts	Current Status of the Matter
3	Termination due to non-satisfactory performance.	Shashi Kumar Yadav	Labour Officer, Noida	001/2025	Complaint filed before the Labour Officer, Gautam Buddha Nagar, alleging unfair termination on performance grounds.	Written statement filed by the Bank on 04.09.2025.
4	Allegation of mental harassment by supervisor.	Praveen Kumar	Labour Commissioner, Dehradun	D 08(09)/2025 ALC	The employee has filed a grievance alleging mental harassment by his reporting manager before the Labour Commissioner, Dehradun.	The Bank's reply was submitted on June 20, 2025.
5	Reinstatement / rejoining after termination.	Amrendra Kumar Giri	Labour Department, Bhagalpur	ID 01/2025	Complaint challenging termination order and seeking reinstatement before the Labour Department, Bhagalpur.	Reply submitted on 22.04.2025.
6	Termination on account of unauthorized absence.	Pappu Kumar Ram	Individual	NA	Grievance received alleging wrongful termination due to unauthorized absence.	Reply submitted by the Bank. Case closed as per HR decision.
7	Termination on disciplinary grounds.	Priyanshi Malik	Labour Officer, Dehradun	NA	Notice received from Labour Officer, Dehradun concerning termination on disciplinary grounds dated 18.03.2025.	The Bank's reply has been submitted.

Sr. No.	Nature of the Matter	Name of the Petitioner / Complainant	Forum	Case Number	Brief Summary of the Facts	Current Status of the Matter
8	Termination on disciplinary grounds.	Bisnu Charan Rout	Labour Officer, Bhubaneswar	NA	Notice received from Labour Office, Bhubaneswar regarding termination on disciplinary grounds.	Reply submitted on 09.05.2025. Matter closed as per HR decision.
9	allegation of mental harassment by supervisor.	Rajendra Kumar Sahu	Labour Officer, Bhubaneswar	NA	Notice received from Labour Office, Bhubaneswar concerning termination on disciplinary grounds.	Reply submitted on 09.05.2025. Case closed as per HR decision.
10	Grievance regarding transfer, leave, and removal from internal work group.	Mr. Ankush Kumar	Deputy Commissioner, Labour Office, Patna	3274/2025	Employee raised grievance regarding transfer, leave denial, and removal from work group, seeking reinstatement at Muzaffarpur Branch.	Reply prepared and submitted. Awaiting next date.
11	Financial irregularity and misconduct complaint.	Mr. Kundan Kumar	Assistant Labour Commissioner (Central), Pakur, Jharkhand	5/18/2025-ALC/PKR	Complaint alleging wrongful disciplinary action after financial irregularities involving ₹15,949 withheld by employee.	The Bank reply has been submitted.
12	Termination on disciplinary grounds.	Ashish Yadav	Labour Officer, Dehradun	NA	Notice received from Labour Officer, Dehradun concerning disciplinary termination.	The Bank's Reply has been submitted.

Sr. No.	Nature of the Matter	Name of the Petitioner / Complainant	Forum	Case Number	Brief Summary of the Facts	Current Status of the Matter
13	Notice received from Labour Office, Dwarka.	Dinesh	Labour Court, Dwarka	NA	Notice received from Labour Office, Dwarka on behalf of employee regarding termination dispute.	Matter fixed for final order/settlement.
14	Notice received from Assistant Labour Commissioner, Sri Ganga Nagar	Abhishek Gupta	Assistant Labour Commissioner, Sri Ganga Nagar	SA 01/2025	Notice received from Assistant Labour Commissioner on behalf of employee regarding termination dispute. Requested for withdrawal of termination order and reinstatement effective from the date of termination.	Written statement along with all the relevant documents to be filed on the scheduled date of hearing.
15	Notice received from Assistant Labour Commissioner, Prayagraj	Sachin Kumar Dubey	Assistant labour Commissioner, (Central) Prayagraj	08/26/2025/2409	Notice received from Assistant Labour Commissioner on behalf of employee regarding termination dispute.	

Utkarsh Small Finance Bank

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/Complainant	Forum	Case Number	Brief summary of the facts of the matter	Current status of the matter.
1	Criminal Case	Sachin Kumar Dubey	Additional Chief Judicial Magistrate, Allahabad	57202/2025	Notice has been received from the Additional Chief Judicial Magistrate, Allahabad regarding termination dispute.	Written statement has been submitted.
2	Criminal Case	Rajni Singh	Additional Chief Judicial Magistrate, Allahabad	57201/2025	Notice has been received from the Additional Chief Judicial Magistrate, Allahabad regarding termination dispute.	Written statement has been submitted.

Sr. No.	Nature of the Matter	Name of the Petitioner / Appellant / Complainant	Forum	Case Number	Brief Summary of the Facts of the Matter	Current Status of the Matter
1	Consumer Case	Ramesh	District Consumer Dispute Redressal Commission, Rohtak	CC/87/2025	The father of a deceased employee has filed a consumer complaint seeking reimbursement of medical expenses incurred during the treatment of the employee.	The Bank has filed an application for rejection of the complaint on the ground of lack of jurisdiction. The complainant has been directed to file his reply to the Bank's application. The matter is presently fixed for arguments on the next date of hearing.
2	Consumer Case	Shyam ji	District Consumer Disputes Redressal Commission, Mirzapur	CC/69/2025	The complainant alleges that his bank account (No. 1018018924049383) at the Civil Lines Branch, Mirzapur was illegally frozen without prior notice or justification. He was informed verbally that his account had been blocked on instructions from senior officials. The complainant claims financial and reputational loss and seeks restoration of account operations and compensation.	Bank has filed vakaltnama and shall file its written statement on the next date of hearing.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer

Annexure - 29

Annexure 9

Utkarsh Small Finance Bank

Report of Board of Directors

Report adopted by the Board of Directors of Utkarsh Small Finance Bank Limited, on the draft Scheme of Amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013

1. Background

1.1 A meeting of the board of directors of the Company (**Board**) was held on September 20, 2024 wherein while relying on the report of the Audit Committee dated September 20, 2024 (**Audit Committee Report**) and the report of the Committee of Independent Directors dated September 20, 2024 (**Independent Director Committee Report**), the Board approved the proposed draft scheme of amalgamation of Utkarsh CoreInvest Limited (**UCL/ Transferor Company**) with Utkarsh Small Finance Bank Limited (**USFBL/ Transferee Company**) and their respective shareholders (**Scheme**), under the provisions of Section 230 to 232 of the Companies Act, 2013 (**Act**) and the Rules made thereunder and other regulatory guidelines, a draft of which was tabled before the Board.

1.2 The equity shares of the Transferee Company are listed on BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**). The Transferor Company is the promoter and holding company of the Transferee Company and holds [69.02% (sixty-nine point zero two percent)] of the total paid-up equity share capital of the Transferee Company as on the date of this report, i.e., 30 June 2024.

1.3 This report is made in accordance with Section 232(2)(c) of the Act, the Master Circular issued by the Securities and Exchange Board of India (**SEBI**) bearing number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (**SEBI Merger Circular**) and the Master Circular bearing number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21 May 2024 (**SEBI Debt Circular**) (collectively, the **SEBI Circulars**) and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI Listing Regulations**).

1.4 In accordance with the applicable law, the following were presented for consideration of the Board:

a) A draft of the Scheme;
b) Memorandum of association and articles of association of UCL and USFBL;
c) Certificate dated September 20, 2024 from Deloitte Haskins & Sells, Chartered Accountants & Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of the Transferee Company, certifying that: (a) the Transferee Company is capable of payment of interest/ repayment of principal debt amounts, and (b) the accounting treatment provided in the Scheme is in conformity with the applicable accounting standards and regulations under the Act and as specified by the sector regulator i.e., Reserve Bank of India (RBI) (Statutory Auditors Certificate).

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d) Valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP, a registered valuer, providing the share exchange ratio based on valuation of UCL and USFBL (**Valuation Report**);
e) Fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, a SEBI Registered Category I Merchant Banker (**Fairness Opinion**);
f) Audit Committee Report recommending the draft Scheme; and
g) Independent Director Committee Report recommending the draft Scheme.

2. **Review of the Scheme**

2.1 The Board notes that, upon of the Scheme coming in effect, in consideration of the amalgamation, and based on the Valuation Report and Fairness Opinion, the Transferee Company would issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members of the Transferor Company as on the Record Date (*as defined in the Scheme*), 699 equity shares of the face value of INR 10 each of Transferee Company, credited as fully paid-up, for every 100 equity shares of the face value of INR 10 each fully paid-up held by such member in the Transferor Company (**Share Exchange Ratio**). The shares to be issued by the Transferee Company to the shareholders of the Transferor Company will be in accordance with Clause 15.1 of the Scheme.

2.2 The Board further notes that, the Scheme is conditional upon and subject to the following:

a. the approval of the RBI in terms of the RBI (Amalgamation of Private Sector Banks) Directions, 2016 dated 21 April 2016, and RBI certification under Section 44(B)(1) of the Banking Regulation Act, 1949;
b. no-objection / no-adverse observation letter from the BSE and the NSE in relation to the Scheme as per Regulation 37 and Regulation 94 of SEBI Listing Regulations read with SEBI Circulars;
c. the expiry of the lock-in restriction on 219,752,029 (twenty-one crore ninety-seven lakhs fifty-two thousand twenty-nine) equity shares held by the Transferor Company in the Transferee Company under Regulation 16(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (this restriction / lock-in period expires on 19 January 2025);
d. the Scheme being approved by the respective requisite majority (in number and value) of such class of persons including the shareholders and/or creditors of the Transferor Company and the Transferee Company as prescribed under applicable law, either at a meeting or through consent or no-objection letters or otherwise, and as may be directed by the National Company Law Tribunal, Allahabad bench (**NCLT**) under Sections 230 to 232 of the Act or dispensation having been received from the NCLT in relation to obtaining such approval from the members and/or creditors;
e. the Scheme being approved by e-voting by the requisite majority of the public shareholders of the Transferee Company as required under the SEBI Merger Circular (since the Scheme involves amalgamation of a listed entity with its promoter);
f. the Scheme being approved by e-voting by the requisite majority of the debenture holders of the Transferee Company as required under the SEBI Debt Circular;
g. the Scheme being sanctioned by the NCLT or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act;

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h. fulfilment of any compliance(s), condition(s) etc., if any, stipulated by the RBI, SEBI, BSE, NSE and/or any other relevant governmental authority prior to effecting the Scheme;
i. receipt of such other sanction(s), approval(s) etc., of any other Governmental Authority as may be required by Applicable Laws in respect of the Scheme; and
j. certified copy of the NCLT order sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by both the Transferor Company and the Transferee Company.

The Board notes that, the Scheme is proposed to take effect from the Appointed Date (i.e., 1 April 2025)

3. **Rationale for the Scheme**

3.1 The Transferee Company is functioning as a small finance bank (**SFB**) and was issued a license in this regard by the RBI on 25 November 2016. As per the conditions laid in the said license read with RBI Guidelines for Licensing of 'Small Finance Banks' in the Private Sector dated 27 November 2014 and the RBI Guidelines for 'on-tap' Licensing of 'Small Finance Banks' in Private Sector dated 5 December 2019 (**SFB Guidelines**), the promoter of SFB was required to reduce its equity stake in the SFB to 40% within a period of 5 years and thereafter to 26% within a period of 15 years from the date of commencement of business operations by the SFB.

3.2 Further, in terms of Direction 7.1 of the Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, USFBL submitted its plan for undertaking dilution of the promoter's shareholding including by way of reverse merger of UCL with USFBL and this dilution plan submitted by USFBL was acknowledged by the RBI pursuant to its email dated 9 February 2024.

3.3 Accordingly, the proposed amalgamation of UCL with USFBL, among other business objectives and benefits (as indicated in the Scheme), would enable the Transferee Company to meet the aforesaid dilution requirements.

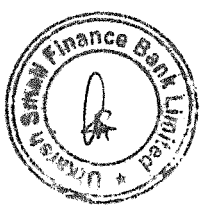
4. **Synergies**

4.1 The Scheme will create value for all stakeholders (including respective shareholders, debenture holders, and employees) as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances, and optimal utilization of common resources.

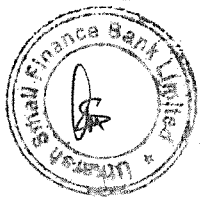
4.2 The proposed amalgamation would result in formation of a larger, stronger and single unified entity having greater economic capacity for conducting its operations with more focused operational efforts and synergies, and efficient functioning.

5. **Effect of the Scheme on the respective stakeholders of USFBL /Transferee Company:**

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoter shareholders	The Transferor Company is the promoter of the Transferee Company. Pursuant to the Scheme, the Transferor Company will be dissolved without winding up and



S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		the shareholders of the Transferor Company would benefit by directly holding shares in the Transferee Company and derive value from the business of Transferee Company directly.
2.	Non-promoter shareholders	The Scheme will not impact the rights and interest of the Transferee Company's non-promoter shareholders.
3.	Depositors	The Scheme will not impact the rights and interest of the Transferee Company's depositors.
4.	Creditors	The Scheme will not impact the rights and interest of the Transferee Company's creditors, and any amounts due to any creditor will be paid in full, as and when their dues become payable in accordance with the usual course of business of the Transferee Company
5.	A. Holders of Non-convertible Debentures (**NCDs**) issued by the Transferee Company B. Safeguards for the protection of holders of NCDs C. Exit Offer to the dissenting holders of NCDs	A. No impact on the holders of the NCDs as they will be paid the principal amount of the NCDs and the coupon thereon in full by the Transferee Company as and when their respective amounts fall due in accordance with the terms of the NCDs. B. There will be no change in terms and conditions of the NCDs pursuant to the Scheme. The holders of the NCDs as on the Effective Date (*as defined in the Scheme*) will continue to hold the NCDs, without any interruption and with the same rights that they enjoy as on the Effective Date. The liability of the Transferee Company towards holders of the NCDs is neither being reduced nor being extinguished under the Scheme. C. There will be no adverse impact on the rights and interest of holders of the NCDs, accordingly, the Scheme does not provide any exit offer / mechanism to the dissenting holders of the NCDs.
6.	Deposit Trusts and Debenture Trustees	The Scheme will not impact the rights and interest of the Transferee Company's Deposit Trusts or the Debenture Trustees.



S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
7.	Employees and Key Managerial Personnel (**KMP**)	The Scheme will not impact the rights or obligations of the Transferee Company's employees or KMPs.
8.	Directors	The Scheme will not impact the rights or obligations of the Transferee Company's directors.

6. **Observation of the Board on the Scheme**

In view of the foregoing, the Board is of the opinion that, the Scheme will be beneficial and not prejudicial / detrimental to the interests of all stakeholders (including the shareholders, debenture holders, depositors, creditors, and employees of USFBL and UCL). It is for this reason that the Board has approved the Scheme.

7. **Adoption of this Report**

The Board has adopted this Report after duly noting and considering the information set forth in this Report and the documents placed before it (as set out in paragraph 1.3 above). In case of any modifications or amendments to the Scheme, the Board or any duly authorised committee of the Board is entitled to update this Report, if so required.

For and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited

Parveen Kumar Gupta
Chairman
DIN: 02895343
Date: September 20, 2024

Shareholding Pattern of Utkarsh CoreInvest Limited as on September 20, 2024 – Pre Merger with PAN

Format of Holding of Specified securities

1. Name of Listed Entity : UTKARSH SMALL FINANCE BANK LIMITED
2. Scrip Code/Name of Scrip/Class of Security : 543942, UTKARSHBNK, EQUITY
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)
   a. if under 31(1)(b) then indicate the report for quarter ending 20/9/2024
   b. if under 31(1)(c) then indicate date of allotment/extinguishment
4. Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information:

	Particulars
a	Whether the Listed Entity has issued any partly paid up shares
b	Whether the Listed Entity has issued any Convertible Securities or Warrants?
c	Whether the Listed Entity has any shares against which depository receipts are issued?
d	Whether the Listed Entity has any shares in locked-in?
e	Whether any shares held by promoters are pledge or otherwise encumbered?

*if the Listed Entity selectes the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5 The tabular format for disclosure of holding of specified securities is as follows:

UTKARSH COREINVEST LIMITED VARANASI

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(B)	Public	2949	99248763	0	0	99248763	100	99248763	0	99248763	100	0	100	0	0	0	0	99248763
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	cs Trusts																	
	Total:	2949	99248763	0	0	99248763	100	99248763	0	99248763	100	0	100	0	0	0	0	99248763

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities		No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights	Total as a % of			No.	As a % of tota	No.	As a % of tota	

												(A+B+C)				I Shares held		I Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1d)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2)	Foreign		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

	Sub-Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities		No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares
									No of Voting Rights	Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under

									Class X	Class Y	Total									Subcategory (i)	Subcategory (ii)	Subcategory (iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)			
(1)	Institutions (Domestic)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1a)	Mutual Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1c)	Alternate Investment Funds		1	15769233	0	0	1576923	1.59	15769233	0	15769233	1.59	0	1.59	0	0	0	0	15769233	0	0	0
(1c)	AAVISHKAAR BHARAT FUND	AAFTA5299N	1	15769233	0	0	1576923	1.59	15769233	0	15769233	1.59	0	1.59	0	0	0	0	15769233	0	0	0
(1d)	Banks		2	12833284	0	0	1283284	12.93	12833284	0	12833284	12.93	0	12.93	0	0.00	0	0	12833284	0	0	0
(1d)	RBL BANK LIMITED	AABCT3335M	1	8581150	0	0	8581150	8.65	8581150	0	8581150	8.65	0	8.65	0	0	0	0	8581150	0	0	0
(1d)	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	AABCS3480N	1	42521334	0	0	4252134	4.28	42521334	0	42521334	4.28	0	4.28	0	0	0	0	42521334	0	0	0
(1e)	Insurance Companies		4	13559109	0	0	13559109	13.66	13559109	0	13559109	13.66	0	13.66	0	0.00	0	0	13559109	0	0	0

(1e)	HDFC LIFE INSURANCE COMPANY LIMITED	AAACH8755L	1	31132466	0	0	12586538	12.68	12586538	0	12586538	12.68	0	12.68	0	0.00	0	0	12586538	0	0	0
(1e)	ICICI PRUDENTIAL LIFE INSURANCE CO LTD	AAACI7351P	1	41509955	0		4150995	4.18	41509955	0	41509955	4.18	0	4.18	0	0.00	0	0	4150995	0	0	0
(1c)	SHRIRAM LIFE INSURANCE COMPANY LIMITED	AAJCS1033P	1	48255531	0		4825531	4.86	48255531	0	48255531	4.86	0	4.86	0	0.00	0	0	4825531	0	0	0
(1e)	HDFC ERGO GENERAL INSURANCE COMPANY LIMITED	AABCL5045N	1	14693377	0		1469337	1.48	14693377	0	14693377	1.48	0	1.48	0	0.00	0	0	1469337	0	0	0
(1f)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1g)	Asset Reconstruction Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1h)	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1i)	NBFC Registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1j)	Other Financial Intuitions		3	14548446	0	0	14548446	14.66	14548446	0	14548446	14.66	0	14.66	0	0.00	0	0	14548446	0	0	0
(1j)	FAERING CAPITAL INDIA EVOLVING FUND II	AAATF4754E	1	76600882	0	0	76600882	7.72	76600882	0	76600882	7.72	0	7.72	0	0	0	0	76600882	0	0	0
(1j)	FAERING CAPITAL INDIA EVOLVING FUND III	AAATF6004H	1	20428688	0	0	20428688	2.06	20428688	0	20428688	2.06	0	2.06	0	0	0	0	20428688	0	0	0
(1j)	Hero Enterprise Partner Ventures	AAKFH1443C	1	48454966	0	0	48454966	4.88	48454966	0	48454966	4.88	0	4.88	0	0	0	0	48454966	0	0	0
(1k)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)		**10**	**42517762**	**0**	**0**	**42517762**	**42.84**	**42517762**	**0**	**42517762**	**42.84**	**0**	**42.84**	**0**	**0**	**0**	**0**	**42517762**	**0**	**0**	**0**
(2)	Institutions (Foreign)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2a)	Foreign Direct Investment		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2b)	Foreign Venture Capital		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2c)	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(2d)	Foreign Portfolio Investors Category I		5	30423100	0	0	30423100	30.65	30423100	0	30423100	30.65	0	30.65	0	0	0	0	30423100	0	0	0
	BRITISH INTERNATIONAL INVESTMENT PLC	AAACC6201E	1	13726978	0	0	13726978	13.83	13726978	0	13726978	13.83	0	13.83	0	0	0	0	13726978	0	0	0
	NMI FRONTIER FUNDS	AAFCN0822K	1	7702602	0	0	7702602	7.76	7702602	0	7702602	7.76	0	7.76	0	0	0	0	7702602	0	0	0
	AAVISHKAAR GOODWELL INDIA MICROFINANCE DEVELOPMENT COMPANY II LTD	AALCA7420N	1	4007723	0	0	4007723	4.04	4007723	0	4007723	4.04	0	4.04	0	0	0	0	4007723	0	0	0
	INTERNATIONAL FINANCE CORPORATION	EXEMPTCATG	1	27869699	0	0	27869699	2.81	27869699	0	27869699	2.81	0	2.81	0	0	0	0	27869699	0	0	0
	TRIODOS SICAV II - TRIODOS MICROFINANCE FUND	AADCT7211N	1	21988828	0	0	21988828	2.22	21988828	0	21988828	2.22	0	2.22	0	0	0	0	21988828	0	0	0
(2e)	Foreign Portfolio Investors Category II		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(2f)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2g)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		**5**	**30423100**	**0**	**0**	**30423100**	**30.6533795 3**	**30423100**	**0**	**30423100**	**30.6533795 3**	**0**	**30.6533795 3**	**0**	**0**	**0**	**0**	**30423100**	**0**	**0**	**0**
(3)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(3)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

(4)	Non-Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(4a)	Associate companies / Subsidiaries		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(4b)	Directors and their relatives (excluding independent directors and nominee directors)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4c)	Key Managerial Personnel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4e)	Trusts where any person belonging to 'Promoter and		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'																					
(4f)	Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		2771	4353667	0	0	4353667	4.39	4353667	0	4353667	4.39	0	4.39	0	0	0	0	4353667	0	0	0
(4h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		156	11983656	0	0	11983656	12.07	11983656	0	11983656	12.07	0	12.07	0	0	0	0	11983656	0	0	0
(4i)	Non Resident Indians (NRIs)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4j)	Foreign Nationals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4k)	Foreign Companies		1	4845495	0	0	4845495	4.88	4845495	0	4845495	4.88	0	4.88	0	0	0	0	4845495	0	0	0

(4k)	responsAbility Participations Mauritius	AAHCR8916Q	1	4845495	4.88	0	4845495	4.88	4845495	0	4845495	4.88	0	4.88	0	0	0	0	48454 95	0	0	0
(4l)	Bodies Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4m)	Any Other		6	5125083	5.16	0	5125083	5.16	5125083	0	5125083	5.16	0	5.16	0	0	0	0	51250 83	0	0	0
(4m)	RAAG Family Private Trust (VISTRA ITCL INDIA LTD)	AADTR3180M	1	2884998	2.91	0	2884998	2.91	2884998	0	2884998	2.91	0	2.91	0	0	0	0	28849 98	0	0	0
	Sub-Total (B)(4)		**2934**	**26307901**	**26.51**	**0**	**26307901**	**26.51**	**26307901**	**0**	**26307901**	**26.51**	**0**	**26.51**	**0**	**0**	**0**	**0**	**26307 901**	**0**	**0**	**0**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)		**2949**	**99248763**	**100**	**0**	**99248763**	**100**	**99248763**	**0**	**99248763**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**99248 763**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0
(2)	Employee Benefit Trust (under SEBI(Sh		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0

	are based Employee Benefit) Regulations 2014)																		
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**0**

Details of the shareholders acting as persons in Concert including their Shareholding:			
Name of Shareholder	Name of PAC	No of shares	Holding%
Total:		**0**	**0**

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account	
No of Shareholders	No of shares
0	0

Table V - Statement showing details of Significant Beneficial Owners (SBOs)

Sr No	Details of the significant beneficial owner (SBO) I			Details of the registered owner II			Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: III	Date of creation/acquisition of significant beneficial interest# IV
	Name		Nationality	Name		Nationality	Whether by virtue of:	

		PAN/ Passport No. in case of a foreign national			PAN/ Passport No. in case of a foreign national		Shares	.....%	
							Voting rights	.....%	
							Rights on distributable dividend or any other distribution	.....%	
							Exercise of control		
							Exercise of significant influence		
1	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	NA	NA	NA	NA	NA	NA	NA	NA	NA

* In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories.

This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

Table VI - Statement showing foreign ownership limits

	Board approved limits	Limits utilized	Date
As on shareholding date	49	35.54	September 20, 2024
As on the end of previous 1st quarter	0	0	
As on the end of previous 2nd quarter	0	0	
As on the end of previous 3rd quarter	0	0	
As on the end of previous 4th quarter	0	0	

For Utkarsh CoreInvest Limited

Neeraj Kumar Tiwari
Company Secretary
Membership No: F12101

Date: 30.09.2024
Place: VARANASI

Annexure 6A

Shareholding Pattern of Utkarsh Small Finance Bank Limited as on September 20, 2024 – Pre Merger

Format of Holding of Specified securities

1. Name of Listed Entity : UTKARSH SMALL FINANCE BANK LIMITED
2. Scrip Code/Name of Scrip/Class of Security : 543942, UTKARSHBNK, EQUITY
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)
   a. if under 31(1)(b) then indicate the report for quarter ending 20/9/2024
   b. if under 31(1)(c) then indicate date of allotment/extinguishment
4. Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information:

	Particulars	YES*	NO*
a	Whether the Listed Entity has issued any partly paid up shares		No
b	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
c	Whether the Listed Entity has any shares against which depository receipts are issued?		No
d	Whether the Listed Entity has any shares in locked-in?	Yes	
e	Whether any shares held by promoters are pledge or otherwise encumbered?		No

*if the Listed Entity selectes the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Utkarsh Small Finance Bank Limited

5 The tabular format for disclosure of holding of specified securities is as follows:

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	75927222	0	0	759272222	68.95	75927222	0	75927222	68.95	0	68.95	21975029	28.94	0	0	759272222
(B)	Public	225476	34191 0083	0	0	341910083	31.04	34191 0083	0	34191 0083	31.04	0	31.04	0	0	0	0	3419100 83
(C)	Non Promo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities																			
Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	ter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Emplo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	yes Trusts																	
	Total:	225477	11011 82305	0	0	110118 2305	99.99	11011 82305	0	11011 82305	99.99	0	99.99	21975 2029	28.94	0	0	1101182 305

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																		
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)

(1)	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(1d)	Any Other		1	75927222	0	0	75927222	68.95	75927222	0	75927222	68.95	0	68.95	21975209	28.94	0	0.00	759272222
(1d)	UTKARSH COREINVEST LIMITED	AAECS9298K	1	75927222	0	0	75927222	68.95	75927222	0	75927222	68.95	0	68.95	21975209	28.94	0	0.00	759272222
	Sub-Total (A)(1)		**1**	**75927222**	**0**	**0**	**75927222**	**68.95**	**75927222**	**0**	**75927222**	**68.95**	**0**	**68.95**	**21975209**	**28.94**	**0**	**0**	**759272222**
(2)	Foreign		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Utkarsh Small Finance Bank Limited

(2e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**1**	**7592722**	**0**	**0**	**7592722**	**68.95**	**7592722**	**0**	**7592722**	**68.95**	**0**	**68.95**	**2197520 9**	**28.94**	**0**	**0.00**	**759272222**

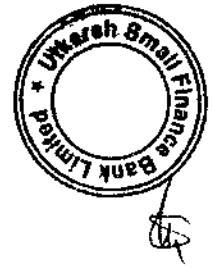


Table III - Statement showing shareholding pattern of the Public shareholder																							
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV +V +VI)	Shareholding as a % of total no of shares (A+B +C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of (A +B +C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
									Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)

	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)			
(1)	Institutions (Domestic)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1a)	Mutual Funds		6	799 354 59	0	0	799 354 59	7.26	799 354 59	0	799 354 59	7.2 6	0	7.26	0	0. 00	0	0	79935 459	0	0	0
(1a)	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	AAA TB01 02C	1	154 742 49	0	0	154 742 49	1.41	154 742 49	0	154 742 49	1.4 1	0	1.41	0	0. 00	0	0	15474 249	0	0	
(1a)	MIRAE ASSET ELSS TAX SAVER FUND	AACT M020 3B	1	620 962 32	0	0	620 962 32	5.64	620 962 32	0	620 962 32	5.6 4	0	5.64	0	0. 00	0	0	62096 232	0	0	0
(1b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0. 00	0	0	0	0	0	0
(1c)	Alternate Investment Funds		1	105 222 21	0	0	105 222 21	0.96	105 222 21	0	105 222 21	0.9 6	0	0.96	0	0. 00	0	0	10522 221	0	0	0
(1d)	Banks		0	0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0. 00	0	0	0	0	0	0
(1e)	Insurance Companies		5	222 865 31	0	0	222 865 31	2.02	222 865 31	0	222 865 31	2.0 2	0	2.02	0	0. 00	0	0	22286 531	0	0	0
(1e)	BHARTI AXA LIFE INSURANCE COMPANY LTD	AAC CB72 27P	1	125 865 38	0	0	125 865 38	1.14	125 865 38	0	125 865 38	1.1 4	0	1.14	0	0. 00	0	0	12586 538	0	0	0
(1f)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0. 00	0	0	0	0	0	0
(1g)	Asset Reconstruc		0	0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0. 00	0	0	0	0	0	0

	tion Companies																					
(1h)	Soveregin Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1i)	NBFC Registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1j)	Other Financial Insutitions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1k)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
	Sub-Total (B)(1)		**12**	**112 744 211**	**0**	**0**	**112 744 211**	**10.24**	**112 744 211**	**0**	**112 744 211**	**10.00**	**0**	**10.24**	**0**	**0**	**0**	**0**	**11274 4211**	**0**	**0**	**0**
(2)	Institutions (Foreign)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2a)	Foreign Direct Investment		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2b)	Foreign Venture Capital		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2c)	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2d)	Foreign Portfolio Investors Category I		15	112 321 30	0	0	112 321 30	1.02	112 321 30	0	112 321 30	1.02	0	1.02	0	0.00	0	0	11232 130	0	0	0
(2e)	Foreign Portfolio Investors Category II		2	173 53	0	0	173 53	0.00	173 53	0	173 53	0.00	0	0.00	0	0.00	0	0	17353	0	0	0
(2f)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0

(2g)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		**17**	**11249483**	**0**	**0**	**11249483**	**1.02**	**11249483**	**0**	**11249483**	**1.02**	**0**	**1.02**	**0**	**0**	**0**	**0**	**11249483**	**0**	**0**	**0**
(3)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		1	93535	0	0	93535	0.01	93535	0	93535	0.01	0	0.01	0	0.00	0	0	93535	0	0	0
	Sub-Total (B)(3)		**1**	**93535**	**0**	**0**	**93535**	**0.01**	**93535**	**0**	**93535**	**0.01**	**0**	**0.01**	**0**	**0**	**0**	**0**	**93535**	**0**	**0**	**0**
(4)	Non-Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(4a)	Associate companies / Subsidiaries		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0

(4b)	Directors and their relatives (excluding independent directors and nominee directors)		1	483545	0	0	483545	0.04	483545	0	483545	0.04	0	0.04	0	0	0	0	483545	0	0	0
(4c)	Key Managerial Personnel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4f)	Investor Education		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	and Protection Fund (IEPF)																					
(4g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		2208 41	107 027 702	0	0	107 027 702	9.72	107 027 702	0	107 027 702	9.7 2	0	9.72	0	0	0	0	10702 7702	0	0	0
(4h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		631	384 742 50	0	0	384 742 50	3.49	384 742 50	0	384 742 50	3.4 9	0	3.49	0	0	0	0	38474 250	0	0	0
(4i)	Non Resident Indians (NRIs)		1544	420 453 8	0	0	420 453 8	0.38	420 453 8	0	420 453 8	0.3 8	0	0.38	0	0	0	0	42045 38	0	0	0
(4j)	Foreign Nationals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4k)	Foreign Companies		3	516 777 81	0	0	516 777 81	4.69	516 777 81	0	516 777 81	4.6 9	0	4.69	0	0	0	0	51677 781	0	0	0
(4k)	OLYMPUS ACF PTE LIMITED	AAC CO39 34A	1	342 016 34	0	0	342 016 34	3.11	342 016 34	0	342 016 34	3.1 1	0	3.11	0	0	0	0	34201 634	0	0	0
(4l)	Bodies Corporate		368	107 494 19	0	0	107 494 19	0.98	107 494 19	0	107 494 19	0.9 8	0	0.98	0	0	0	0	10749 419	0	0	0
(4m)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4m)	H U F		2051	520 267 5	0	0	520 267 5	0.47	520 267 5	0	520 267 5	0.4 7	0	0.47	0	0	0	0	52026 75	0	0	0
(4m)	EMPLOYEES		1	300	0	0	300	0	300	0	300	0	0	0	0	0	0	0	300	0	0	0

(4m)	CLEARING MEMBERS		6	2644	0	0	2644	0	2644	0	2644	0	0	0	0	0	0	0	2644	0	0	0
	Sub-Total (B)(4)		**225446**	**21782854**	**0**	**0**	**21782854**	**19.77**	**21782854**	**0**	**21782854**	**19.77**	**0**	**19.77**	**0**	**0**	**0**	**0**	**21782854**	**0**	**0**	**0**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)		**225476**	**34191083**	**0**	**0**	**34191083**	**31.04**	**34191083**	**0**	**34191083**	**31.04**	**0**	**31.04**	**0**	**0**	**0**	**0**	**34191083**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0
(2)	Employee Benefit Trust (under SEBI(Share based Employe		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0

	e Benefit) Regulations 2014)																	
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**0**

Details of the shareholders acting as persons in Concert including their Shareholding:			
Name of Shareholder	Name of PAC	No of shares	Holding%
Total:		**0**	**0**

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account	
No of Shareholders	No of shares
0	0

Utkarsh Small Finance Bank Limited

Table V - Statement showing details of Significant Beneficial Owners (SBOs)									
Sr No	Details of the significant beneficial owner (SBO) I			Details of the registered owner II			Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: III		Date of creation/acquisition of significant beneficial interest# IV
	Name	PAN/ Passport No. in case of a foreign national	Nationality	Name	PAN/ Passport No. in case of a foreign national	Nationality	Whether by virtue of:		
							Shares	.....%	
							Voting rights	.....%	
							Rights on distributable dividend or any other distribution	.....%	
							Exercise of control		
							Exercise of significant influence		
1	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	NA	NA	NA	NA	NA	NA	NA	NA	NA

* In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories.

This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

Utkarsh Small Finance Bank Limited

Table VI - Statement showing foreign ownership limits			
	Board approved limits	Limits utilized	Date
As on shareholding date	49	6.09	September 20, 2024
As on the end of previous 1st quarter	49	6.88	June 30, 2024
As on the end of previous 2nd quarter	49	10.25	March 31, 2024
As on the end of previous 3rd quarter	49	10.6	December 31, 2023
As on the end of previous 4th quarter	49	9.32	September 30, 2023

Notes:

i) The Shares of the Transferee company are listed on BSE & NSE.
ii) The Shareholding Pattern basis BENPOS as on September 20, 2024 has been considered as base for preparing pre & post shareholding pattern.
iii) The number of shareholders of the transferee company is subject to change as it is publicly listed company.
iv) The shareholding pattern post merger is prepared on the assumption of swap ratio and the number of shares to be issued.
v) Considering the high no. of shareholders both in the transferor & transferee companies, PAN no. for all the shareholders can not be provided. However, we have provided PAN of shareholders with 1% or above holding both in pre & post merger phase.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No.F5674

Date: SEPTEMBER 30, 2024
Place: MUMBAI

Utkarsh Small Finance Bank

Shareholding Pattern of Utkarsh Small Finance Bank Limited – Post Merger (basis BENPOS as on September 20, 2024)

Format of Holding of Specified securities

1. Name of Listed Entity : UTKARSH SMALL FINANCE BANK LIMITED
2. Scrip Code/Name of Scrip/Class of Security : 543942, UTKARSHBNK, EQUITY
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)
   a. if under 31(1)(b) then indicate the report for quarter ending 20/9/2024
   b. if under 31(1)(c) then indicate date of allotment/extinguishment
4. Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information:

	Particulars	YES*	NO*
a	Whether the Listed Entity has issued any partly paid up shares		No
b	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
c	Whether the Listed Entity has any shares against which depository receipts are issued?		No
d	Whether the Listed Entity has any shares in locked-in?		No
e	Whether any shares held by promoters are pledge or otherwise encumbered?		No

*if the Listed Entity selectes the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Utkarsh Small Finance Bank Limited

5 The tabular format for disclosure of holding of specified securities is as follows:

Table I - Summary Statement holding of specified securities																		
Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities

Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	ter Group																	
(B)	Public	228421	10356 58936	0	0	103565 8936	100	10356 58936	0	10356 58936	100	0	100	0	0	0	0	103565 8936

Table I - Summary Statement holding of specified securities																		
Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities																		
Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities																		
Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(C2)	Shares held by Emplo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table I - Summary Statement holding of specified securities																		
Category	Category of Share holder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	yes Trusts																	
	Total:	228421	10356 58936	0	0	103565 8936	100	10356 58936	0	10356 58936	100	0	100	0.0933 79215	0.1400 68823	0.2801 37646	0	103565 8936

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																				
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.(1a)	Individuals/ Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																				
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total									
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)	
(1c)	Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(1d)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Sub-Total (A)(1)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																				
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(2)	Foreign		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2a)	Individuals (Non-Resident Individuals/		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Foreign Individuals																		
(2b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(2d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(2e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Sub-Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	and Promoter Group (A)=(A)(1)+(A)(2)																		

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
									Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)

	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)			
(1)	Institutions (Domestic)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1a)	Mutual Funds		6	79935459	0	0	79935459	7.72	79935459	0	79935459	7.72	0	7.72	0	0.00	0	0	79935459	0	0	0
(1a)	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	AAATB0102C	1	15474249	0	0	15474249	1.49	15474249	0	15474249	1.49	0	1.49	0	0.00	0	0	15474249	0	0	0
(1a)	MIRAE ASSET ELSS TAX SAVER FUND	AACTM0203B	1	62096232	0	0	62096232	6.00	62096232	0	62096232	6.00	0	6.00	0	0.00	0	0	62096232	0	0	0
(1b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1c)	Alternate Investment Funds		1	21544913	0	0	21544913	2.08	21544913	0	21544913	2.08	0	2.08	0	0.00	0	0	21544913	0	0	0
(1c)	AAVISHKAR BHARAT FUND	AAFTA5299N	1	21544913	0	0	21544913	2.08	21544913	0	21544913	2.08	0	2.08	0	0.00	0	0	21544913	0	0	0
(1d)	Banks		2	89704655	0	0	89704655	8.66	89704655	0	89704655	8.66	0	8.66	0	0.00	0	0	89704655	0	0	0
(1d)	RBL BANK LIMITED	AABCT3335M	1	59982239	0	0	59982239	5.79	59982239	0	59982239	5.79	0	5.79	0	0.00	0	0	59982239	0	0	0
(1d)	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	AABCS3480N	1	29722417	0	0	29722417	2.87	29722417	0	29722417	2.87	0	2.87	0	0.00	0	0	29722417	0	0	0

(1e)	Insurance Companies		7	1170 6470 3	0	0	1170 6470 3	11.30	1170 6470 3	0	1170 6470 3	11. 30	0	11.30	0	0. 00	0	0	11706 4703	0	0	0
(1e)	BHARTI AXA LIFE INSURANC E COMPANY LTD	AACC B722 7P	1	1258 6538	0	0	1258 6538	1.22	1258 6538	0	1258 6538	1.2 2	0	1.22	0	0. 00	0	0	12586 538	0	0	0
(1e)	Shriram Life Insurance Company Limited	AAJC S103 3P	1	3373 0462	0	0	3373 0462	3.26	3373 0462	0	3373 0462	3.2 6	0	3.26	0	0. 00	0	0	33730 462	0	0	0
(1e)	ICICI Prudential Life Insurance Company Limited	AAA CI735 1P	1	3621 8415	0	0	3621 8415	3.50	3621 8415	0	3621 8415	3.5 0	0	3.50	0	0. 00	0	0	36218 415	0	0	0
(1e)	HDFC Life Insurance Company Limited	AAA CH87 55L	1	2183 1613	0	0	2183 1613	2.11	2183 1613	0	2183 1613	2.1 1	0	2.11	0	0. 00	0	0	21831 613	0	0	0
(1e)	HDFC Ergo General Insurance Company Limited	AABC L5045 N	1	1027 0666	0	0	1027 0666	0.99	1027 0666	0	1027 0666	0.9 9	0	0.99	0	0. 00	0	0	10270 666	0	0	0
(1e)	RELIANCE GENERAL INSURANC E COMPANY LIMITED	AABC R674 7B	1	1550 000	0	0	1550 000	0.15	1550 000	0	1550 000	0.1 5	0	0.15	0	0. 00	0	0	15500 00	0	0	0
(1e)	SBI LIFE INSURANC E CO. LTD	AAFC S253 0P	1	8770 10	0	0	8770 10	0.08	8770 10	0	8770 10	0.0 8	0	0.08	0	0. 00	0	0	87701 0	0	0	0
(1f)	Provident Funds/Pen sion Funds		0	0	0	0	0	0.00	0	0	0	0.0 0	0	0.00	0	0. 00	0	0	0	0	0	0

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(1g)	Asset Reconstruction Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1h)	Soveregin Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(1i)	NBFC Registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(1j)	Other Financial Insutitions		3	10169363 8	0	0	10169363 8	9.82	10169363 8	0	10169363 8	9.82	0	9.82	0	0.00	0	0	10169363638	0	0	0
(1j)	Faering Capital India Evolving FUND II	AAATF4754E	1	5354 3973	0	0	5354 3973	5.17	5354 3973	0	5354 3973	5.17	0	5.17	0	0.00	0	0	53543973	0	0	
(1j)	Hero Enterprise Partner Ventures	AAKFH1443C	1	3387 0017	0	0	3387 0017	3.27	3387 0017	0	3387 0017	3.27	0	3.27	0	0.00	0	0	33870017	0	0	0
(1j)	Faering Capital India Evolving FUND III	AAATF6004H	1	1427 9647	0	0	1427 9647	1.38	1427 9647	0	1427 9647	1.38	0	1.38	0	0.00	0	0	14279647	0	0	0
(1k)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
	Sub-Total (B)(1)		**19**	**40994336 7**	**0**	**0**	**40994336 7**	**39.58**	**40994336 7**	**0**	**40994336 7**	**39.58**	**0**	**39.58**	**0**	**0**	**0**	**0**	**409943367**	**0**	**0**	**0**
(2)	Institutions (Foreign)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2a)	Foreign Direct Investment		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(2b)	Foreign Venture Capital		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0

(2c)	Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2d)	Foreign Portfolio Investors Category I		20	22388959	0	0	22388959	21.62	22388959	0	22388959	21.62	0	21.62	0	0.00	0	0	22388959	0	0	0
	British International Investment PLC	AAACC6201E	1	95951576	0	0	95951576	9.26	95951576	0	95951576	9.26	0	9.26	0	0.00	0	0	95951576	0	0	0
	NMI Frontier Fund KS	AAFCN0822K	1	53841188	0	0	53841188	5.20	53841188	0	53841188	5.20	0	5.20	0	0.00	0	0	53841188	0	0	0
	Aavishkaar Goodwell India Microfinance Development Company II Limited	AALCA7420N	1	28013984	0	0	28013984	2.70	28013984	0	28013984	2.70	0	2.70	0	0.00	0	0	28013984	0	0	0
	International Finance Corporation	EXEMPTCATG	1	19480913	0	0	19480913	1.88	19480913	0	19480913	1.88	0	1.88	0	0.00	0	0	19480913	0	0	0
	Triodos SICAV II – Triodos Microfinance Fund	AADCT7211N	1	15369808	0	0	15369808	1.48	15369808	0	15369808	1.48	0	1.48	0	0.00	0	0	15369808	0	0	0
(2e)	Foreign Portfolio Investors Category II		2	17353	0	0	17353	0.00	17353	0	17353	0.00	0	0.00	0	0.00	0	0	17353	0	0	0
(2f)	Overseas Depositories (holding DRs)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0

	(balancing figure)																					
(2g)	Any Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)		**22**	**22390692**	**0**	**0**	**22390692**	**21.62**	**22390692**	**0**	**22390692**	**21.62**	**0**	**21.62**	**0**	**0**	**0**	**0**	**22390692**	**0**	**0**	**0**
(3)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(3c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		1	93535	0	0	93535	0.01	93535	0	93535	0.01	0	0.01	0	0.00	0	0	93535	0	0	0
	Sub-Total (B)(3)		**1**	**93535**	**0**	**0**	**93535**	**0.01**	**93535**	**0**	**93535**	**0.01**	**0**	**0.01**	**0**	**0**	**0**	**0**	**93535**	**0**	**0**	**0**
(4)	Non-Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0
(4a)	Associate companies /		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	0	0

	Subsidiaries																				
(4b)	Directors and their relatives (excluding independent directors and nominee directors)		1	483545	0	0	483545	0.05	483545	0	483545	0.05	0	0.05	0	0	0	0	483545	0	0	0
(4c)	Key Managerial Personnel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee',		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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	'beneficiary', or 'author of the trust'																					
(4f)	Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs		22361254	13745983	0	0	13745983	13.27	13745983	0	13745983	13.27	0	13.27	0	0.00	0	0	137459834	0	0	0
(4h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs		787	12224005	0	0	12224005	11.80	12224005	0	12224005	11.80	0	11.80	0	0.00	0	0	122240005	0	0	0
(4i)	Non Resident Indians (NRIs)		1544	4204538	0	0	4204538	0.41	4204538	0	4204538	0.41	0	0.41	0	0.00	0	0	4204538	0	0	0
(4j)	Foreign Nationals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(4k)	Foreign Companies		3	85547791	0	0	85547791	8.26	85547791	0	85547791	8.26	0	8.26	0	0.00	0	0	85547791	0	0	0
(4k)	OLYMPUS ACF PTE LIMITED	AACCO393 4A	1	34201634	0	0	34201634	3.30	34201634	0	34201634	3.30	0	3.30	0	0	0	0	342016340	0	0	0
	responsAbility Participatio	AAHCR8916Q	1	43347189			43347189	4.19	43347189	0	43347189	4.19	0	4.19	0	0	0	0	433471890	0	0	0

	ns Mauritius																					
(4l)	Bodies Corporate		368	1074 9419	0	0	1074 9419	1.04	1074 9419	0	1074 9419	1.04	0	1.04	0	0	0	0	10749 419	0	0	0
(4m)	Any Other		2064	4102 9949	0	0	4102 9949	3.96	4102 9949	0	4102 9949	3.96	0	3.96	0	0. 00	0	0	41029 949	0	0	0
(4m)	H U F		2051	5202 675	0	0	5202 675	0.50	5202 675	0	5202 675	0.50	0	0.50	0	0	0	0	52026 75	0	0	0
(4m)	EMPLOYE ES		1	300	0	0	300	0.00	300	0	300	0.00	0	0.00	0	0	0	0	300	0	0	0
(4m)	CLEARING MEMBERS		6	2644	0	0	2644	0.00	2644	0	2644	0.00	0	0.00	0	0	0	0	2644	0	0	0
(4m)	Trusts & Others																					
(4m)	RAAG Family Private Trust (VISTRA ITCL INDIA LTD)	AADT R318 0M	1	2016 6136			2016 6136	1.95	2016 6136	0	2016 6136	1.95	0	1.95	0	0	0	0	20166 136	0	0	0
(4m)	Others		5	1565 8194			1565 8194	1.51	1565 8194	0	1565 8194	1.51	0	1.51	0	0	0	0	15658 194	0	0	0
	Sub-Total (B)(4)		**2283 79**	**4017 1508 2**	**0**	**0**	**4017 1508 2**	**38.79**	**4017 1508 2**	**0**	**4017 1508 2**	**38. 79**	**0**	**38.79**	**0**	**0**	**0**	**0**	**40171 5082**	**0**	**0**	**0**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)		**2284 21**	**1035 6589 36**	**0**	**0**	**1035 6589 36**	**100**	**1035 6589 36**	**0**	**1035 6589 36**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**10356 58936**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder																				
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0
(2)	Employee Benefit Trust (under SEBI(Share based		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder																				
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Employee Benefit) Regulations 2014)																		
	Total Non-Promoter-Non		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0

Utkarsh Small Finance Bank Limited

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Public Shareholding (C) = (C)(1)+(C)(2)																		

Details of the shareholders acting as persons in Concert including their Shareholding:			
Name of Shareholder	Name of PAC	No of shares	Holding%
Total:		**0**	**0**

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account	
No of Shareholders	No of shares
0	0

Table V - Statement showing details of Significant Beneficial Owners (SBOs)									
Sr No	Details of the significant beneficial owner (SBO) I			Details of the registered owner II			Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: III		Date of creation/acquisition of significant beneficial interest# IV
	Name	PAN/ Passport No. in case of a foreign national	Nationality	Name	PAN/ Passport No. in case of a foreign national	Nationality	Whether by virtue of:		
							Shares	.....%	
							Voting rights	.....%	
							Rights on distributable dividend or any other distribution	.....%	
							Exercise of control		
							Exercise of significant influence		
1	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	NA	NA	NA	NA	NA	NA	NA	NA	NA

* In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories.

This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

Table VI - Statement showing foreign ownership limits			
	Board approved limits	Limits utilized	Date
As on shareholding date	49	30.29	September 20, 2024
As on the end of previous 1st quarter	49	-	Not Applicable
As on the end of previous 2nd quarter	49	-	Not Applicable
As on the end of previous 3rd quarter	49	-	Not Applicable
As on the end of previous 4th quarter	49	-	Not Applicable

Notes:

i) The Shares of the Transferee company are listed on BSE & NSE.
ii) The Shareholding Pattern basis BENPOS as on September 20, 2024 has been considered as base for preparing pre & post shareholding pattern.
iii) The number of shareholders of the transferee company is subject to change as it is publicly listed company.
iv) The shareholding pattern post merger is prepared on the assumption of swap ratio and the number of shares to be issued.
v) Considering the high no. of shareholders both in the transferor & transferee companies, PAN no. for all the shareholders can not be provided. However, we have provided PAN of shareholders with 1% or above holding both in pre & post merger phase.

For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No.F5674

Date: SEPTEMBER 30, 2024
Place: MUMBAI

RBSA Valuation Advisors LLP
VALUATION | INVESTMENT BANKING | RESTRUCTURING | TRANSACTION STRUCTURING | TRANSACTION TAX | ADVISORY SERVICES

Strictly Private and Confidential

Report Reference Number: RVA2425BOMREP251

Date: 20/09/2024

The Audit Committee and The Board of Directors,
Utkarsh Small Finance Bank Limited
Utkarsh Tower, NH-31(Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh - 221105

The Audit Committee and The Board of Directors,
Utkarsh CoreInvest Limited
S-24/1-2, 4th Floor, Mahavir Nagar,
Orderly Bazar, Near Mahavir Mandir,
Varanasi, Uttar Pradesh - 221002

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Utkarsh CoreInvest Limited into Utkarsh Small Finance Bank Limited

Dear Sirs,

We refer to our engagement letter dated July 5, 2024, whereby RBSA Valuation Advisors LLP ("RBSA") has been jointly appointed by Utkarsh Small Finance Bank Limited ("USFBL") and Utkarsh CoreInvest Limited ("UCL") to recommend fair equity share exchange ratio for the proposed amalgamation of UCL into USFBL ("Proposed Amalgamation"), pursuant to scheme of arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

USFBL and UCL are hereinafter jointly referred to as the "Companies" and individually referred to as the "Company", as the context may require.

RBSA is hereinafter referred to as "Valuer" or "we" or "us" in this report.

The fair equity share exchange ratio for the purpose of this report refers to the number of fully paid-up equity shares of face value of INR 10/- each to be issued by USFBL to the equity shareholders of UCL, pursuant to the Scheme ("Equity Share Exchange Ratio").

This report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

USFBL:

USFBL was incorporated on April 30, 2016, and is registered with the Reserve Bank of India ("RBI") as a banking company (under the small finance bank segment) under the provisions of the Banking Regulation Act, 1949 and holds a registration bearing number MUM:125 dated November 25, 2016, issued by RBI for operating as a small finance bank ("SFB"). USFBL commenced its business of providing wide range of banking and financial services including retail banking with focus on micro-finance, commercial vehicle finance, home finance, loan against-property finance, corporate finance, and providing financing solutions for individuals and micro and small enterprises that are underserved by formal financing channels.

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USFBL is included in the second schedule to the RBI Act as a scheduled commercial bank pursuant to a notification dated October 4, 2017, issued by the RBI and published in the Gazette of India dated November 7, 2017. The equity shares of USFBL are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). The NCDs of USFBL are listed on debt segment of the BSE. USFBL does not have any subsidiary, joint ventures or associate companies.

UCL:

UCL was incorporated on May 15, 1990, under the Companies Act, 1956 under the name and style '*Shre Pathrakali Finance Company Limited*'. On February 11, 2010, the company's name was changed to '*Utkarsh Micro Finance Private Limited*'. Subsequently, the RBI permitted the company to commence operations as a non-deposit taking NBFC under Section 45-IA of the Reserve Bank of India Act, 1934 and issued a registration certificate dated March 19, 2010, bearing the number B-07-00781 to this effect. On January 21, 2014, the company was registered with the RBI as NBFC Microfinance Institution (NBFC-MFI) and was issued a revised registration certificate with the same registration number (i.e. B-07-00781). On October 7, 2015, UCL received an in-principle approval from RBI to set up a small finance bank under the Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014.

Accordingly, UCL incorporated USFBL as its wholly owned subsidiary and transferred its microfinance business as a going concern by way of a slump sale on January 21, 2017. Post this business transfer, UCL ceased to operate as an NBFC-MFI and was converted into an NBFC - Core Investment Company ("NBFC-CIC"), with a new registration certificate dated May 3, 2018, issued by the RBI.

UCL presently is the promoter and the holding company of USFBL. The equity shares of UCL are not listed on any stock exchange. UCL does not have any subsidiary, joint venture or associate companies except its investment in USFBL.

As per the SFB Guidelines and RBI Clarifications read with the RBI Acquisition Directions, the promoter of a small finance bank is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 years from the date of commencement of business operations by the small finance bank.

We understand that the management of the Companies (hereinafter referred to as "the Management") are contemplating the Proposed Amalgamation pursuant to the Scheme to comply with the above guidelines. In this context, the Board of Directors of the Companies have jointly appointed RBSA to recommend the share exchange ratio for the Proposed Amalgamation on a 'going concern' value premise, pursuant to the Scheme and submit a report recommending fair equity share exchange ratio to the Audit Committee / Board of Directors formulated by the respective Companies in this regard, for issue of USFBL equity shares to the equity shareholders of UCL, as consideration for the Proposed Amalgamation (hereinafter referred to as "Report").

We would like to emphasize that certain terms of the Proposed Amalgamation are stated in the Report, however, the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

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For the purpose of this Report, we have considered the valuation date as September 19, 2024 ("Valuation Date").

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the shares of Companies and arrive at the equity share exchange ratio using internationally accepted valuation methodologies as may be applicable to Companies and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018, issued by the Institute of Chartered Accountants of India and International Valuation Standards.

We have been informed that:

i. There would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective, without approval of the shareholders and other relevant authorities.
ii. Till the Proposed Amalgamation becomes effective, neither of the Companies will declare any substantial dividend.
iii. There would be no significant variation between the draft Scheme and final Scheme approved and submitted with the relevant authorities.

We have been informed that, in the event either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares/ merger/ demerger/ reduction of share capital before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the Equity Share Exchange Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

This Report is our deliverable for the above engagement.

SOURCES OF INFORMATION

In connection with this exercise, we have considered the following information received from the Management and/ or obtained from public domain:

- Limited reviewed financial statements of USFBL for the 3 months period ended June 30, 2024;
- Audited financial statements of UCL for the 3 months period ended June 30, 2024;
- Audited financial statements of UCL and USFBL for the years ended March 31, 2022, 2023 and 2024;
- Details of employee stock options of the Companies outstanding as on Valuation Date;
- Draft Scheme;
- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Information available in public domain and databases such as S&P Capital IQ and websites of NSE, BSE etc.;
- Other relevant information and documents for the purpose of this engagement.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by us in detail, if not considered relevant for the defined scope.

USFBL has informed us that DAM Capital Advisors Limited ("Fairness Team") has been appointed to provide fairness opinion on the Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation. Further, at the request of the USFBL we have had discussions with the Fairness Team in respect of our valuation analysis.

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PROCEDURES ADOPTED

Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

- Requested and received financial and qualitative information;
- Discussions (physical/over call) with the Management to:
  - Understand the business and fundamental factors affecting earning-generating capability of the Companies
  - Understand historical financial performance and current state of affairs of the Companies
- Obtained and analysed market prices, volume data and other relevant information for USFBL;
- Obtained and analysed data of peer companies available in public domain, as deemed relevant by us for the purpose of the present exercise;
- Considered Draft Scheme;
- Considered shareholding pattern of the Companies and outstanding ESOP's; and
- Selection of appropriate internationally accepted valuation methodology/(ies), after deliberations and consideration to the sector in which the Companies operate and analysis of their business operations;
- Arrived at the relative value of equity shares of the Companies to determine Equity Share Exchange Ratio for the Proposed Amalgamation.

SHAREHOLDING PATTERN

USFBL

The issued and subscribed equity share capital of USFBL as of June 30, 2024, is ~INR 11,001 million comprising 1,100,142,960 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholder	No. of equity shares	Percentage
Utkarsh CoreInvest Limited *	759,272,222	69.02%
Public	340,870,738	30.98%
Total	**1,100,142,960**	**100.00%**

** Includes 6 shares held by individuals as nominees on behalf of UCL*
Source: www.nseindia.com

Equity shares of USFBL are listed on the BSE and NSE.

The following is the breakup of the ESOP's granted by the Company as of the Valuation Date which has been considered for USFBL's valuation,

Exercise Price	No. of Granted Options
INR 14.01	17,845
INR 27.00	19,760,538
INR 30.00	15,000
INR 31.80	906,484
INR 44.00	1,98,76,432
INR 44.14	15,812,718
Total	**5,63,89,017**

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UCL

The issued and subscribed equity share capital of UCL as of June 30, 2024, is ~INR 990 million comprising 99,126,244 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholder	No. of equity shares	Percentage
British International Investment PLC	13,726,978	13.85%
RBL Bank Limited	9,702,950	9.79%
NMI Frontier Fund KS	7,702,602	7.77%
Faering Capital India Evolving Fund II	7,660,082	7.73%
Others	60,333,632	60.86%
Grand Total	**99,126,244**	**100.00%**

Source: Management Information

The following is the breakup of the ESOP's granted by the Company as of the Valuation Date which has been considered for UCL's valuation,

Exercise Price	No. of Granted Options
INR 109.36	239,738
INR 125.00	768,695
Total	**1,008,433**

UCL holds ~69% of the equity share capital of USFBL. As at Valuation Date, apart from holding investment in USFBL, UCL does not have any significant assets / liabilities or business operations.

VALUATION APPROACH & METHODOLOGY

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Considering the nature of this exercise, we have adopted Relative Value as the Valuation base.

Premise of Value: Premise of Value refers to the conditions and circumstances in which an asset is deployed. Considering the nature of this exercise, we have adopted 'Going Concern Value' as the Premise of Value.

Intended Users: This Report is intended for consumption of the Board of Directors of the Companies and may be submitted to the shareholders of the Companies and relevant regulatory and judicial authorities as may be mandatorily required under the laws of India, in connection with the Proposed Amalgamation.

It should be understood that the valuation of any entity or business is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. This valuation could fluctuate with the passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Companies, and other factors which generally influence the valuation of any entity or business.

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The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Commonly accepted approach/ methods for determining the value of the equity shares of a company/ business, include:

- Income Approach – Discounted Cash Flow method
- Market Approach
- Asset Approach – Net Asset Value method

There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the Equity Share Exchange Ratio, which have been considered in the present case, to the extent relevant and applicable, and subject to the availability of relevant information.

Income Approach – Discounted Cash Flow ("DCF")

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows to firm are the cash flows expected to be generated by the company/ assets that are available to the providers of the company's capital – both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows to firm, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

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Market Price Method:

Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

Comparable Companies Multiple (CCM) Method:

Under this method, the value of the shares of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transaction Multiple ("CTM") Method

Under Comparable Transaction Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment, after consideration has been given to the specific characteristics of the business being valued.

Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies in its underlying assets and not in the ongoing operations of the business.

Valuation Approach/ methodology adopted

For the present valuation analysis, the merger of the Companies is proceeded with on the assumption that the Companies would merge as going concern and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being ordinarily of limited relevance.

For USFBL:

The equity shares of USFBL are listed on BSE and NSE and are frequently traded. Hence, we have applied the Market Price Method under the Market Approach considering the share prices of USFBL on NSE over an appropriate period to arrive at the relative fair value of the shares for the purpose of arriving at the Equity Share Exchange Ratio.

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Considering the availability of comparable listed peer set in the business carried out by USFBL, we have also applied the CCM method under the Market Approach to arrive at the relative fair value of the shares of USFBL. We have used the Price to Earnings Multiple ("PE Multiple") and Price to Book Value ("P/BV") Multiple under CCM Method. We have carried out appropriate adjustments for ESOP's and proposed dividend to arrive at the value of USFBL's equity share under both methods. To arrive at average value under CCM, we have given equal weights to values per share arrived under PE Multiple and P/BV methods to determine the Equity Share Exchange Ratio.

Since USFBL is an operating company and operates as a bank, while we have calculated the value of the equity shares of USFBL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Equity Share Exchange Ratio.

CTM method has not been used to value USFBL due to lack of information in the public domain on comparable transactions of similar scale. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

Having regard to the business in which USFBL operates, all debt and all cash is operating. Therefore effectively, only the amount of cash not deployed in the business will flow into the value under the DCF method, which may not be representative of the intrinsic value of operations and business. Considering this, projecting financials of the USFBL on a reliable basis, to afford a relative comparison, is difficult and involves considerable subjectivity and hence such projections have not been made available for the present exercise. Hence, we have not considered the Income Approach for valuation of USFBL.

For UCL:

UCL operates as an NBFC-CIC mainly holding investment in USFBL. UCL does not have any business operations and primarily derives value through its investment in equity shares of USFBL. Hence for the valuation of equity shares of UCL, we have considered the Asset Approach - wherein we have considered the fair value of its investment in USFBL. We have also considered appropriate adjustments for ESOP's, proposed dividend and other matters to arrive at the value of UCL's equity share under the Asset Approach to determine the Equity Share Exchange Ratio.

Considering that UCL does not have any business operations and primarily derives its value through its investment held in equity shares of USFBL, the CCM method under the Market Approach has not been considered to arrive at the fair value of shares of UCL.

CTM method has not been used to value UCL due to lack of information in the public domain on comparable transactions of similar scale. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

Considering that apart from holding investment in equity shares of USFBL, UCL does not have any significant assets or liabilities or business operations, projecting financials of the Company on a reliable basis, to afford a relative comparison, is difficult and involves considerable subjectivity and hence such projections have not been made available for the present exercise. Hence, we have not considered the Income Approach for UCL.

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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The scope of our services is to recommend Equity Share Exchange Ratio for the Proposed Amalgamation. Valuation Standards ("ICAI VS") issued by the Institute of Chartered Accountants of India have been considered for the valuation.

The recommendation contained herein is as at the Valuation Date and is not intended to represent value at any time other than the said date. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date; (iii) are based on the data detailed in the section - Sources of Information. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between June 30, 2024, and the Valuation Date and that no material changes have occurred in their respective operations and financial position between June 30, 2024 and the Valuation Date.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation will however not be used for advising anybody to take buy or sell decisions, for which specific opinion needs to be taken from expert advisors.

Valuation of a business or an entity is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Equity Share Exchange Ratio. While we have provided our recommendation of the Equity Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Equity Share Exchange Ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and inputs from other advisors.

In the course of the valuation, we were provided with both written and verbal information. We have evaluated the information provided to us by/ on behalf of the Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the information given by/on behalf of the Management. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Our conclusions are based on the assumptions and information given by/on behalf of the Management. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/results.

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The Report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, unless specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/ reflected in the financial statements provided to us.

This Report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alterative business transaction or other alternatives or whether such alternatives could be achieved or are available.

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and / or reproduced in its proper form and context. The valuation analysis is based on the exercise of judicious discretion by the valuer taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the financial statements but could strongly influence the value.

No investigation/ inspection of the Companies' claims to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the financial statements. Therefore, no responsibility is assumed for matters of a legal nature.

Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the Scheme, without our prior written consent. This Report does not in any manner address the prices at which equity shares of USFBL will trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Amalgamation.

This Report and the information contained in it is absolutely confidential and intended only for the sole use and information of the Board of Directors of the Companies in connection with the Proposed Amalgamation including for the purpose of obtaining regulatory approvals, as required under applicable laws of India, for the Proposed Amalgamation. Without limiting the foregoing, we understand that USFBL and UCL may be required to share this Report with their shareholders, Indian regulatory or judicial authorities and merchant banker providing fairness opinion on the Equity Share Exchange Ratio, in connection with the Proposed Amalgamation (together, "Permitted Recipients"). We hereby give consent to such disclosure of this Report, on the basis that the Valuer owes responsibility only to the Companies that have engaged us, under the terms of the engagement, and to no other person; and that, to the fullest extent permitted by law, the Valuer accepts no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Amalgamation, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than USFBL and UCL.

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The Management has informed us that:

- There are no unusual / abnormal events in the Companies till the Report Date materially impacting their operating / financial performance. Further, the Management has informed us that all material information impacting the Companies has been disclosed to us.
- There would be no variation between the draft Scheme of Arrangement and the final scheme approved and submitted with the relevant authorities.

We owe responsibility to only the Board of Directors of the Companies that has appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents.

We shall not, under any circumstances have any direct or indirect liability or responsibility to any party engaged by USFBL and UCL or to whom USFBL and UCL may disclose or directly or indirectly permit the disclosure of any part of the Report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

We do not accept any liability to any third party (including Permitted Recipients) in relation to the issue of this Report. Accordingly, no one other than the Companies that have engaged us shall have any recourse to us with respect to the Report. It is understood that this analysis does not represent a fairness opinion on the Equity Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

Our Report can be used by the Companies only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this Report. Any person / party intending to provide finance / invest in the shares / business of the Companies, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than USFBL and UCL) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

The Management of USFBL and UCL has been provided with the opportunity to review the draft report (excluding the recommended Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

The fee for the engagement is not contingent upon the results reported.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

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DISCLOSURE OF RV INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this valuation. Further, the information provided by the Management has been appropriately reviewed in carrying out the valuation.

BASIS OF SHARE EXCHANGE RATIO

The basis of share exchange ratio for amalgamation of UCL into USFBL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies for USFBL, for the purposes of recommending Equity Share Exchange Ratio, it is necessary to arrive at single value for USFBL. It is however important to note that in doing so we are not attempting to arrive at the absolute value but at its relative value to facilitate the determination of Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology for USFBL.

The Equity Share Exchange Ratio has been arrived at on the basis of a relative valuation based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to the Companies and the business dynamics and growth potential of the businesses, having regard to information base, key underlying assumptions, and limitations.

We have applied valuation methodologies discussed herein above as appropriate and arrived at the value per share of the Companies. To arrive at the Equity Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments/ rounding off have been made.

The computation of the Equity Share Exchange Ratio is as under:

Valuation Approach	UCL (A)		USFBL (B)	
	INR per share	Weights	INR per share	Weights
Market Approach: Price / Book Value Multiple Method	NA	NA	47.23	25%
Market Approach: Price / Earnings Multiple Method	NA	NA	57.01	25%
Market Approach: Market Price Method *	NA	NA	50.96	50%
Asset Approach: Adjusted Net Asset Value Method	360.02	100%	28.34	0%
Relative Value per share	**360.02**	**100%**	**51.54**	**100%**
Share Exchange Ratio (A/B) (Rounded off)			**6.99**	

** Higher of 10 trading days VWAP or 90 trading days VWAP*
NA: Not adopted

On the basis of the foregoing and on consideration of the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Equity Share Exchange Ratio for the amalgamation of UCL into USFBL:

699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up.

For RBSA Valuation Advisors LLP
Registration Number: IBBI/RV-E/05/2019/110

Samir D. Shah
Partner
RV No.: IBBI/RV/06/2019/12263
Place: Mumbai
Date: 20/09/2024

CONFIDENTIAL

Date: 20 September 2024

To
Board of Directors,
Uttkarsh Small Finance Bank Limited
Utkarsh Tower, NH – 31 (Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh – 221105

I. Engagement Background

We understand that the Board of Directors of Utkarsh Small Finance Bank Limited **("USFBL" or "Transferee Company")** is considering a Composite Scheme of Arrangement **("Scheme")** under the applicable provisions of Companies Act, 2013 with Utkarsh CoreInvest Limited **("UCL" or "Transferor Company")** for the proposed merger of UCL into and with USFBL (referred to as **"Merger" or "Transaction"**).

The Scheme envisages the merger of the Transferor Company into the Transferee Company in a manner, as set forth in the draft Scheme shared with us. We further understand that the scheme approved by the respective Boards of Directors of UCL and USFBL will be filed with the appropriate authorities.

We further understand that the Share Exchange Ratio for the proposed transaction has been arrived at based on the Share Exchange Ratio Report dated September 20, 2024 **("Share Exchange Ratio Report" or "Report")** prepared by RBSA Valuation Advisors LLP **("RBSA")**, whereby RBSA Valuation Advisors LLP has been appointed by UCL and USFBL, to recommend the fair Share Exchange Ratio. RBSA is hereinafter referred to as **"Valuer"**.

As recommended by the Valuer in their Report and more fully described in the Scheme, in consideration of the amalgamation, the Transferee company will issue and allot 699 (Six Hundred Ninety-Nine) equity shares of face value INR 10/- (Indian Rupees Ten) of the Transferee Company (credited as fully paid-up) for every 100 (One Hundred) fully paid-up equity shares of face value INR 10/- (Indian Rupees 10) of the Transferor Company **("Share Exchange Ratio")**.

II. Background

A brief history of each of the aforesaid companies is as under –

- **Utkarsh CoreInvest Limited** is a public unlisted company, with its registered office at S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar, near Mahavir Mandir, Varanasi, Uttar Pradesh – 221002, India having CIN: U65191UP1990PLC045609. The Transferor Company

was incorporated as a public company on 15 May 1990 under the erstwhile Companies Act, 1956 under the name and style 'Shre Pathrakali Finance Company Limited'. Subsequently, pursuant to a fresh certificate of incorporation dated 9 December 2009 the Transferor Company was converted into a private limited company under the name and style 'Shre Pathrakali Finance Company Private Limited'. On 11 February 2010 upon receipt of the fresh certificate of incorporation, the Transferor Company's name was changed to 'Utkarsh Micro Finance Private Limited'. Subsequently, the RBI permitted the Transferor Company to commence operations as a non-deposit taking NBFC under Section 45 IA of the Reserve Bank of India Act, 1934 and issued a registration certificate dated 19 March 2010 bearing the number B-07-00781 to this effect. On 21 January 2014, the Transferor Company was registered with the RBI as NBFC Microfinance Institution (NBFC-MFI) and was issued a revised registration certificate with the same registration number (i.e., B-07-00781).

- Pursuant to approval of the Central Government to convert the Transferor Company into a public limited company, on 24 June 2016 the jurisdictional registrar of companies issued a fresh certificate of incorporation for change in the Transferor Company's name to 'Utkarsh Micro Finance Limited'. On 7 October 2015, the Transferor Company received an in-principle approval from RBI to set up a small finance bank under the SFB Guidelines with certain conditions, which included a requirement to: (a) transfer all assets and liabilities pertaining to its microfinance business (except certain statutory assets, vehicle and statutory liabilities) to a subsidiary company; and (b) register itself as a NBFC-CIC.
- Accordingly, the Transferor Company incorporated the Transferee Company as its subsidiary on 30 April 2016, and on 25 November 2016, the Transferor Company was granted an approval of the RBI and a license bearing number MUM:125 dated 25 November 2016 was issued by RBI to the Transferee Company to carry on the business of a small finance bank in India. Thereafter, the Transferor Company transferred all assets and liabilities pertaining to its microfinance business (except for certain statutory assets, vehicle and statutory liabilities), as a going concern by way of a slump sale, to the Transferee Company on 21 January 2017. Post this business transfer, the Transferor Company ceased to operate as an NBFC Microfinance Institution and was converted into an NBFC-CIC, with a new registration certificate bearing the number C-07-00781 dated 3 May 2018 issued by the RBI. Thereafter, the name of the Transferor Company was changed to 'Utkarsh CoreInvest Limited', for which a fresh certificate of incorporation was issued by the jurisdictional registrar of companies on 11 October 2018.

- **Utkarsh Small Finance Bank Limited** was incorporated on 30 April 2016 under the Companies Act, 2013, and is a public listed company, with its registered office at Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh – 221105, India having CIN: L65992UP2016PLC082804. The Transferee Company is registered with the RBI as a small finance banking company under the provisions of the Banking Regulation Act, 1949 and holds a registration for operating as a small finance bank bearing number MUM:125 dated 25 November 2016 issued by RBI. The Transferee

Company commenced its business of providing wide range of banking and financial services including retail banking with focus on micro-finance, lending to small businesses & MSMEs, loans for CV & CE, housing loans, loans to small corporates and financial institutions.

Background of the Scheme

Part II of the Scheme provides for:

Amalgamation of UCL into and with USFBL

- Upon the Scheme coming into effect, and with effect from the Appointed Date, the entire Amalgamated Undertaking of the Transferor Company shall stand vested in the Transferee Company, as a going concern, so as to become the undertaking of the Transferee Company, without the requirement for any further act, instrument, deed, matter or thing.

In connection with the merger of the Transferor Company into the Transferee Company, by way of our Engagement Letter dated July 6, 2024 you requested us to examine the Share Exchange Ratio Report issued by the Valuer and other related information provided by the Transferor Company and Transferee Company and issue our independent opinion as to the fairness of the Share Exchange Ratio (the **"Fairness Opinion" or "Opinion"**) pursuant to the provisions of the Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule19 of the Securities Contracts (Regulation) Rules, 1957 no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI and as amended from time to time (**"SEBI Circulars"**).

Source of information and analysis

For arriving at the Fairness Opinion, we have amongst others:

- reviewed the draft of the proposed Scheme
- reviewed the Share Exchange Ratio Report prepared by the Valuer.
- reviewed certain historical business and financial information relating to each of the relevant entities, as provided by the Company, and sought certain clarifications with respect to the same.
- held discussions with the Valuer, in relation to the approach taken to valuation and the details of the various methodologies utilized by them in preparing the Report and rationale for their recommendations.
- sought appropriate clarifications from the respective senior management teams of the relevant companies relating to what we considered necessary to arrive at the opinion.
- reviewed certain publicly available information with respect to certain other companies in the same line of business and which we believe to be generally relevant in the context of the businesses of Transferee Company; and

- Considered such other information and factors including financial analysis, as we deemed appropriate commensurate with the scope of the assignment.

III. Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by Transferee Company including the Report prepared by the Valuer and the draft Scheme.

While Transferee Company is responsible to ensure the accuracy and completeness of any and all the information given to us, we have independently conducted due diligence of such information which were considered essential for us to arrive at our opinion and to the extent practical and reasonable. Further we have also assumed and relied upon the accuracy and completeness of all information, documents, data and explanations provided to us for the purpose of this engagement. We have relied upon assurances of the management of Transferee Company and Transferor Company that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect. The respective management of the Transferee Company and Transferor Company as well as the Valuer has indicated to us that it is understood that any omissions, inaccuracies or misstatements may materially affect our Opinion. Accordingly, we assume no responsibility for any errors in the above information furnished to us, by Transferee Company/Transferor Company/Valuer and their impact on the present exercise.

The Fairness Opinion is provided as on date of the Share Exchange Ratio Report and, therefore, this Fairness Opinion does not consider events occurring after that day. We have not conducted any physical inspection or title verification, independent valuation or appraisal of any properties of Transferee Company and Transferor Company and /or any of their assets or liabilities and do not express any opinion with respect thereto. Nor have we been furnished with any such appraisals. We do not express any opinion as to the value of any asset whether at current prices or in the future. We have not reviewed any internal management information statements for the purposes of this Fairness Opinion

We express no view as to, and our Opinion does not address, the underlying business decision of Transferee Company and/or Transferor Company to affect the proposed Scheme or the merits of the proposed Scheme. Our Opinion does not constitute a recommendation to any shareholder or creditor of Transferee Company and/or Transferor Company and its subsidiaries as to how such shareholder or creditor should vote on the proposed Scheme or any matter related thereto. In addition, this Opinion does not in any manner address the price at which the Company's equity shares will trade following consummation of the Scheme.

In rendering our Opinion, we have assumed, that the Scheme, with your consent, will be implemented on the terms described therein, without any waiver or modification of any

material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Transferee Company and/or Transferor Company and/ or their subsidiaries and/or their respective shareholders. We have further assumed that the transaction would be carried out in compliance with applicable laws, rules and regulations.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us. Our Opinion does not address matters such as corporate governance or shareholder rights. We have assumed that the Scheme is legally enforceable.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme for the Transferee Company and Transferor Company and/ or their subsidiaries and/or their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that Transferee Company and Transferor Company have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the merger of the Transferor Company into Transferee Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We or our affiliates or group companies may have in the past provided, and may currently or in the future provide, investment banking, broking, research or banking services to Transferee Company and/or Transferor Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we may have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of DAM Capital Advisors Limited (**"DAM Capital"**) may actively trade securities of Transferee Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of Transferee Company in connection with its consideration of the Scheme and for none other. Neither DAM Capital, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.

We do not accept any liability to any third party in relation to the issue of this Opinion, and our Opinion is conditional upon an express indemnity from Transferee Company in our favor

holding us harmless from and against any cost, damage, expense and other consequence in connection with the provision of this Opinion.

The company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure any factual inaccuracy/ omissions are avoided in our final Opinion.

This Opinion is subject to the laws of India.

Neither the Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, Courts, Stock Exchanges, other regulatory authorities and inspection by shareholders in connection with the proposed Scheme, without our prior written consent.

This Fairness Opinion is limited to the matters stated herein and covered in our engagement letter and is not to be read as extending to any other matters not so referred to. We express no views or opinion as to any terms or other aspects of the Scheme (other than the Share Entitlement Ratio for the proposed merger) including without limitation, the discharge of Consideration or the form or structure of the Scheme. We were not requested to, and we did not, participate in the negotiation of the Scheme. We express no opinion or view with respect to the financial implications of the Scheme for any stakeholder, including creditors of respective companies.

IV. VALUER'S RECOMMENDATION

As per the Share Exchange Ratio Report of Valuer, it is quoted

"we recommend the following Equity Share Exchange Ratio for the amalgamation of UCL into USFBL:

699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up."

Conclusion

Based on and subject to the foregoing, our work as merchant bankers, our work as described above, and other factors we deem relevant, it is our view, as of the date hereof, the Share Exchange Ratio proposed by the Valuer in their Share Exchange Report is fair to the equity shareholders of USFBL, from a financial point of view.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of USFBL. The Fairness Opinion save and except pursuant to the SEBI Circular shall not otherwise be disclosed or referred to publicly or to any other third party without DAM Capital's prior written consent.

However, Transferee Company may provide a copy of the Fairness Opinion if requested/ called upon by any regulatory authorities of India. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same as the same would have been shared in contravention of the provisions hereof on a "non-recourse" and "non-reliance" basis. Neither this Fairness Opinion nor its contents may be referred to or quoted to/ by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. In no circumstances, however, will DAM Capital or its management, directors, officers, employees, agents, advisors, representatives, successors, permitted assigns and controlling persons of DAM Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For **DAM Capital Advisors Limited**

DAM Capital Advisors Limited

Authorised Signatory
Name: Sachin Chandiwal
Designation: Managing Director – Corporate Finance

Annexure -I

Utkarsh Small Finance Bank Limited

Provisional & Unaudited Consolidated Balance Sheet as on April 01, 2025

(₹ in Crores)

	As on April 01, 2025
CAPITAL and LIABILITIES	
Capital	1,036.95
Share Application Money	0.02
Reserves and Surplus	2,003.52
Deposits	21,512.89
Borrowings	2354.77
Other Liabilities and Provisions	1,232.00
Total	**28,140.15**
ASSETS	
Cash and balances with Reserve Bank of India	2,638.28
Balances with banks and money at call and short notice	798.35
Investments	4,957.89
Advances	18,716.48
Fixed Assets	387.23
Other Assets	641.92
Total	**28,140.15**

Notes

a) The Post Merger Share Capital & Reserves & Surplus are arrived considering the swap ratio.

b) The Reverse Merger (Draft Scheme of Amalgamation) envisages the transfer of all assets, liabilities and reserves of the Transferor Company (Utkarsh Core Invest Limited / UCL) , shall be recorded by the Transferee Company (Utkarsh Small Finance Bank / the Bank) in its books of accounts at their respective book values, and in the same form, as appearing in the books of the UCL (converted into applicable GAAP of the Bank i.e., Indian GAAP).

c) The Provisional & Unaudited Consolidated Balance Sheet as on the Appointed Date viz April 01, 2025, is based on standalone audited financials of both Transferor Company (Utkarsh Core Invest Limited / UCL) and Transferee Company (Utkarsh Small Finance Bank / the Bank).

d) The Provisional & Unaudited Consolidated Balance Sheet as on the Appointed Date is prepared in accordance with the Scheme of Amalgamation (Accounting treatment - Clause 22 & 23) basis "Pooling of interest" method read with Accounting Standard – 14 "Accounting for Amalgamation". For example, Inter-company transactions and balances outstanding between UCL and the Bank is eliminated / netted off for the purpose of arriving at Consolidated Balance Sheet as on the Appointed date.

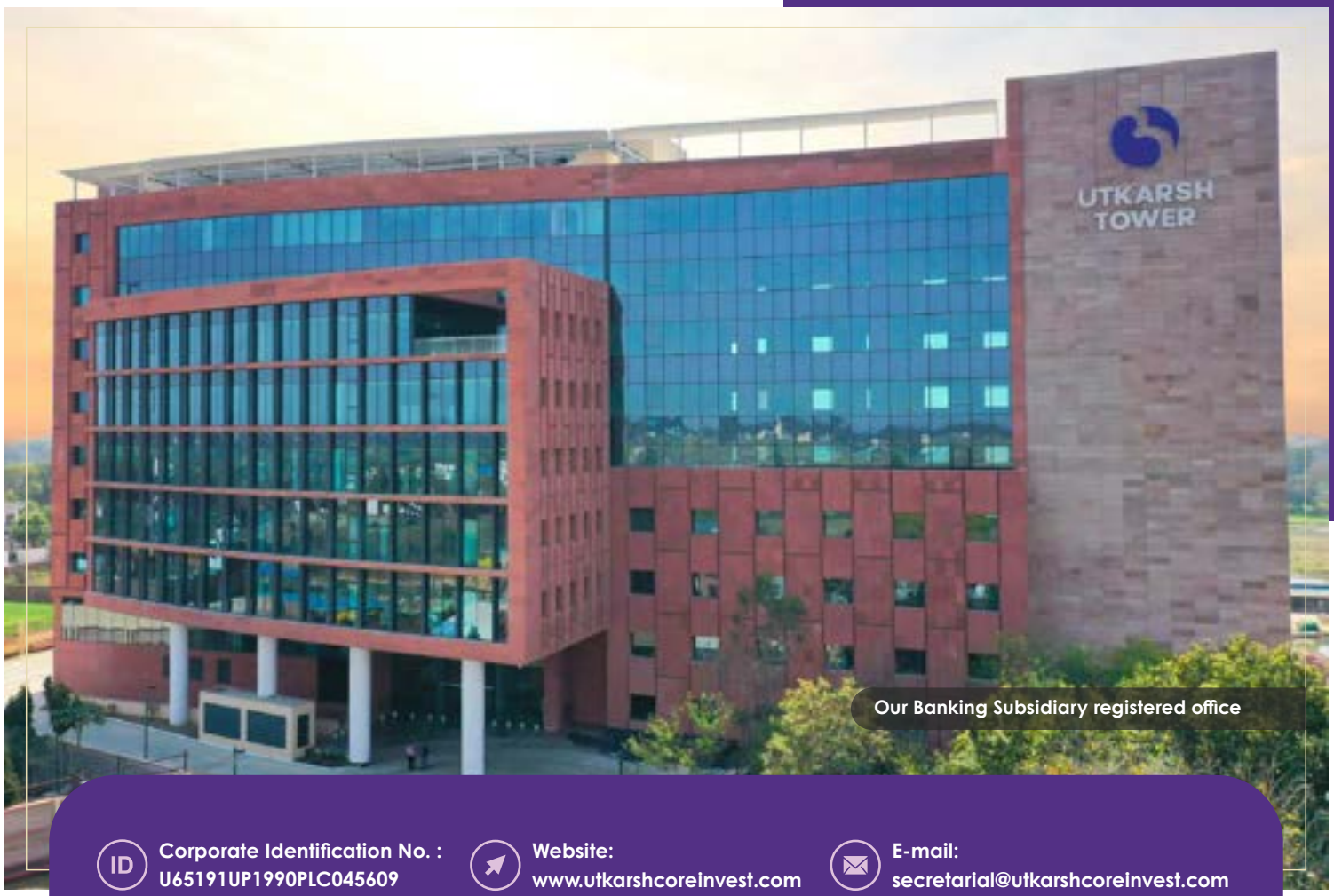
Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

ANNUAL REPORT

FY 2024-25

CIN: U65191UP1990PLC045609
RBI NBFC - CIC - NDSI Certificate: C.07.00781

CORPORATE INFORMATION



Our Banking Subsidiary registered office

Corporate Identification No. :
U65191UP1990PLC045609

Website:
www.utkarshcoreinvest.com

E-mail:
secretarial@utkarshcoreinvest.com

Statutory Auditors:
M/s. DMKH & Co. [Firm Registration No. 116886W / 066580]
Chartered Accountants: 803-804, Ashok Heights, NICCO Circle, Near Bhuta School,
Old Nagardas Lane, Gundavali, Andheri (East), Mumbai - 400069, Maharashtra, India
Tel: + 91-22-26824800 / 4900

Secretarial Auditors:
M/s. S. N. Ananthasubramanian & Co.
10/25-26, 2nd Floor, Brindaban, Thane (West) - 400601, Maharashtra, India
Tel: + 91-22-25345648, +91-22-25432704

Company Secretary:
Mr. Neeraj Kumar Tiwari (Membership No. 12101)

Registrar & Share Transfer Agent:
M/s. NSDL Database Management Limited
Unit: Utkarsh CoreInvest Limited
4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013, Maharashtra, India
Tel: +91-22-2499 4720 / 4200

Registered and Corporate Office:
S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir Mandir,
Varanasi - 221002, Uttar Pradesh, India

FROM THE DESK OF MD & CEO

Utkarsh CoreInvest Limited

(Formerly Utkarsh Micro Finance Limited)

SUMAN SAURABH

MD & CEO

I am pleased to once again connect with you to report company's performance and progress presenting through this 35th Annual Report of Utkarsh CoreInvest Limited.

Utkarsh CoreInvest Limited, an NBFC-CIC middle layer company, doing away from other NBFCs that primarily undertake financial activities, is conceptually passive holding company for financial assets within its group.

I take this opportunity to express our heartfelt gratitude to you for your unstinted support and trust throughout 15 years' journey of many upheavals and challenges faced by the Company but successfully sailed out and achieved a coveted milestone by instituting a banking subsidiary i.e. Utkarsh Small Finance Bank Limited with its registered and corporate office at Varanasi. Our banking subsidiary is now a 'Listed' banking company reaching to the deprived and underserved section of the society providing affordable financial services contributing its share in financial inclusion, an esteemed initiative of the Government of India and a gateway to cover the under-privileged and under-served segment of the society for bringing them to main stream of economy of our country.

Your Company's banking subsidiary being 'Listed' is on the way to fulfilling its licensing conditions but also paves the way of equity dilution of its promoter moving ahead for 'Reverse Merger' process. Apropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024 respectively.

Further, the RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Your Company Utkarsh CoreInvest limited now holds 68.92% equity stake in USFBL as at March 31, 2025.

The Financial Stability Report of June 30, 2025 issued by RBI revealed that the Non-Banking Financial Companies (NBFCs) remained healthy with sizeable capital buffers, robust earnings and improving asset quality in the financial year ended March 31, 2025. The system level parameters of NBFCs too are sound with comfortable capital positions and improved GNPA ratios has imprinted its remarkable foot prints in the financial landscape of the country since its' emergence as a significant source of finance for economically unserved and underserved people.

The Indian economy presents a picture of strength, stability, and opportunity. First strength comes from balance sheets of the five major sectors – corporates, banks, households, government and the external sector. Second, there is stability on all three fronts i.e. price, financial and political providing policy and economic certainty in this dynamically evolving global economic order. Third, the Indian economy offers immense opportunities to investors through 3Ds- demography, digitalisation and domestic demand. Domestic economy exhibited resilience in FY25 supported by robust macroeconomic fundamentals and proactive policy measures.

Our Banking Subsidiary i.e. Utkarsh Small Finance Bank sets a milestone being 'Listed Company' during the year 2024-25 and extends its outreach in 27 states and Union Territories having an expanded net-work of 1092 branches across the country, bringing more than 49 lakh customers in its fold.

The focus of the Bank is to create a future for all where a financial inclusivity, self-reliance, digital access and prosperity are there to bringing a smile to unserved and underserved across its outreach. Deposit base of the Bank reached to ₹21,566 Crore with the growth of 23.4% while loan book has grown by 7.5% to 19,666 crore during FY 2024-25 through 1092 Banking Outlets and 369 ATMs and 761 micro ATMs pan India, spread over 27 States and 4 Union Territories, delivered by over 19,779 employee base. The Bank is carrying forward the endowed legacy of serving to under-banked population of the country promoting financial inclusion. The Bank holds the highest standards of transparency and accountability adhering the best practices coping with the pace of rapid digital and business transformation initiatives.

According to the applicable accounting standard i.e. the Ind-AS based classification and categorizations, the Company has

recorded total comprehensive income of 30.26 crore on a standalone basis and (-)419.76 crore at consolidated level. The consolidated level net advances were ₹18,040 crore and the total deposits were ₹22,235 crore as at the close of the financial year. The Company's Net-worth as on March 31, 2025 stood at ₹856.54 crore comprising of paid-up equity capital of ₹99.37 crore and Reserves of ₹756.57 crore (excluding Revaluation Reserve, Investment Reserve and Intangible Assets) on standalone basis. Whereas, on a Consolidated basis, the Net-worth stood at ₹1,727.91 crore comprising of paid-up equity capital of ₹99.37 crore, Reserves of ₹1,628.54 crore and excluding non-controlling interest of ₹780.31 crore.

As at the close of the FY 2024-25, the Bank posted (as per applicable IGAAP accounting rules) a Net Profit of ₹24 crore against ₹497.63 crore in the last year. The Gross Non-Performing Assets (GNPAs) increased to 9.4% at the year ended March 31, 2025 from 2.51% of the last year and the Net Non-Performing Assets (NNPAs) was at 4.8% compared to 0.03% in FY2023-24. An increased ratio of impaired assets and shrinking PAT to double digit in comparison to previous years' bottom lines evolves a distraught but on the other hand compels for introspection and to change the strategy and, so our banking subsidiary puts-forth its steadfast steps to improve upon.

Bank has steadily built an impressive track record in the segment, laying the foundation for sustained growth. While the Bank continues to expand its micro-banking business, it is also building other retail loan products such as MSME (Retail assets), Housing, Commercial Vehicle (CV) & Construction Equipment (CE) loans.

Our Banking Subsidiary 'USFBL' constantly upgrading technology driven process and system, with an aim to provide superior customer experience. Bank is poised to offer the services through digital solutions such as Internet & Mobile Banking, Digi on-boarding for customer acquisition, entering into strategic fin-tech partnerships, UPI Lite for superior user experience with faster real time settlement, e-KYC E-Sign for facilitating faster and flexible process minimizing turn-around-time, RuPay contactless International Debit Card and Utkarsh Vyapar, a complete digital store for merchant payment solution. Apart USFBL also offers a bill payment system and distribution of third party products such as insurance and mutual funds for ease of access to third party products by customers of our Banking Subsidiary.

I wish to express my gratitude, to our Partners, the Shareholders for their remarkable support & patronage and providing strategic inputs through the challenging phase of pandemic.

I also sincerely thank all our (including of our Banking subsidiary) Board Members, investors, partners, employees, customers and all such other stakeholders for reposing their faith towards the Vision and Mission of Utkarsh and their continued support and patronage all throughout the journey. I trust that the same would continue to bring a more synergetic impact in the coming days.

With Best Regards!
Suman Saurabh
Managing Director & CEO

Our Banking Subsidiary registered office

BOARD OF DIRECTORS

Mr. G. S. Sundararajan

(Non- Executive Independent Director, Chairperson of the Board)

- Mr. G. S. Sundararajan is presently serving on Boards of several reputed companies in the Banking and Financial Service Sector. He is also actively involved in the field of Social Entrepreneurship in advisory capacities.
- He was till recently the Group Director, Shriram Group. He joined Shriram Group as the Managing Director of Shriram Capital Ltd., the Holding Company of Shriram Group's financial services and insurance businesses across India and overseas. Sundararajan's experience in the Asian market and his understanding of these countries and the business opportunities therein made Sanlam Emerging Markets induct him into their Board in South Africa in August 2013. In his capacity as Group Director, Mr. Sundararajan was a Director on the Board of the Group's subsidiaries to provide oversight in critical areas of strategic growth opportunities for each of these companies. Specifically, Mr. Sundararajan was responsible for the Retail and MSME business housed in Shriram City Union Finance and the life and non-life Insurance businesses, housed in the two Insurance ventures in collaboration with Sanlam, South Africa.
- Prior to his Shriram stint, Mr. Sundararajan was the CEO & Managing Director of Fullerton India Credit Company Ltd., a registered Non-Banking Finance Company catering to the financial services needs of the retail and commercial mass markets. He was also the Managing Director of Fullerton Enterprises Private Limited, a KPO, which had formed a strategic alliance with the Centurion Bank of Punjab to jointly drive the SME business.
- Mr. Sundararajan was nominated to the Boards of two Financial Services investments of Temasek in China, one in Nanjing for the SME Business and the other in Chengdu in their Village Bank franchise. He was an integral part of Temasek's vision for India in the Banking and Financial Services space that went on to become the fastest growing and largest networked Finance Company in the country.
- Earlier to this, he was the Managing Director and Head of Citibank's SME and Asset Based Finance business in India. He had an exceptional stint at Citibank where he built the SME and ABF (Asset Based Finance) business of the bank across the country. He started his career in Sales with Eicher Mitsubishi and went on to head the captive finance arm of this company in India.

Mr. Atul

(Independent Director)

- Mr. Atul has over three (03) decades of Administrative Service experience with focus on Security, Vigilance and Anti-Corruption. Mr. Atul is an Indian Police Service (IPS) Officer of 1976 batch.
- Mr. Atul had served as Director General of Police (DGP), Uttar Pradesh (UP), DGP CBI in charge of UP and has been in-charge Additional Director General of Police, Crime, Law and Order. Mr. Atul had stints with Personnel Wing of DGP Headquarters as in-charge of IPS and PPS officers at Uttar Pradesh.
- Mr. Atul had been awarded Presidents Medal for distinguished service and has been President of IPS Association in Uttar Pradesh and President of Lucknow University Alumni Association.
- He is an M.Sc. (Physics) and B.Sc. (Physics, Math & Statistics) from Lucknow University.

Mr. Aditya Deepak Parekh

(Nominee Director representing Faering Capital)

- Mr. Aditya Deepak Parekh is the Co-founder of Faering Capital and has over 20 years of global and Indian experience in private equity and investment banking. Mr. Aditya serves on the Board of several Faering Capital portfolio companies including Utkarsh CoreInvest Limited, Finova Capital, and Bikebazaar.
- Prior to founding Faering Capital, Mr. Aditya was Vice President at Old Lane India Opportunities Fund, a private equity fund, where he was responsible for leading investments in the Indian real estate sector and was involved in evaluating opportunities across the infrastructure and financial services sectors.
- Earlier, Mr. Aditya had worked in the Media and Entertainment Investment Banking Group at Merrill Lynch, New York for five (05) years.
- He holds an MBA from the Wharton School, University of Pennsylvania and holds a Bachelor degree in Economics from Cambridge University.

Mr. Suman Saurabh

(Managing Director & CEO)

- Mr. Suman has over 17 years of industry experience especially in Bank and Micro Finance domain. He has handled senior management roles in different control and support functions at Utkarsh Small Finance Bank. Prior to appointment as MD & CEO of UCL, Mr. Suman was with Utkarsh Small Finance Bank (USFBL) as Head Structured finance and Lending. Initially he had joined Utkarsh Small Finance Limited as Head Finance & Corporate Communication.
- Prior to joining Utkarsh, he was with Bhartiya Micro Credit as Director and Chief Executive Officer. He also had stint with Bharitya Harit Khadi Gramudyog Sansthan as Founding Member Secretary, YTS Solutions Private Limited as General Manager Credit Products, Yes Bank Limited as Vice President, Food & Agri Business Research Management, Northern Arc Capital Limited (erstwhile IFMR Capital) as Business Head North and East India, IFMR Mezzanine Finance Private Limited as Senior Analyst, Business Development and Peoples' Association for Research and Development as District Co-ordinator. He started his career as a Field Supervisor with Gramudyog Hastkala Kendra.
- He is a PGDRM (Finance) from Institute of Rural Management, Anand (IRMA) and an Honours Graduate in Geography from Magadh University Bodhgaya.

COMMITTEES OF THE COMPANY

COMMITTEES OF THE COMPANY

The details of the Board Committees and the Committee Members are tabulated as under:

Sl. No.	Name of the Committee	Statutory & Regulatory Requirement	Composition of the Committee
1	Audit Committee of the Board (ACB)	Required as per the Companies Act, 2013	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
2	Corporate Social Responsibility Committee (CSRC)		1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
3	Nomination & Remuneration Committee (NRC)		1. Mr. Atul, Independent Director (Chairperson) 2. Mr. G. S. Sundararajan, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
4	Share Allotment Committee (SAC)		1. Mr. Atul, Independent Director 2. Mr. Aditya Deepak Parekh, Nominee Director 3. Mr. Suman Saurabh, Managing Director & CEO
5	Group Risk Management Committee (GRMC)	Required as per RBI Directions	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director 4. Mr. Suman Saurabh, Managing Director & CEO
6	Promoter Dilution Monitoring Committee (PDMC)	Constituted in terms of Equity Dilution at the Banking Subsidiary ('USFBL')	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Aditya Deepak Parekh, Nominee Director 3. Mr. Suman Saurabh, Managing Director & CEO

The Charters of the various Board Committees are as under:

1 AUDIT COMMITTEE OF THE BOARD (ACB)

The Audit Committee meets at quarterly intervals. The major responsibilities of the Committee are as under:

i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
ii. Review and monitoring the auditor's independence and performance and effectiveness of audit process;
iii. Examination of the financial statements and the Auditors' Report thereon;
iv. Approval or any subsequent modification of transactions of the Company with related parties;
v. Scrutiny of inter-corporate loans and investments;
vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
vii. Evaluation of internal financial controls and risk management systems;
viii. Monitoring the end use of funds raised through public offers and related matters.

2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

The Corporate Social Responsibility Committee meets minimum once on yearly basis and the CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of this Policy, which shall include the following:

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Act;
iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
iv. monitoring and reporting mechanism for the projects or programmes; and
v. details of need and impact assessment, if any, for the projects undertaken by the company:
vi. the mechanism and adherence of necessary compliance under the applicable CSR Act and Rules, including for the unspent CSR Amount, if any.

3 NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination & Remuneration Committee meets minimum once in a year and also as and when required. The major responsibilities of the Committee are as under:

i. Ensuring fit and proper status of proposed / existing Directors at the Board of the Company and that there is no conflict of interest in appointment of Directors / KMPs and Senior Management;
ii. Regular review of the structure, size and composition of the Board (including skills, knowledge and experience) taking into account the current requirements and future developments of the Company and making recommendations to the Board with regard to any adjustments that are deemed necessary;
iii. Identification, nomination and recommendation for the approval of the Board, candidates to fill Board vacancies as and when it arises;
iv. Ensuring that on appointment, all non-executive Directors receive formal written terms of appointment;
v. Review the composition of Committees of the Board and to identify and recommend to the Board, the Directors who can best serve as members of each Board Committee;
vi. Recommendation to the Board, the compensation payable to the Chairperson of the Company.

4 SHARE ALLOTMENT COMMITTEE (SAC)

The Share Allotment Committee meets as and when required. The major responsibilities of the Committee are as under:

i. Considering and resolving grievances of shareholders, debenture holders and other security holders;
ii. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, Debentures or any other securities;
iii. Issue of duplicate certificates and new certificates on split / consolidation / renewal, etc.;
iv. Overseeing requests for dematerialization and rematerialization of Securities;
v. Spreading awareness amongst security holders for protection of their rights and interest(s);
vi. Carrying out any other function as assigned by the Board from time to time related to security holders of the company.

5 GROUP RISK MANAGEMENT COMMITTEE (GRMC)

The Group Risk Management Committee meets at quarterly intervals. The major responsibilities of the Committee are as under:

i. Analyse the material risks to which the group, its businesses and subsidiaries are exposed. It must discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite;
ii. Identify potential intra-group conflicts of interest;
iii. Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group;
iv. Assess whether the corporate governance framework addresses risk management across the group;
v. Carry out periodic independent formal review of the group structure and internal controls;
vi. Articulate the leverage of the Group and monitor the same.

6 PROMOTER DILUTION MONITORING COMMITTEE (PDMC)

The Promoter Dilution Monitoring Committee (PDMC) meets as and when required. The major responsibilities of the Committee are as under:

i. Capital reorganization in Utkarsh CoreInvest Limited (UCL) and / or Utkarsh Small Finance Bank Limited (USFBL) either through an 'Offer for Sale', Capital Structuring, etc;
ii. Private Placement / FPO / Rights / Bonus Issue or any other permissible option as per applicable laws and regulations;
iii. Listing of Banking Subsidiary, i.e. USFBL through Primary Issuance;
iv. Reverse merger of UCL with USFBL, subject to RBI and other regulatory approvals.

SENIOR MANAGEMENT

Mr. Suman Saurabh
Managing Director & CEO

Mr. Suman Saurabh has over Seventeen (17) years of BFSI industry experience especially in the domains of Investors Relationship, Client Acquisition, Corporate Lending, Due Diligence, Structuring, Portfolio Management, Wholesale Banking, Credit Analysis, Product and Process Development, Financial Planning and Analysis, Fund Raising and relating Banking Operations.

Prior to joining Utkarsh CoreInvest Limited, he had stints with Utkarsh Small Finance Bank (USFBL) as the Head of Structuring Desk (team responsible for structured finance). He has also been the Head - Wholesale Banking Business & Process Support and Head - Finance & Corporate Communication being part of the IPO Team.

Earlier he had stints with other entities, including Bhartiya Micro Credit as Director & Chief Executive Officer; Bhartiya Harit Khadi Gramoday Sansthan as Founding Member Secretary; YTS Solutions Pvt. Ltd. as General Manager, Credit Products; Yes Bank Ltd. as Vice President, Food and Agribusiness Research Management (FARM); Northern Arc Capital Limited (Erstwhile Known as IFMR Capital) as Business Head, North & East India; and IFMR Mezzanine Finance Pvt. Ltd. as Senior Analyst, Business Development.

He is a Rural Management Graduate from Institute of Rural Management, Anand (IRMA) and a B. A. (Geography Hons.) Graduate from Magadh University. He also has certifications in 'Rural Marketing' and 'Rural Business Development' from Entrepreneurship Development Institute of India, Ahmedabad.

Mr. Harshit Agrawal
Chief financial Officer

Mr. Harshit has over thirteen (13) years of experience in the fields of Accounts & Finance, Taxation, Micro Credit and Internal Audit. Initially, he had joined Utkarsh Micro Finance Pvt. Ltd. (UMFPL) as a Concurrent Auditor in the Internal Audit Department and is currently overseeing Finance and Accounts verticals as the CFO of the company. Prior to UMFPL, he was with a real-estate company based out of Varanasi in its Finance and Accounts vertical as F&A Supervisor. He is a Chartered Accountant (CA) by profession from Institute of Chartered Accountants of India (ICAI) and a Commerce Graduate from Banaras Hindu University (BHU), Varanasi. He is a Junior Associate of Indian Institute of Bankers (JAIIB) and has other Certifications from IIBF.

Mr. Neeraj Kumar Tiwari
Company Secretary [CS] Chief Compliance Officer

Mr. Neeraj has over eleven (11) years of experience in company secretarial and corporate compliance domain with Utkarsh, ever since its NBFC-MFI format as Utkarsh Micro Finance Private Limited (UMFPL) to in the NBFC-CIC format now as Utkarsh CoreInvest Limited.
Prior to Utkarsh, he had stint with a Corporate law firm at Allahabad as Designated Partner.
He is a Fellow Member of the Institute of Company Secretaries of India and holds a bachelor's degree in law from Veer Kunwar Singh University, Arrah, Bihar.
He is the Member of Managing Committee of Varanasi Chapter of NIRC of ICSI for the FY 2023-24 to FY 2026-27.

MANAGEMENT DISCUSSION & ANALYSIS

Utkarsh CoreInvest Ltd. (UCL, hereinafter referred to as 'the Company'), a registered core investment company (CIC) under RBI's Master Direction – Core Investment Companies (Reserve Bank) Direction 2016 is conceptually passive holding company for financial assets within its group.
UCL is the promoter of a banking subsidiary i.e. Utkarsh Small Finance Bank Limited (USFBL, hereinafter referred to as 'the Bank' or 'the Banking Subsidiary') established in the year 2017 with an objective to focus primarily on ensuring financial inclusion of unbanked or underbanked segment across the country.
The Banking Subsidiary i.e. USFBL began its banking journey with a small 'step' having four (4) branches at Varanasi and diverged its way from limiting periphery to all across the Country reaching to 27 states (including 4 Union Territories) through its 1092 branch outlets in the country bringing in more than 5.0 million customers of varied segments being served by dedicated 19,779 employees of the Bank.

The Banking subsidiary successfully completed eight (08) full years of its banking operations on January 22, 2025. The Bank commits to redefining its business processes, improve efficiency, enhance customer experience through digital transformation and multiple channel experience. The Vision has kept the endeavors focused for being the most trusted, digitized bank that is financially and socially inclusive, and creates value across social strata through insightful and viable solutions. The Core Values drive to 'Reimagine', 'Redefine', 'Rise' encompass to staying competitive, in the fast-paced business landscape and rising to customers and stakeholders' expectations.

In terms of RBI Licensing Guidelines Utkarsh CoreInvest Limited ('UCL') was required to reduce its equity stake in the Bank to 40% within a period of 5 years and thereafter to 26% within a period of 15 years from the date of commencement of business operations by the Bank. Accordingly, the reverse merger of UCL with USFBL is on the way ahead having been primarily approved by the Reserve Bank of India and further approval of the stock exchanges (BSE and NSE)/SEBI. Further approval from the Hon'ble National Company Law Tribunal (NCLT) and other regulatory / statutory bodies, would enable the Bank to meet the aforesaid dilution requirements as required by the RBI. At the financial year end March 31, 2025, the Company was holding 68.9% stake at the Bank. This Management Discussion and Analysis is primarily deriving from the operations of the banking subsidiary i.e., USFBL and the initiatives taken up by the different verticals of the Bank, as highlighted in subsequent paragraphs.

INDIAN BANKING INDUSTRY

India's banking sector continues to play a pivotal role in supporting economic growth through capital mobilization, credit expansion, and financial inclusion. Banks and NBFCs remain the backbone of India's financial sector, providing support to its growth aspirations by meeting the credit requirements of the productive sectors of the economy. Banks in India will continue to nurture and incentivise the development of infrastructure to give a 'digital push' to payments and settlements. They are also committed to playing an enabling role in the adoption of emerging technology, while reinforcing its customer-centric measures and deepening financial inclusion. Maintaining financial stability and being a facilitator of development will continue to remain the overarching goal of Banks in India under the regulatory and supervisory guidance of Reserve Bank of India.

Though gross NPAs fell to a 12-year low of 2.6%, rising defaults in unsecured loans—making up 51.9% of new retail NPAs as of September 2024, pose risks, especially as many borrowers also hold secured loans. The sector remains well-capitalized but must manage emerging credit stress and global uncertainties.

Net interest income is expected to grow in 2025, with moderate growth expected through 2029, reflecting cautious optimism amid evolving dynamics.

Small Finance Banking Industry

Small Finance Banks (SFBs) were established to drive financial inclusion by extending credit to underserved groups and small businesses. While the sector grew strongly in FY24 (24%), growth slowed to 18–20% in FY25 amid rising delinquencies, especially in microfinance. The GNPA ratio rose to 2.6–2.8% (from 2.1% in FY24), and ROA dropped to 1.4–1.6% from 2.1%. A modest ROA recovery to 1.6–1.8% is expected in FY26.

Profitability in H2 FY25 was hit by higher provisions and loan write-offs, needed to maintain asset quality for universal bank license eligibility. Margin pressure persisted due to high funding costs, increased secured lending, and rising operational expenses. Despite near-term challenges, SFBs remain pivotal in advancing inclusive banking through digital innovation and grassroots outreach.

Microfinance Industry

India's microfinance sector remains critical for financial inclusion, supporting underserved individuals and small businesses. Stress levels rose, with NBFC-MFIs seeing 90+ DPDs climb to 3.5% and 60+ DPDs to 5.6% by Q3 FY25, leading to slower disbursements and credit growth.

Profitability was hit by rising credit costs (peaking at 13.5% in Q3) and higher operating expenses. FY25 credit costs are expected to average 9.6%, as asset quality improves. Liquidity buffers remain adequate, but borrower overleveraging is a concern. To address this, a H2 lakh cap on total borrowings has been introduced, along with a new three-lender rule effective April 1, 2025. While growth may While growth may moderate, these measures aim to ensure responsible lending. The NBFC outlook remains negative, but the MFI outlook is stable, supported by the sector's importance and expected recovery in H2 FY26.

Micro, Small and Medium Enterprises (MSME)

The MSME sector remains a key pillar of India's economic growth, contributing 45.7% to exports in FY24 and employing over 25 crore people across 5.93 crore units. As a major driver of entrepreneurship, job creation, and rural development, the sector is central to India's ambition of doubling its economy.

To boost MSME competitiveness, the Union Budget 2025–26 raised the ministry's allocation by 4.6% to H23,168 crore. Key reforms include increased investment and turnover thresholds for classification, expanded credit guarantee coverage, and targeted schemes for first-time entrepreneurs and sectors like footwear, leather, and toys.

MSME exports surged from H3.95 lakh crore in FY21 to H12.39 lakh crore in FY25, with the number of exporting units tripling. The government now focuses on promoting R&D, tech adoption, and global partnerships to enhance product quality and global competitiveness, ensuring sustained growth and resilience for the sector.

Housing Finance

India's housing finance sector has grown significantly, driven by rising incomes, affordability, and strong government support through schemes like PMAY. As of March 2024, the individual housing loan portfolio stood at H33 trillion, growing at a 13% CAGR over six years and comprising 14% of total systemic credit. Public sector banks hold 40% of this market, followed by private banks at 34.5%.

The sector is projected to grow at a 15–16% CAGR through FY30, with strong demand in affordable housing. HFCs' portfolios rose 13.2% to H9.6 trillion in FY24, with NIMs at 3.7%. Challenges include tight liquidity and stable borrowing costs, but NPAs are expected to remain moderate at 1.6–1.8% in FY25–26.

Commercial Vehicle & Construction Equipment Finance

The commercial vehicle & construction equipment finance markets are experiencing steady growth, driven by global trade expansion, infrastructure development, and increasing industrial activity. In 2024, the commercial vehicle market reached $976.15 billion and is expected to grow to $1,067.45 billion in 2025. Key drivers include e-commerce logistics, last-mile delivery, green transport initiatives, and supply chain efficiency.

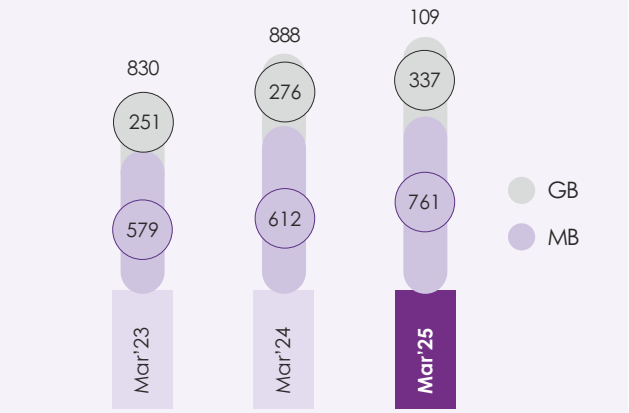
Meanwhile, the construction equipment finance market, is expected to grow in 2025. This growth is fuelled by rising demand for construction equipment, smart city projects, accessible financing options, and stable resale values. Both sectors are set to benefit from continued infrastructure investment and evolving market dynamics.

Utkarsh Small Finance Bank's Overview

Headquartered in Varanasi, Uttar Pradesh, Utkarsh Small Finance Bank Limited (Utkarsh SFBL) was incorporated on April 30, 2016, as a public limited company under the Companies Act, 2013. As of March 31, 2025, the Bank has established a strong presence nationwide through its 1092 banking outlets spread across 23 States and 4 Union Territories of the country. It maintains a significant presence in rural and semi-urban regions, aligning with its mission to serve underbanked communities.

This strategic focus on underserved areas has not only driven the Bank's growth but also enabled compliance with the Reserve Bank of India's directive that mandates at least 25% of branches be located in Unbanked Rural Centres (URCs). As of March 31, 2025, 27% of Utkarsh SFBL's outlets were situated in URCs. Over the past two financial years, the Bank has added more than 260 branches, a steady expansion that supports its ongoing business growth and strengthens its diversified operational profile.

USFBL BRANCH NETWORK



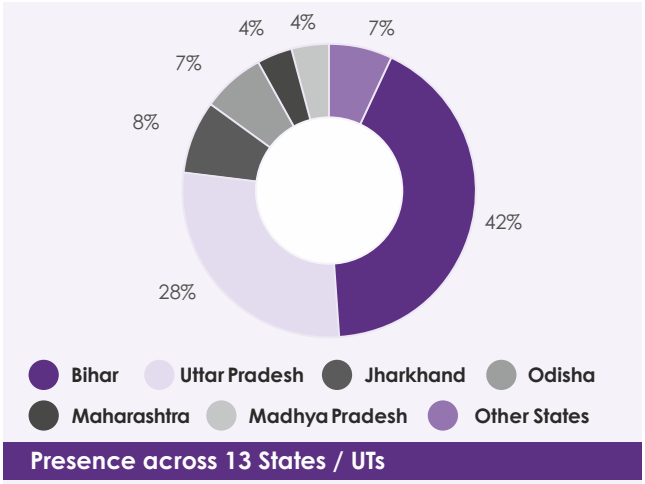
As of March 31, 2025, Utkarsh Small Finance Bank's branch network comprised 761 Micro Banking (MB) branches and 331 General Banking (GB) branches. The MB branches are primarily located in rural and semi-urban areas and focus on micro- banking loans and advancing financial inclusion. In contrast, the GB branches are concentrated in metropolitan and urban centers, offering a broader range of services, including deposit mobilization and lending products such as MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.

Utkarsh SFBL is committed to advancing financial inclusion by providing access to banking services for underserved and unserved segments of society. This includes women entrepreneurs, low- to middle-income households, micro and small enterprises, and homebuyers from similar income groups.

To fulfil this mission, the Bank has established a strong presence in financially underserved regions such as Bihar, Jharkhand, and Uttar Pradesh. As of March 31, 2025, these states accounted for 54% of the bank's gross loan portfolio, highlighting both its impact and the significant growth potential in these areas. Utkarsh SFBL actively expands its footprint to address the banking needs of all its customers across the country.

The bank's journey began with micro-banking operations in Uttar Pradesh in September 2009 through its promoter entity, Utkarsh Core Invest Limited (UCL). Since then, it has built a solid reputation in the microfinance sector, laying a strong foundation for long-term growth. While continuing to scale its micro-banking business, the Bank is also diversifying its retail loan portfolio with products focused on MSME (Retail Assets), housing, and commercial vehicle & construction equipment (CV & CE) financing.

As of March 31, 2025, Utkarsh SFBL had a strong workforce of 19,779 employees, serving a customer base exceeding 4.9 million. The bank's gross loan portfolio reached H19,665.59 crores, reflecting continued growth and outreach.



Presence across 13 States / UTs

Utkarsh SFBL offers a wide range of banking services as permissible for small finance banks. Its product suite includes various savings and current account options tailored to meet the diverse saving and transaction needs of its customers. Embracing digital transformation, the Bank provides convenient banking experiences through Internet Banking, Mobile Banking, Bharat Connect Bill Payments, Aadhar Enabled Payment System, ASBA, and E-Nach and UPI-based transactions.

The bank's deposit base also witnessed substantial growth, rising from H17,472.60 crores as of March 31, 2024, to H21,565.70 crores as of March 31, 2025, underscoring increasing customer trust and engagement.

Focusing on financial inclusion, the Bank provides a diverse suite of products and services tailored to meet the unique needs of various customer segments.

Asset Products

Micro-Banking 49%

- Joint Liability Group Loans
- Business Loans
- Wholesale Lending (FI & SME Segment) 11%

Other Retail Loans 40%

- MSME Loans (Retail Assets)
- Housing Loans
- Other retail loans and BC channel
- CV/CE Loans
- ODFD

Liability Products

- Current Account
- Savings Account
- Term and Recurring Deposit Accounts
- Certificate of deposits

Other Products & Services

- Insurance Products
- Mutual Funds
- Locker Facilities
- Utkarsh Vyapar
- AePs
- V – KYC
- ICCW
- Integrated Bill Payment system
- Distribution & facilitation of accounts under certain Govt. Schemes

Portfolio split % (Mar'25)

*Other Distribution channels

- Internet banking*
- Mobile Banking*
- ATM-cum-debit cards*
- UPI Payment Solutions
- Whatsapp Banking Services
- Utkarsh Vyapar
- AEPS
- Video - KYC
- Interoperable Cardless Cash Withdrawal
- Digital Deposits
- Bharat Connect Bill Payments

The Bank is led by its Managing Director and Chief Executive Officer, Mr. Govind Singh, who brings over 25 years of experience in the banking and financial services sector. The board comprises members with diverse industry expertise, offering strategic direction that supports the bank's continued growth. Backed by a seasoned senior management team with deep industry knowledge, the Bank remains focused on sustainable and responsible expansion.

Key highlights of our financial performance during FY2024-25

NETWORK		**1092 vs. [888]** Banking Outlets	**27** States & UTs	**19,779 vs. [16,081]** Employees	
ASSETS		**₹ 19,666 cr. vs. [₹18,299 cr.]** Gross Loan Portfolio	**7.5%** Gross Loan Portfolio Growth YoY	**43% vs.[34%]** Share of secured loans in gross loan portfolio	
LIABILITIES		**₹ 21,566 cr. vs. [₹17,473 cr.]** Deposits	**23.4%/ 33.5%** Deposits / RTD Growth YoY	**71% vs. [66%]** Share of CASA + Retail Term Deposits	
FINANCIAL PERFORMANCE		**₹ 23.7 cr. vs. [₹498 cr.]** Profit After Tax	**₹1,007 cr. vs. [₹997 cr.]** Pre-provisioning Operating Profit	**61.6% vs. [56.4%]** Cost to Income	**0.1%/ 0.8% vs.[2.4%/19.5%]** ROAA/ROAE
CAPITAL STRUCTURE		**₹2,975 cr. vs. [₹2,973 cr.]** Capital + Reserves	**20.9% vs.[22.6%]** CRAR*	**86.8% vs [93.7%]** CD Ratio*	
ASSET QUALITY		**9.4% vs.[2.5%]** Gross NPAS	**4.84% vs.[0.03%]** Net NPA	**51.2% vs. [63.3%]** Provision Coverage Ratio (incl. floating provision)	

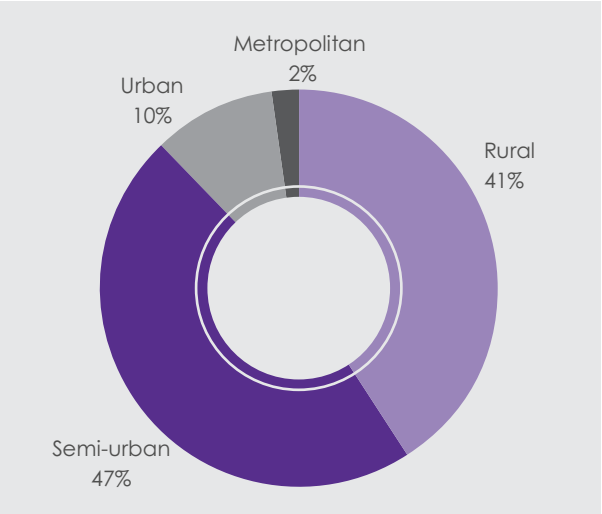
Figures in [ ] represent FY2023-24;
CD Ratio at 78% excl. advances against which refinance is raised

BUSINESS PERFORMANCE

The Bank has built a robust presence in rural and semi-urban areas, with approximately 65% of its branches located in these regions. Its distinctive branch network is designed to deliver customized and relevant financial solutions while maintaining operational cost efficiency. The Bank's micro banking (MB) branches provide micro-credit, a range of retail loans, deposit services, and payment solutions to meet the diverse needs of its customers.

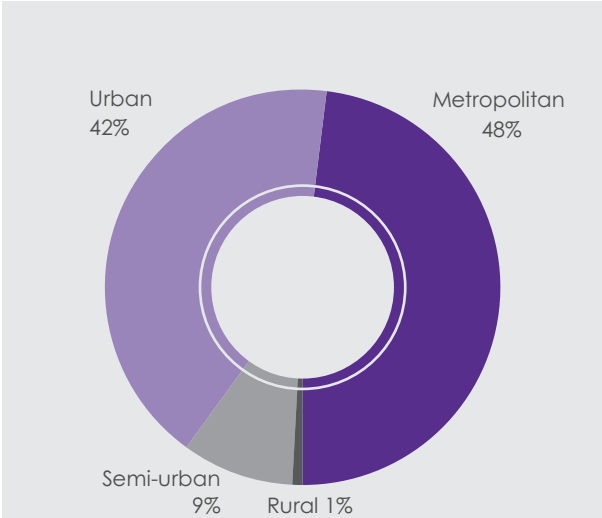
On the other hand, GB branches focus on garnering deposits. The Bank has adopted the strategy to target the top 100 locations that can facilitate deposit mobilisation to expand its GB branches network.

Demographic Break up of MB Outlets



88% MB Branches in Rural & Semi-urban areas

Demographic Break up of GB Outlets

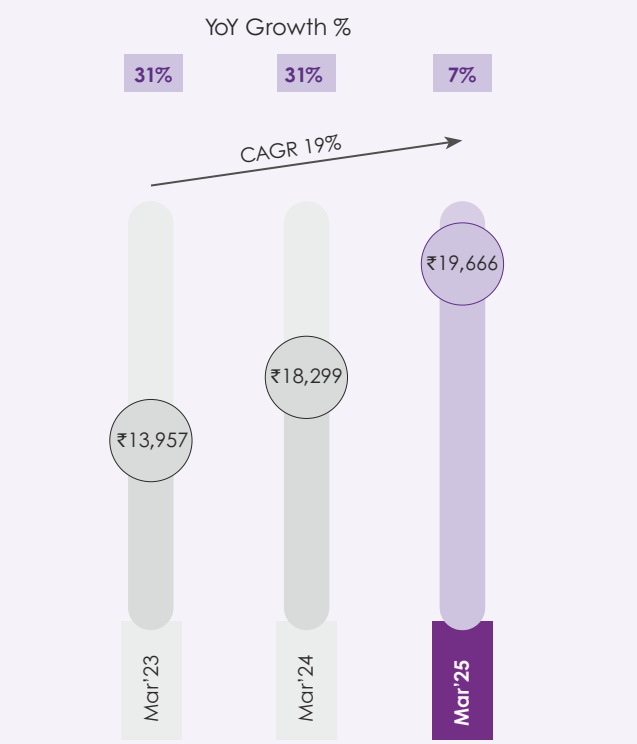


90% Branches in metropolitan and urban areas

As of March 31, 2025, the Bank operated its MSME (Retail assets), housing loan, and CV & CE loan verticals through 86, 63, and 47 branches, respectively. This extensive branch network not only supports a diversified customer base but also offers strong cross-selling opportunities.

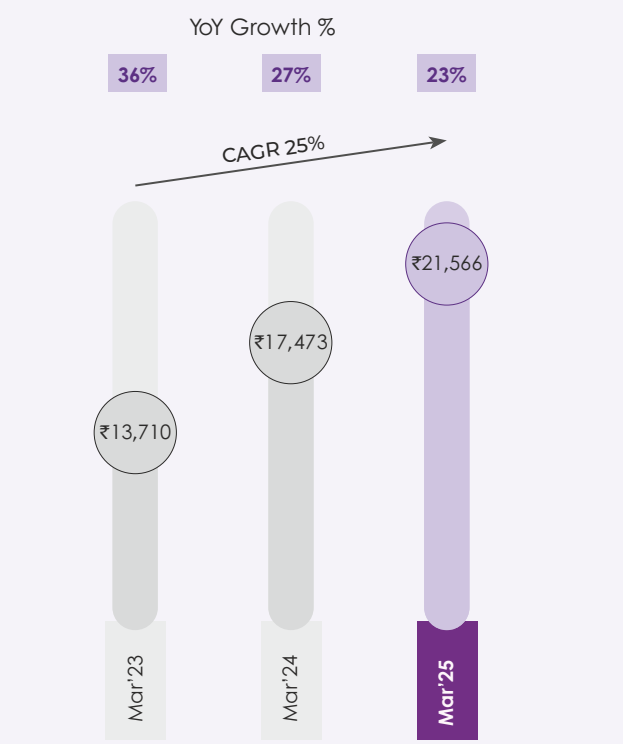
During FY 2024–25, the Bank delivered stable performance, with total assets growing by 18% to ₹28,127.44 crore. This positive growth reflects the bank's strategic expansion and broad portfolio of services. Utkarsh SFBL's gross loan portfolio and deposits grew by 7% and 23%, respectively, reaching ₹19,665.59 crore and ₹21,565.70 crore as of March 31, 2025.

Loan Book Growth



Gross Loan Portfolio (in Crore)

Deposits Growth



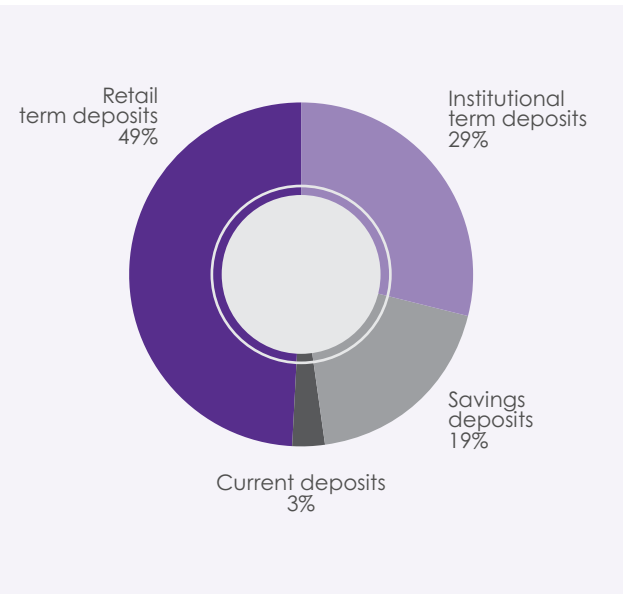
Deposits (in Crore)

Liabilities – Deposits

The Bank has adopted a strategic focus on India's top 100 deposit centres, primarily targeting metropolitan and urban markets. It offers a comprehensive suite of services at competitive rates, catering primarily to a broad retail customer base, including senior citizens, middle-class individuals, salaried professionals and the self-employed.

To support this growth, the Bank opened 204 new branches in FY 2024–25. The Bank has a presence across 27 States and Union Territories, operating through a network of 1,092 banking outlets. This includes 331 General Banking (GB) branches and 761 Micro Banking (MB) branches. Among the GB branches, 90% are situated in metropolitan and urban areas, with a focus on mobilizing stable and sustainable deposits. Meanwhile, 88% of the MB branches are located in rural and semi-urban regions, playing a key role in advancing the Bank's financial inclusion initiatives. Complementing this network are 369 ATMs and 760 micro-ATMs, offering cost-effective access to essential services such as cash deposits, withdrawals, and green PIN generation.

Deposits Composition as on March 31, 2025



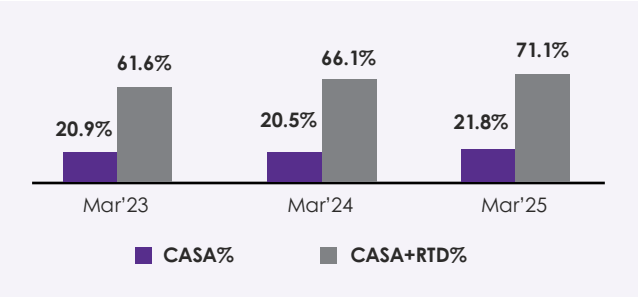
The Bank continues to enhance its digital and fintech capabilities through both direct initiatives and strategic partnerships. Customers can now instantly open savings and term deposit accounts via video KYC on the Bank's website. Moreover, a fintech partnership has enabled the Bank to offer term deposit products to the fintech's existing customer base. Innovations like interoperable card-less cash withdrawal (ICCW) have been introduced, allowing customers to withdraw funds from enabled ATMs without using a physical card. The Bank also participates in the Aadhaar enabled payment system (AEPS) as both an issuer and acquirer, facilitating convenient cash withdrawals and access to micro-ATM services in rural and semi-urban regions.

Deposit's Growth

The Bank has maintained a strategic focus on achieving sustainable and consistent deposit growth, driven by a well-diversified and granular retail deposit portfolio. As a result, the total deposit grew to ₹21,566 crore as of Mar 31, 2025 marking a strong year-on-year (YoY) increase of 23.4%. The Bank's CASA Deposits grew by 31% YOY to ₹4,699 Crore in FY24-25 ,reaching a CASA ratio of 21.8%.

Improvement in CASA Ratio and CASA + RTD Ratio

	Mar'23	Mar'24	Mar'25
CASA (Amount in ₹Crore)	2,864	3,582	4,699



Retail term deposits (RTD) emerged as a key driver, growing by 33.5% YoY to ₹10,635 crore as of Mar'31, 2025. The bulk term deposit book also expanded to ₹6,232 crore as of Mar'31, 2025, reflecting a 5.2% YoY growth. The overall deposit growth was predominantly led by the surge in RTDs.

Key performance metrics saw notable improvements:

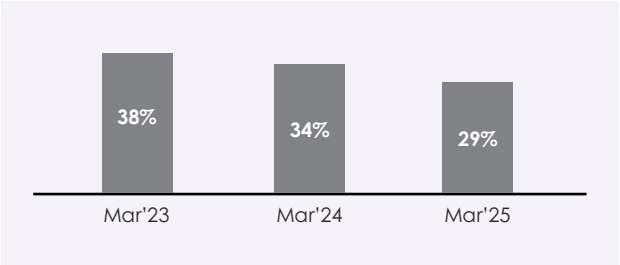
1. CASA Ratio: 21.8%
2. CASA + RTD Ratio: Improved to 71.1%
3. Credit to Deposit (CD) Ratio: Improved to 86.8%
4. Net stable funding ratio (NSFR): Stood at 120.76%

Deposit Portfolio Enhancement

Despite industry headwinds, the Bank was able to grow its CASA deposits by 31.2% YoY, taking CASA Ratio to 21.8% as of Mar'31, 2025. Bank's CASA+RTD ratio improved to 71.1% reflecting healthy retail mix.

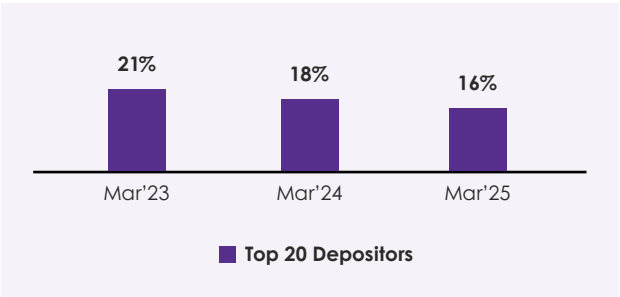
The Bank has strengthened its institutional deposit base by intensifying efforts to acquire and deepen relationships across the Government, TASC (Trusts, Associations, Societies, and Clubs), and Financial Institution segments. Moreover, it has successfully reduced its reliance on high-cost bulk deposits.

Decline in Top-20 Depositors Concentration



Bank focused on building well-diversified customer base. Concentration risk reduced as share of deposits from Top-20 customers brought down to 16%.

Decline in Top-20 Depositors Concentration



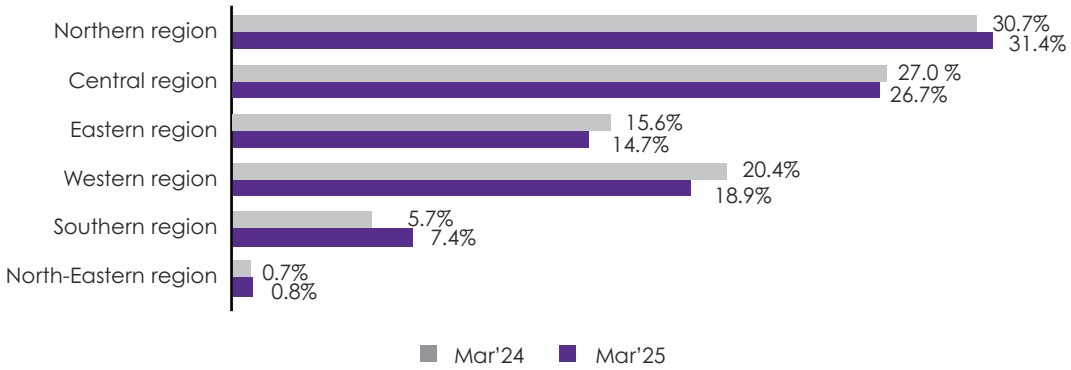
Geographically Well Diversified Mix Of Deposits

The Bank's deposit portfolio is well-diversified across geographies, with no single State or Union Territory accounting for more than 20% of the total deposits. As of March 31, 2025, the Bank had established its presence across 27 States and Union Territories. The largest shares of deposits come from Uttar Pradesh (17.3%), Maharashtra (14.6%), NCT of Delhi (12.3%), Haryana (7.7%), Uttarakhand (5.9%), and Bihar (4.8%). This broad-based distribution reflects the Bank's strategic focus on geographic diversification, supporting a balanced and de-risked deposit profile.

Geographical Split of Deposits

States	% Share in Total Deposit	Total Banking Outlets
Andhra Pradesh	0.3%	4
Assam	0.8%	2
Bihar	4.8%	272
Chandigarh	1.8%	3
Chhattisgarh	1.3%	24
Goa	0.1%	2
Gujarat	4.2%	20
Haryana	7.7%	35
Himachal Pradesh	2.4%	4
Jammu & Kashmir	0.2%	1
Jharkhand	4.3%	99
Karnataka	1.6%	10
Kerala	2.0%	11
Madhya Pradesh	2.2%	53
Maharashtra	14.6%	85
Meghalaya	0.0%	1
NCT of Delhi	12.3%	35
Odisha	1.0%	101
Puducherry	0.1%	1
Punjab	4.3%	10
Rajasthan	2.6%	29
Sikkim	0.0%	1
Tamil Nadu	2.3%	15
Telangana	1.1%	5
Uttar Pradesh	17.3%	225
Uttarakhand	5.9%	27
West Bengal	4.6%	17
Total	**100.0%**	**1,092**

Balanced Regional Deposit Mix



Note –classification as per RBI regional categorization

Northern Region – Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, NCT of Delhi, Punjab, Rajasthan

Central Region – Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Uttarakhand

Eastern Region – Bihar, Jharkhand, Odisha, Sikkim, West Bengal

Western Region – Goa, Gujarat, Maharashtra

Southern Region - Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana

North East Region – Assam, Meghalaya

Product Offerings

The Bank offers a comprehensive suite of demand and term deposit products, complemented by a range of digital and utility services tailored to meet the diverse needs of its customer base. Its product portfolio caters to individuals, senior citizens, high-net- worth individuals (HNIs), non-residents, MSMEs, corporates, and businesses across the retail spectrum.

Seamless digital banking solutions including internet and mobile banking, WhatsApp Banking, UPI, and Digital Fixed Deposits, are central to the Bank's technology-driven approach. Additional services such as debit cards, bill payments, Aadhaar seeding, interoperable card-less cash withdrawals, lockers, POS solutions, and merchant payment soundbox apps are offered alongside insurance and asset products. The Bank has also built a strong asset-liability franchise and distributes third-party products through multiple channels.
For institutional clients, the Bank provides specialized solutions such as cash management services, Smart Pay, corporate internet banking, and PFMS integration—delivering a robust and comprehensive institutional banking experience.

To enhance its competitive edge, the Bank has undertaken several strategic initiatives and digital revamps, strengthening its capabilities through both in-house innovation and external partnerships. Bank pursued the following initiatives in the financial year:

- **Non-Resident Banking Services:** Bank launched, on pilot basis, NRO/NRE savings and term deposit products to cater to the Non-Resident segment.

- **Real Estate Regulation Act (RERA) Account:** The introduction of a dedicated proposition for the Real Estate segment is expected to help tap into a large market opportunity in real estate sector, enabling growth in the institutional client base and an increase in CASA balances.

- **PFMS:** Public Financial Management System (PFMS) is an initiative of Ministry of Finance, Govt. of India which provides a web-based application for e-payment of Direct Benefit Transfer (DBT)/ Non DBT payments. Implementation of PFMS payment solutions would be a leverage in building government and TASC segments.

- **E-ASBA (Application Supported by Blocked Amount):** Launch of ASBA services on Internet/Mobile Banking and UPI platforms to serve mass segment.

- **Internet Banking and Mobile Banking:** Bank offers advanced applications to the customers, which is secure and robust and offers ease of operation. Major developments ongoing - onboarding journey simplification, UI-UX improvements and limit enhancements.

- **SPARSH Service Centres:** The Bank is empaneled with the Defence Accounts Department (DAD) to act as a SPARSH Service Centre through all its General Banking Branches for which the Bank entered into an MoU with the Controller General of Defence Accounts, Ministry of Defence. This empanelment enables our Bank to provide last mile connectivity to Defence pensioners, especially those who live in remote areas of the country and those who do not have the means and access to logon to SPARSH Portal.

- **Life Insurance of India (LIC) Current Accounts:** The Bank has signed the MoU with LIC of India for providing banking services to Corporate Office and its Branches/ Zonal / Divisional Offices. This MoU will facilitate opening the Current Account of Head Office of LIC of India for transfer of funds to/ from the Current Accounts of Branches and Divisional Offices as well as for various other purposes.

- **WhatsApp Banking:** The Bank has gone live with WhatsApp banking services enabling mini statements, debit card services, etc.

- **UPI:** Ongoing utility enhancements viz UPI lite, Tap & Pay and Auto Top up.

- **Fintech Partnerships:** Onboarded Money Honey Financial Services and Bajaj Capital Financial Services for sourcing FD via physical and redirection model.

- **Customer Service and Digital Adoption**
  The Bank remains committed to delivering customer excellence by continually enhancing its technology infrastructure and service delivery processes. A well-equipped customer care center, supported by a dedicated relationship management channel, ensures efficient and personalized support across customer segments.

  To streamline and elevate the service experience, the Bank has deployed several technology-driven solutions, including tab- based onboarding, next-generation applications, advanced customer relationship management (CRM) systems, and video banking capabilities. These digital tools play a key role in improving responsiveness, accessibility, and overall customer satisfaction.

ASSETS – LENDING PRODUCTS

Utkarsh SFBL continues to strengthen its retail loan portfolio by focusing on a diverse mix of lending products, including micro-banking loans through the Joint Liability Group (JLG) model, micro-banking business loans, MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.

As of March 31, 2025, the bank's gross loan portfolio grew by 7.47% and stood at ₹19,665.59 crore. This expansion was primarily driven by strong performance in non-JLG segments, including other retail loans and wholesale lending, which together registered a robust 45% growth during FY25, albeit on a modest base. However, this growth was partially offset by a 17% decline in the JLG loan portfolio over the same period.

*Excluding BC JLG portfolio; including BC JLG, JLG loan book is H9,207 crore (47% of total portfolio) as of Mar-25;

**Includes PM Svanidhi & PM Vishwakarma loan portfolio of H9 crore as of Mar-25

As of March 31, 2025, the Bank's micro-banking loan book stood at H9,679 crores. Within this, the JLG (Joint Liability Group) segment saw a reduction, tapering down to H8,761 crores at the close of FY25 compared to H10,634 crores in FY24. On the other hand, the micro-banking business loan segment demonstrated a notable expansion, climbing to H910 crores in FY25 from H671 crores a year earlier-reflecting a year-on-year increase of 36%. This uptick was largely driven by onboarding seasoned JLG borrowers and sustained disbursals across recurring loan cycles.

Looking ahead, the Bank anticipates a positive momentum in JLG lending volumes alongside robust growth in business loan advances, underpinned by its established reach in regions that remain underserved. The Bank's tech-led initiatives-ranging from fully digital loan and savings account onboarding to services like e-KYC, e-signatures, personalized QR-based collections, and micro-ATMs-are expected to reinforce a scalable and efficient operating model.

While Bihar and Uttar Pradesh continue to anchor the Bank's micro-banking operations, its geographic footprint has been steadily expanding. As of the fiscal year-end, the micro-banking portfolio extended across 13 states and union territories, catering to over 28 lakh clients. The Bank's presence spans 182 districts and is supported by a network of 761 dedicated micro-banking outlets.

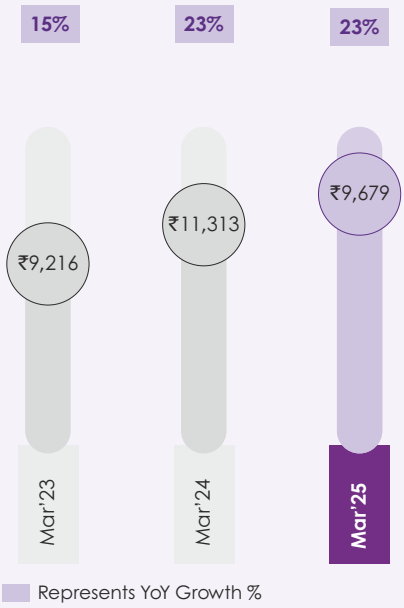
Micro-Banking Lending

Utkarsh SFBL began its journey in September 2009 from Uttar Pradesh and has since built a strong track record in the micro-banking sector. With a focused presence in rural and semi-urban regions, areas that remain largely underserved, the Bank has played a pivotal role in driving inclusive growth and expanding access to financial services.

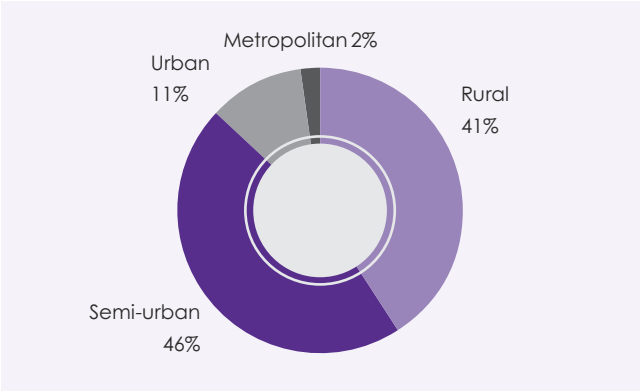
The Bank offers Joint Liability Group (JLG) loans, Micro-Banking Business Loans for mature JLG clients, PM SVANidhi loans tailored for street vendors and PM Vishwarkarma to traditional artisans and craftspeople. These financial products are designed to empower low-income and underprivileged individuals who traditionally have limited access to formal banking. By supporting income-generating activities and entrepreneurial ventures, these loans have enabled many customers to improve their livelihoods and pursue their aspirations.

The JLG structure fosters strong credit discipline through frequent and personal interactions with borrowers. This model not only ensures financial sustainability across economic cycles but also delivers meaningful social impact-making micro-banking a true double bottom-line business for Utkarsh SFBL.

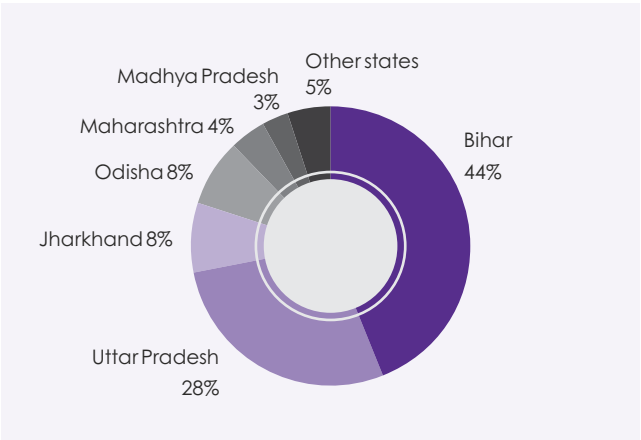
Micro-Banking Loan Book
(in crore)



Demography wise break-up of Bank's micro-banking Portfolio



State wise break-up of Bank's Micro-Banking Portfolio



Presence across 13 States / UTs

The bank offers cashless disbursement for all micro banking loans, ensuring that funds are transferred directly into the customer's Bank account. In line with its digital strategy, the Bank is actively increasing cashless collections, primarily through customer- specific QR codes and the bill desk payment gateway. This shift is expected to lead to greater adoption of cashless transactions, reducing operational risks associated with physical cash and improving the efficiency of field staff. Furthermore, the cashless payment model provides enhanced convenience and security for customers.

Onboarding micro banking clients is streamlined through E-KYC and E-sign processes, optimizing operational efficiency and ensuring a swift and seamless onboarding experience, ultimately offering a superior customer experience.

Joint Liability Group (JLG) Loans

The Bank offers Joint Liability Group (JLG) loans to clients for income-generating activities, leveraging a group-guarantee model that allows individuals to access loans without the need for collateral or security. This model encourages borrowers to foster credit discipline through mutual support, promoting responsible financial behaviour within the group and ensuring timely loan repayment.

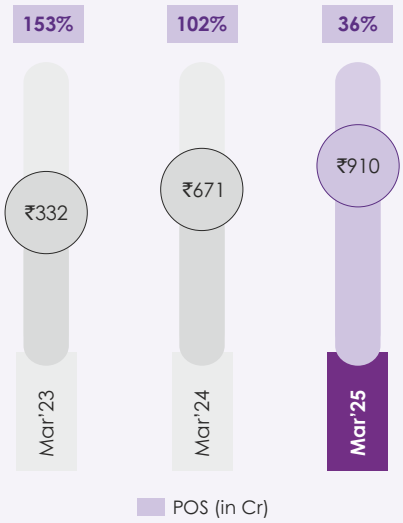
The primary target segment for these loans is women in households engaged in existing or potential income-generating activities. The loan methodology includes regular centre meetings either fortnightly or bi-fortnightly and 'stepped-up' loans, which increase each time a client successfully repays a loan, demonstrating good credit discipline and a need for larger loans.

As of March 31, 2025, all of the bank's JLG loan customers were women, with loans ranging from ₹6,000 to ₹1,00,000 to support various income-generating ventures.

Joint Liability Group (JLG) Loans

To meet the growing funding needs of customers who have completed multiple loan cycles, the Bank offers micro-banking business loans (MBBL) to its matured Joint Liability Group (JLG) borrowers. As of March 31, 2025 we have no. of JLG borrowers >27 Lakh and MBBL customer base is of more than 1 Lakh. Considering MBBL penetration level of ~ 4%, there is significant potential to grow. During FY 2024-25, the bank's MBBL loan portfolio reached H910 crore as of March 31, 2025. Given the Bank has long track record in JLG lending and has a large number of JLG borrowers , the Bank expects significant growth potential in MBBL lending which is also reflected in credit growth registered by the Bank in FY25. Furthermore, as the Bank provides MBBL loans only to its existing borrowers with good track record, asset quality in MBBL loan segment remain healthy.

MBBL Loan Book (in crore)



Saving, Pension and Health Insurance for Micro- Banking Clients

As of March 31, 2025, the Bank had opened more than 25 lakh basic savings bank deposit accounts (BSBDA), aimed at offering appropriate savings and financial products to microfinance borrowers while encouraging a habit of saving.

To further promote financial security among its customers, the Bank offers the Atal Pension Yojana (APY) to savings account holders aged 18 to 40 years. Acting as both a point of presence and aggregator, the Bank enrols subscribers under the National Pension System framework, supporting long-term savings.

The Bank also provides Hospicash, a health insurance product that covers hospitalization expenses and also compensates for wage loss incurred by micro-banking customers during hospitalization, thereby offering both financial protection and income continuity.

Other Retail and Wholesale Lending Book

The Bank has consistently focused on building a well-diversified retail loan portfolio, catering to the varied financial needs of its customers. Over time, it has developed a comprehensive suite of retail loan offerings, including MSME (retail assets), housing loans, commercial vehicle (CV) & construction equipment (CE) loans, among others. The bank's core geographies—Bihar, Uttar Pradesh, and other states—continue to offer substantial growth opportunities for these products as well.

Other Retail Assets Lending Vertical

MSME (Retail Assets) loans

The Bank offers a range of lending products to MSMEs, including secured and unsecured business loans, Micro LAP, and overdraft facilities. During FY 2024–25, the Bank expanded its MSME loan footprint to 86 branches, driving a robust 52% year-on-year growth in its MSME loan book-from ₹2,556.99 crore in FY 2023–24 to ₹3,874.53 crore in FY 2024–25. This significant growth was fuelled by the bank's deepening presence in underserved markets and its focus on financial inclusion. The MSME portfolio remains predominantly secured, with over 95% of loans backed by collateral, and the average ticket size ranging between H25 lakh and H35 lakh.

Housing loans

The housing finance segment remains a key driver of economic growth in India. Utkarsh SFBL continues to strengthen its presence in this space by offering affordable housing loans to both salaried and self-employed individuals across formal, informal, and semi-formal income groups. As of March 31, 2025, the Bank provides housing loans through 63 branches.

During FY 2024–25, the housing loan portfolio grew by 36%, increasing from ₹676.59 crore to ₹918.29 crore. This growth can be attributed to the Bank's consistent focus on building the housing loan book, expanding network and a relatively small base of the Bank's housing loan portfolio.

Commercial Vehicle (CV) and Construction Equipment (CE) Loans

Commercial vehicle (CV) & construction equipment (CE) loans continue to be among the key retail lending products for banks and NBFCs across India. Utkarsh SFBL provides financing for both new and used commercial vehicles as well as construction equipment, with used vehicle loans accounting for less than 10% of the total CV & CE loan book as of March 31, 2025.

The Bank primarily serves small fleet operators, focusing on core geographies such as Bihar, Jharkhand, and Uttar Pradesh- regions that remain relatively underserved but offer strong growth potential. Moreover, markets like Chandigarh, Delhi NCR, Rajasthan, and West Bengal are emerging as attractive opportunities for expansion.

With CV & CE loans currently being disbursed through 47 branches, the Bank's loan portfolio in this segment grew significantly from ₹944.44 crore in FY 2023–24 to ₹1,188.13 crore in FY 2024–25.

Business Correspondent (BC)

Utkarsh SFBL introduced the business correspondent (BC) model in FY 2017–18 to expand its reach into untapped geographies and diversify its loan portfolio. Under this model, BC partners operate as an extended arm of the bank—acquiring, managing, and servicing customers while adhering to the bank's internal governance policies and procedures.

The Bank leverages BC partnerships across multiple products, including Joint Liability Group (JLG) loans, small business loans, personal loans. As of March 31, 2025, BC partners collectively manage a loan book of ₹1,093.69 crore, attributing to 5.56% of Gross Loan Portfolio.

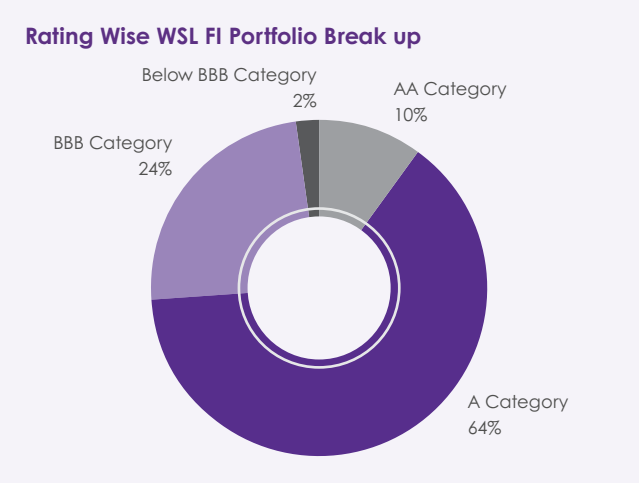
Wholesale Lending (WSL)

Utkarsh SFBL's wholesale loan (WSL) portfolio grew by 19% in FY 2024–25, rising from ₹1,882.41 crore as of March 31, 2024, to ₹2,239.73 crore by March 31, 2025. Despite this growth, the WSL portfolio's share in the bank's total loan book grew slightly from 10.3% to 11.4%, in line with the bank's strategic intent to maintain the WSL share at similar levels going forward.

The wholesale loan portfolio comprises lending to financial institutions (WSL FI) and Business Banking Group (BBG) loans extended to small corporates.

Amount in ₹ Cr

Break up of Wholesale Loan Portfolio	Mar-2024	Mar-2025
WSL FI Lending	₹1,337	₹1,287
Business Banking Group (BBG)	₹903	₹596
Total WSL Portfolio	**₹2,240**	**₹1,882**



WSL FI Lending

Utkarsh SFBL commenced its wholesale lending to financial institutions (WSL FI) in FY 2017–18, aiming to diversify its loan portfolio and extend its geographic reach by leveraging its strong expertise in retail lending. Under this segment, the Bank offers loan facilities to non-banking financial companies (NBFCs), housing finance companies (HFCs), NBFC-MFIs, and other entities engaged in financial services, primarily to support their on-lending requirements.

As of March 31, 2025, 74% of the WSL FI loan book comprises loans extended to entities rated 'A-' category or higher by external credit rating agencies, 24% is allocated to entities rated in the 'BBB' category, while the remaining 2% is allocated to entities rated in the below 'BBB' category.

Business Banking Group (BBG) Lending

Utkarsh SFBL extends both short-term and long-term loan facilities to small and medium enterprises (SMEs) and other entities engaged in manufacturing, services, or trading activities. These loans are designed to support working capital needs and business expansion plans. In addition to fund-based lending, the Bank also offers non-fund-based products such as bank guarantees under its wholesale lending portfolio.

The loans typically range from H1 crore to H10 crore and are primarily secured by immovable property as collateral.

Business Strengths & Strategies

Strong microfinance expertise and rural reach:

Utkarsh SFBL draws on the legacy and deep experience of its promoter company, UCL, to address the financial needs of unbanked and underbanked communities. Serving the underserved is a core element of the bank's vision. With a strong foundation in microfinance and an extensive presence in rural and semi-urban areas, Utkarsh SFBL is well-positioned to tap into growth opportunities in regions that remain relatively underpenetrated.

Expanding and diversifying the retail asset portfolio:

Utkarsh SFBL remains focused on diversifying its retail asset portfolio to better serve the evolving financial needs of customers, particularly from unserved and underserved segments. The Bank aims to offer a comprehensive suite of retail loan products to address varying customer requirements across segments.

Driven by healthy growth in other retail loan categories, the share of micro banking loans in the bank's gross loan portfolio declined from 62% in March 2024 to 49% in March 2025. This trend of decline in share of micro-banking portfolio is expected to continue over short to medium term.

Strengthening deposit base through retail-centric growth:

Utkarsh SFBL offers a comprehensive suite of demand and time deposit products, including savings accounts, recurring deposits, and fixed deposits—designed to meet the needs of a diverse retail customer base at competitive interest rates. The Bank continues to prioritize deposit granularity, with a strong emphasis on growing its current account and savings account (CASA) base, along with retail term deposits.

As of March 31, 2025, the bank's CASA and retail term deposit portfolio stood at H15,334.16 crore, accounting for 71.10% of total deposits, increasing from H11,550.72 crore (66.11% of total deposits) as of March 31, 2024. This consistent growth reflects Utkarsh SFBL's strategic focus on building a stable, retail-led deposit base.

Broadening distribution network with significant cross-selling opportunities; Leverage Bank's extensive franchise and presence further:

As of March 31, 2025, the Bank operates an extensive physical network of 1,092 banking outlets, 708 are located in rural and semi-urban areas, aligning with Utkarsh SFBL's core vision of financial inclusion. The Bank has opened more than 260 branches during last two financial years FY24 & FY25, providing services to a diversified clientele. Furthermore, our franchise and large customer base, in addition to the implementation of Lead Management System(LeMS), offers significant cross-sell opportunities.

Prioritizing risk management and operational efficiency:

Risk management is a central focus of the bank's operations. Utkarsh SFBL has implemented a robust and comprehensive credit assessment and risk management framework designed to identify, monitor, and manage risks across various areas, including credit, market, liquidity, IT, and operational risks.

The Bank employs a range of risk parameters, including real- time monitoring of regulatory changes and market trends both nationally and internationally. It frames policies, guidelines, and products in line with industry best practices, defines acceptable portfolio risk limits for each product, and utilizes an early warning system to track sector performance and establish boundaries for fund allocation to specific industries.

The bank's effective credit risk management is evidenced by its strong portfolio quality indicators. Moreover, the bank maintained a healthy provision coverage ratio (PCR) of 51.18% as on March 31,2025.

The bank's success in managing these risks can be attributed to its efficient management team, composed of highly qualified and experienced professionals. Their deep industry knowledge enables the bank to navigate challenges effectively, fostering a resilient and consistent franchise.

Pioneering technological advancements and expanding digital offerings:

The Bank harnesses advanced, cost-effective technology to streamline its operations and improve efficiency. Utkarsh SFBL is committed to strategically investing in technology to optimize operations, reduce costs, and drive greater efficiency. Moreover, the Bank encourages customers to transition from assisted services to a self-service delivery model. By continuing to invest in cutting-edge technology, Utkarsh SFBL aims to enhance the customer experience and provide a range of tailored financial products that meet diverse customer needs.

Strategic Business Technology Transformation Project

Digital transformation has become a key driver in the evolving financial landscape, placing customer-centricity at the forefront. To manage and implement strategic projects efficiently, the bank has established a transformation management office (TMO) that serves as a centralized project management office (PMO). This office ensures all initiatives are executed within established timelines, while continuously evaluating progress and return on investment.

In collaboration with a leading consulting firm, the bank has also formed an internal team of select professionals to support the TMO. Utkarsh SFBL's strategy focuses on diversifying and expanding its retail asset portfolio and liabilities business, while redefining customer journeys and optimizing operational efficiency. As part of this transformation, the bank is driving automation through the implementation of modern loan origination systems and enhancing the digital onboarding process with the support of an internal development team.

The bank is embracing cloud computing to build a robust and scalable IT infrastructure. Key applications are also being upgraded or replaced to meet the latest technological standards, ensuring a future-ready and efficient operational framework.

Commitment to Financial Inclusion and Focus on Priority Sector Lending

The Reserve Bank of India (RBI) mandates that small finance banks (SFBs) allocate 75% of their loan portfolio to priority sector lending (PSL), compared to 40% for universal banks. On account of higher proportion of PSL as compared to the requirement of the RBI, the Bank has been able to sell the surplus PSL portfolio through Priority Sector Lending Certificate (PSLCs) to earn non- interest income for the Bank. .

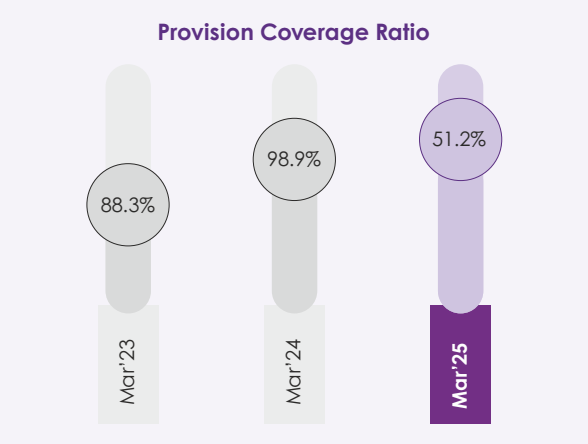
As of FY 2024-25, after accounting for the sale of PSLCs and IBPC, the bank's PSL achievement (based on quarterly averages) stood at 84.79%, significantly exceeding the RBI's minimum requirement of 75%. This surplus PSL portfolio allowed the bank to earn non- interest income from PSLCs, with PSLC income totalling ₹115.17 crore in FY 2024-25.

Moreover, Utkarsh SFBL continues to comply with RBI norms for SFBs, ensuring that loans with a ticket size of up to H25 lakh constitute no less than 50% of its total loan portfolio. The Bank's lending to the ticket size of less than ₹25 lakh was at 65.1% of the gross loan portfolio as on March 31, 2025.

Asset Quality

Bank's Gross NPA Increased from 2.51% during FY 2023-24 to 9.43% as on March 31, 2025. Bank's Net NPA Increased from 0.03% in FY 2023-24 to 4.84% as on March 31, 2025. The Bank has strengthened collections team by adding more manpower as well as separate team for bucket wise and vertical wise collections. The Bank has also implemented EBIX collection application for better tracking of our collection efforts. These have strengthened Bank's collection efforts and are likely to support asset quality & collection efficiency.

The Bank was carrying floating asset provision of ₹189.96 Crore. During the year pursuant to the approval from Reserve Bank of India (RBI), the Bank has fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") has been adjusted by ₹189.96 Crore for the year ended March 31, 2025. On an overall basis, the Bank had provision coverage ratio of 51.18% as of March 31, 2025, against 98.92% for FY 2023-24.



Financial performance

The Bank recorded a steady financial performance in FY 2024–25, with growth in business volumes and profitability. It reported an annual operating profit (pre-provision) of ₹1,007 crore and a profit after tax (PAT) of ₹23.70 crore for the year.

Amount in ₹ Cr

Key Performance Indicators (KPIs)	FY 2024-25	FY 2023-24
OPERATIONS		
Banking Outlets	1092	888
Gross Loan Portfolio (₹ in crore)	19,666	18,299
Secured Advances as % of Gross Loan Portfolio	43.43%	34.35%
Total Deposits (₹ in crore)	21,566	17,473
CASA Ratio (%)	21.79%	20.50%
CASA + Retail Term Deposits (as % of Total Deposits) (%)	71.10%	66.11%
CAPITAL		
Capital + Reserves (i.e. Net Worth) (₹ in crore)	2,975	2,973
Total Capital Ratio (CRAR) (%)*	20.93%	22.57%
Tier 1 Capital Ratio (%)*	17.88%	20.95%
Cost of Deposits (%)	8.16%	7.72%
Cost of Funds (%)	8.21%	7.80%
ASSET QUALITY		
Gross NPA (%)	9.43%	2.51%
SMA 1 %	2.26%	0.97%
SMA 2 %	1.77%	0.96%
Provision Coverage Ratio (excl. Technical Write-offs) (%)	51.18%	98.92%
Standard Restructured Advances (%)	0.03%	0.06%
Net NPA (%)	4.84%	0.03%
PROFITABILITY		
Net Profit (₹ in crore)	24	498
Yield on Advances (%) (basis Gross Loan Portfolio)	17.85%	19.01%
Net Interest Margin (%)	7.98%	9.44%
Credit Cost Ratio (%)	5.16%	2.20%
Operating Expenses to Total Average Assets (%)	6.26%	6.34%
Cost to Income Ratio (%)	61.61%	56.38%
Return on Total Average Assets (%)	0.09%	2.45%
Return on Average Equity (%)	0.79%	19.54%
OTHERS		
Basic EPS	0.22	4.79
Net Asset Value per Equity Share	27	27.04

Income & Expenses

- The Net interest income (NII) of the bank grew by 7.27% from ₹1,885.80 crore in FY 2023-24 to ₹2,022.86 crore in FY 2024-25. The growth in NII in FY 2024-25 was supported by healthy growth in non-microfinance business during FY 2024-25. Bank's NIMs declined from 9.44% in FY 2023-24 to 7.98% in FY 2024-25 on account of subdued interest rate environment and declining share of high yielding micro- banking loan portfolio.

- The other income of the bank witnessed a growth of 49.8% from ₹400.40 crore in FY 2023-24 to ₹599.83 crore in FY 2024-25 supported by growth in income from sale of PSLCs, higher income from cross-selling of third-party products, fee-based & transaction income and recovery from written-off accounts.

- The operating expenses of the bank increased by 25.36% during FY 2024-25 primarily on account of significant expansion in franchise (>260 new branches during 25.36% during FY 2024-25 primarily on account of significant expansion in franchise (>260 new branches during FY 2023-24 and FY 2024-25). Cost-to-income ratio of the bank increased to 61.61% in FY 2024-25

- During the year ended March 31, 2025, the Bank has changed its accounting policy with effect from April 01, 2024 on recognition of loan processing fees collected from the borrowers and allied expenses for more appropriate presentation of the financial statement and alignment with industry practices. Hitherto the Bank was recognising the income or expense over the tenure of the loan which is now recognised as income or expense when it becomes due.

- Pre-provisioning operating profit (PPoP) of the bank grew by 0.97% year-on-year to ₹1,006.93 crore in FY 2024-25 as compared to ₹997.27 crore in FY 2023-24.

- Overall credit cost was 5.2% for FY 2024-25.

Profit after Tax & Dividend

- Bank's profit after tax decreased by 95% in FY 2024-25 to H23.7 crore in FY 2024-25 vs. ₹498 crore in FY 2023-24. Decline in PAT was mainly due to increase in credit cost resulting from industrywide stress in the asset quality of microfinance portfolio. The return on average assets (ROAA) was at 0.09% during FY 2024-25 and return on equity was 0.79% in FY 2024-25.

Credit-Deposits Ratio

- Bank's credit-deposits (CD) ratio declined from 93.7% as on Mar-24 to 86.8 % as on Mar-25 and the bank targets to reduce CD ratio further.

NPA

- The bank's gross NPAs increased from 2.51% as on March 31, 2024 to 9.43% as of March 31, 2025. The net NPAs increased from 0.03% as of March 31, 2024 to 4.84% as of March 31, 2025. The bank is holding provisional coverage of 51.18% as of March 31, 2025.

CRAR

- The Bank's capital plus reserves remained stable, from ₹2,973 crore as on March 31, 2024 to ₹2,975 crore as on March 31, 2025.

- The bank's capital to risk weighted asset ratio (CRAR) stood at 20.93% as on March 31, 2025 compared to 22.57% as on March 31, 2024. Further, the Tier-I CRAR of the Bank stood at 17.88% as of March 31, 2025, compared to 20.95% as of March 31, 2024.

Particulars	2024-25	2023-24
CRAR	20.93%	22.57%
TIER-I	17.88%	20.95%
TIER-II	3.05%	1.62%

Credit ratings

The Bank's certificate of deposits programme is rated, at the highest credit rating grade, [ICRA] A1+ by ICRA Limited. As on March 31, 2025, the Bank's long-term subordinated bonds were rated at A+ (Stable) rating by ICRA and CARE Ratings.

Rating Agency	Facilities	Credit rating
ICRA Limited	Certificate of Deposit	[ICRA]A1+
	Subordinated Debt Programme	[ICRA]A+(Stable)*
CARE Ratings	Long Term Tire II Bonds	CARE A+(Stable)**

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

** On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

OUTLOOK

The reported year witnessed an increase in secured lending while there was a de-growth in JLG Segment. The Bank has reported annual operating profit (pre-provisions) of H1,007 crore in FY25. The Bank's deposits registered healthy business growth of 23.4% and reached H21,566 crore backed by increased branch penetration in urban and metropolitan areas. The bank opened 204 branches during the year including 55 GB branches which are poised to augment deposit accumulation capability of the bank. The Bank also witnessed improvement in secured lending portfolio which have increased to 43% of gross loan portfolio from 34% in FY24 and in the process providing more stability to the bank. Our high yield JLG portfolio underperformed during the year which we are expecting to improve going forward considering our good experience in Microfinance sector and other technological and human interventions. The Bank believes that there are significant growth opportunities available in the core operational geographies, owing to robust growth potential and relatively low financial penetration in FY26.

Utkarsh SFBL strives to be a retail-focused Bank, providing financial services to mass markets. The Bank intends to develop and offer a comprehensive suite of assets and liabilities products that will acquire new customers and strengthen the relationship with existing customers. Utkarsh SFBL will continue to augment the liabilities franchise further by expanding franchise, deepening relationship and targeting the top 100 districts of the country in terms of overall deposits, including tapping of metropolitan and urban areas by promoting savings accounts and other deposit products.

Material Orders passed by the Regulators

There were no significant material orders passed by the Regulators, Court, Tribunal or any other legal institution during FY 24-25, that can impact the growth of the organisation.

Internal Ombudsman (IO)

The Internal Ombudsman Scheme is introduced with the objective of enabling and ensuring a proper and speedy resolution of complaints of Bank customers at the Bank level by an independent apex level authority within the Bank. Internal Ombudsman deals only with the complaints that have already been examined by the Bank's internal grievance redressal mechanism and have remained partly or wholly un-redressed.

Further, the Internal Ombudsman also analyses the pattern of complaints such as product/category wise, consumer groups wise, based on geographical location etc. and suggests means for taking actions to address the root cause of complaints of different nature. The Internal Ombudsman holds meetings with concerned functionaries/department of the Bank and seeks records/ documents available with the Bank that are necessary for examining the complaint. Furthermore, in its endeavor to achieve fair, transparent, and customer-centric grievances redressal system, the Bank has synchronized its Internal Ombudsman mechanism with the Customer Relationship Management System.

In the backdrop of above, the presence of Internal Ombudsman at the apex level of Grievance Redressal Mechanism of the Bank is helping to enhance the impartiality of the mechanism, as the grievance resolution have an independent viewpoint as a precursor to Banking Ombudsman.

Grievances closed by IO in FY 2024-25:

No. of grievance received by the bank during 2024-25	No. of cases rejected by Bank partly/fully during 2024-25	No. of cases reviewed by IO during 2024-25	No. of grievances closed by IO during 2024-25	No. of grievances outstanding as on March 31, 2025
5,799	399	399	399	0

Disposal of grievances by Bank during FY 2023-24:

No. of grievances at the Beginning of 2024-25	No. of grievances received by the Bank during 2024-25	No. of grievances disposed of by the Bank in 2024-25	No. of grievances outstanding as on March 31, 2025
72	5,799	5,761	110

Credit function

The Credit Department has different verticals such as Retail Lending, Wholesale Credit, Micro Business Individual Loans, Credit Administration (CAD) & Credit Support.

The credit department's major objectives are as follows:

Largely responsible for development of Credit and Risk management strategies for loans acquisition ensuring sustainable business growth & healthy portfolio for Retail lending and Wholesale lending products.

- Leverage on Technological tools for various credit appraisal and financial analysis. process. Leverage on Score card based underwriting model for Retail Lending products.
- Prudent monitoring framework on Portfolio behavior and asset quality.
- Adoption of a forward-looking and market responsive approach within the framework of policy guidelines for moving into profitable new areas of lending which are emerging in the market.
- Fulfilling responsible lending objectives.

The Credit function largely performs the following to achieve the defined objectives

- Ensuring credit expansion to productive sectors with an emphasis on asset quality.
- Utilizing the sanctioning powers judiciously by following the credit norms, risk management considerations and due diligence while appraising Wholesale & Retail loans.
- Ensuring prudent credit risk management practices and high standards of due diligence to protect and improve asset quality at both transaction and portfolio levels.
- Leverage on various smart technological tools like "Perfios" tool for financial & banking analysis, "SaveRisk" & "Probe" tools for analysis of Companies' financials and other critical parameters history, "Hunter & Sherlock" tools for borrowers' adverse history enabling prudent due diligence, key lending decisions and optimization.
- LOS systems for loan applications processing and leverage on Rule Engine for adherence of various product guidelines, automation of various processes, monitoring of early warning signals etc.
- Lending for the sustenance of profitability, implying the need to nurture superior credit appraisal skills through specialization and competence building.
- Ensuring KYC norms are strictly followed, and the borrowers are carefully selected after proper pre-sanction scrutiny and thereafter monitoring the account constantly to maintain asset quality.
- Post disbursement Portfolio & covenant monitoring on wholesale lending products with periodic reviews and monitoring visits to Companies.

Collection Mechanism

The Bank presently has an in-house team for collections. The team comprises Head Collections and Zonal and Regional teams to monitor over 150 feet on street (FOS) and control delinquencies. The field teams are well trained in the Bank's policies and code of conduct. The Bank also utilises an outsourced call centre for pre-EMI calling and reminding customers in case of over-dues for businesses other than the JLG lending business. The Bank also has an in-house legal team for the recovery of dues. There is a well laid down process and policy for the entire collections cycle: from tele-calling, customer servicing, legal notices, repossession, to auction of assets.

The Bank has established a robust and structured in-house collections framework to effectively manage and control delinquencies across its lending portfolio. The collections team is led by the Head of Collections, supported by Zonal and Regional Collection Managers, who oversee and coordinate the activities of over 150 Field Officers (Feet on Street - FOS) deployed across various geographies.

These field teams are thoroughly trained in the Bank's internal policies, operational procedures, and the Code of Conduct, ensuring that all customer interactions are handled professionally and ethically.

In addition to the in-house field force, the Bank leverages an outsourced call center to manage pre-EMI (Equated Monthly Installment) calling and to issue reminders for overdue payments. This outsourced support is utilized for all lending segments except the Joint Liability Group (JLG) lending business, which is managed separately.

To support legal recovery efforts, the Bank also maintains a dedicated in-house legal team. This team is responsible for initiating and managing legal proceedings related to overdue accounts, including the issuance of legal notices and coordination of repossession and auction activities.

The Bank follows a well-defined and comprehensive collections policy, which governs the entire lifecycle of the collections process. This includes:

- Tele-calling and customer engagement
- Field visits and follow-ups
- Issuance of legal notices
- Repossession of secured assets
- Auction and disposal of repossessed assets

This structured approach ensures consistency, compliance, and efficiency in managing delinquencies while maintaining a customer-centric and legally sound recovery process

Treasury

The bank conducts its treasury operations from its dedicated office in Mumbai, operating under a structure that ensures independence among the dealing desk, settlement and operations team, and risk function. This separation promotes strong internal controls and enhances operational efficiency.

The treasury plays a vital role in managing the bank's liquidity and financial stability. It oversees asset and liability management (ALM) and maintains the liquidity coverage ratio (LCR), ensuring that the bank consistently meets its payment obligations and supports asset growth by participating in money and securities markets.

The function is governed by a board-approved comprehensive investment policy, along with other internal management policies. These guidelines help optimise investment portfolio yields while managing the overall cost of funds through a strategic mix of deposits. The treasury also ensures strict compliance with regulatory requirements, including those related to the cash reserve ratio (CRR) and statutory liquidity ratio (SLR).

To mitigate operational risks, the treasury has implemented a robust business continuity plan (BCP), which includes periodically conducting operations from alternate sites to ensure uninterrupted functionality.

Risk Management

Risk management forms a critical pillar of the bank's strategic planning process, fostering informed, collaborative, and unbiased decision-making. The bank's ability to effectively manage diverse categories of risks—while complying with current regulations and proactively preparing for emerging ones—positions it as a resilient and future-ready financial institution.

The bank follows a structured and integrated risk management approach encompassing credit risk, market and liquidity risk, operational risk, IT and cyber security risk, and other emerging risk domains. This framework is underpinned by robust systems involving people, processes, data, and technology to identify, assess, monitor, and mitigate risks in a timely manner. The bank ensures that risk management roles are handled by qualified and experienced professionals who receive continuous training to stay abreast of evolving risks.

The bank's risk philosophy focuses on safeguarding the interests of depositors, customers, employees, and other stakeholders while maintaining the integrity and reputation of the institution. To cultivate a strong risk-aware culture, the bank conducts regular training through mandatory induction programs, refresher courses, and weekly risk workshops.

Oversight of the risk function is exercised by the risk management committee of the Board (RMCB), which periodically reviews the overall risk framework and strategic risk exposures. The bank also has dedicated senior management committees, including the credit risk management committee (CRMC), operational risk management committee (ORMC), asset liability and market risk committee (ALCO), and the information security committee, to manage specific risk domains. Furthermore, the bank's internal capital adequacy assessment process (ICAAP) ensures comprehensive assessment of significant business risks to maintain capital adequacy and financial stability.

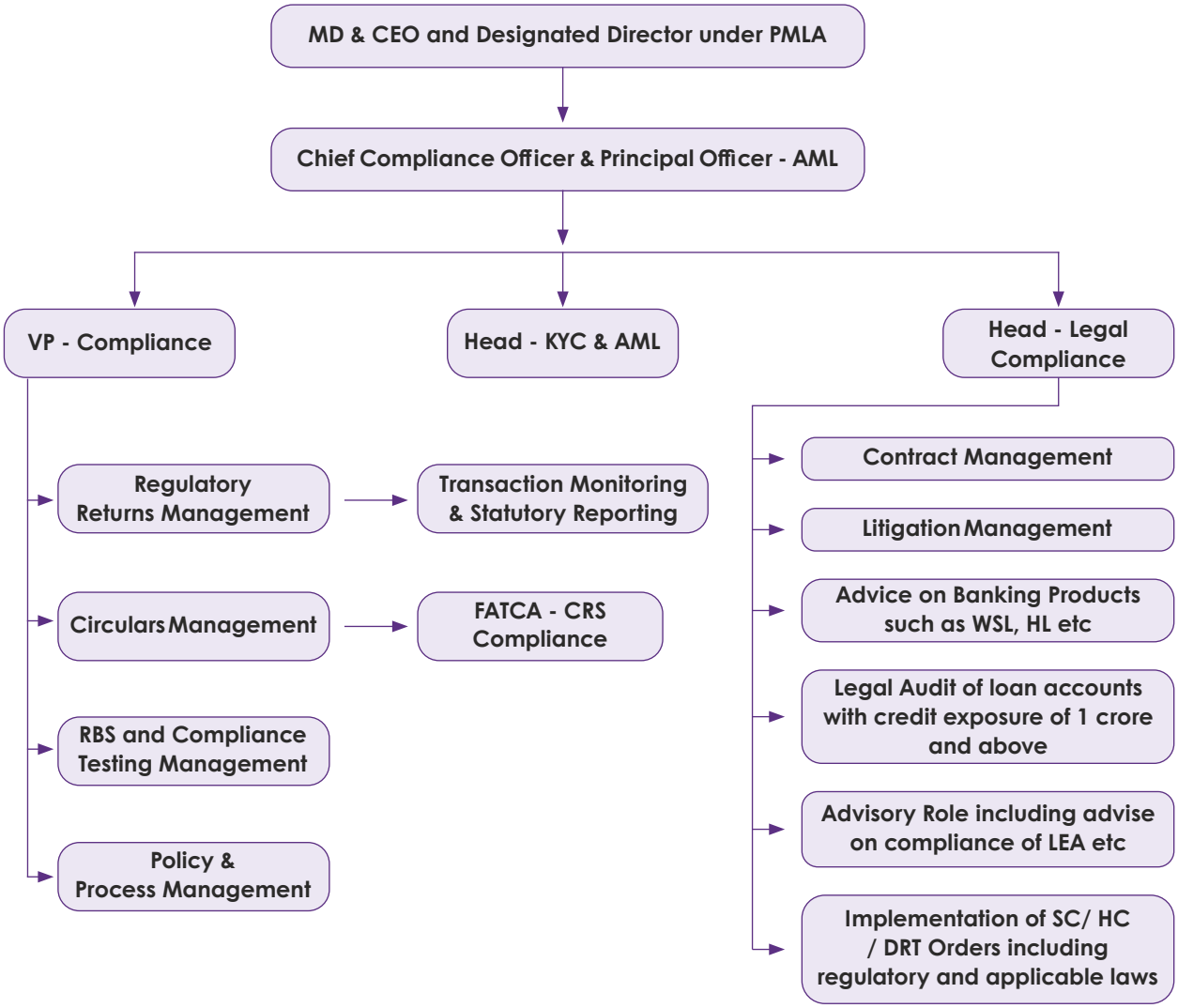
The bank has appointed a senior official as the chief risk officer (CRO), entrusted with the overall responsibility of managing key risk verticals, including credit risk, market and liquidity risk, operational risk, information security risk, and other emerging risk areas. Operating under the framework of board-approved risk management policies, the CRO plays a pivotal role in implementing and overseeing the bank's risk strategy. The CRO maintains regular engagement with the risk management committee of the Board (RMCB), providing timely updates and insights on risk- related developments, challenges, and mitigation strategies.

Risk	Impact	Mitigants
Credit Risk	The bank defines credit risk as the potential for loss arising from a borrower or counterparty's failure to meet their obligations as per the agreed terms. This type of risk can negatively impact the bank's revenue and margins, posing a significant challenge to financial stability.	The credit risk management committee (CRMC) is responsible for overseeing and reviewing credit risk within the bank. The committee ensures the monitoring of prudential limits on large credit exposures, portfolio concentration, loan review mechanisms, and overall risk concentration. Furthermore, it addresses provisioning, regulatory compliance, and other credit- related matters. The bank has implemented various credit risk policies to limit the exposure to credit risk. Portfolio review and monitoring are carried out through an early warning framework and close monitoring of high-value customers. The CRMC follows the following approach: • Adhering to RBI's guidelines and policies regarding credit risk and NPA management • Establishing a governance framework to ensure effective oversight, proper segregation of duties, and management of credit risk • Setting and monitoring credit risk appetite and limits, and taking appropriate action in case of breaches • Creating a system for identifying and monitoring early warning signals and red flag accounts

Risk	Impact	Mitigants
		• Enhancing the use of structured internal and external data to make informed decisions and utilizing scorecards for decision-making • Conducting stress testing and taking necessary actions based on results • Monitoring global and domestic developments, analysing industry trends, and issuing necessary guidelines and directions
 Market Risk	Risks stemming from fluctuations in market prices could affect the bank's ability to generate revenue.	The investment committee and the asset-liability management committee of the bank oversee investment and market risk, approving the framework and its associated thresholds. The mid- office prepares and analyses daily reports on the bank's treasury activities, closely monitoring various limits, including stop losses. A comprehensive market and liquidity risk dashboard is shared with senior management monthly, providing detailed insights into the investment portfolio, liquidity position, deposits, and borrowings, supporting well-informed decision-making.
 Operational risk	Inefficiencies or failures in internal processes, systems, or human resources can negatively affect the profitability of the business.	Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank. All the new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team, through the PPMC process. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after a thorough review by the Third-Party Risk Management team. The Bank has set up a comprehensive structure for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all businesses. The Bank has a comprehensive operational risk management policy, with a framework to identify, assess and monitor risks and strengthen controls to improve customer service and minimise operational losses. The Bank has well established Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical units to ensure readiness to meet various contingency scenarios and take corrective actions wherever any issues are observed. The Bank has been effectively managing its operations by adapting to the checks and controls of various continuity plans.
 Fraud Risk	Fraud risks include cyber threats, scams, processing errors, and document mishandling, all of which can impact the bank's reputation and revenue generation capabilities.	To mitigate this risk, the Bank has put together a Fraud Risk Management (FRM) department as an independent group in the Bank to enable fraud prevention, monitoring, investigation, reporting and awareness creation. Fraud Risk Management Unit (FRM): The Fraud Risk Management (FRM) unit works within the overall risk management framework of the Bank. The responsibilities of the FRM Unit include effective application of fraud control measures, strategies and procedures. It is responsible for handling fraud complaints, desktop investigation, Fraud case mgmt., internal and regulatory reporting. Risk Containment Unit (RCU): RCU conducts risk-based evaluation of applications i.e. Screening & Sampling for any new account relationship in both Asset (Pre-sanction) as well as Liability (Post A/c Opening) Businesses at the time of on-boarding, on a sample basis. RCU Screening & Sampling (S&S) involves review / scrutiny of applications/documents based on dynamic trigger observed as well as inputs received from online checks such as CUG check i.e. Hunter/Sherlock checks. The objective behind RCU S&S Is to ensure that the submitted KYC documents are reviewed to ascertain any inconsistency or discrepancy in the documents or information submitted to the bank, for taking timely preventive and corrective actions to detect and prevent fraudulent applications at on-boarding stage. Transaction Monitoring (TM): TM team monitors digital debit transactions carried out through various channels and payment modes, to safeguard our customers from any abnormal/ suspicious/fraudulent transactions. Transactions are monitored via near real time & real time account alerts generated by volumes and/or velocity based preventive rules built in IFRM and EFRM Transaction Monitoring Tool/Solutions

Risk	Impact	Mitigants
IT Risk	The risks tied to the growing adoption of technology encompass system and process unavailability, which can lead to business losses due to both unintentional issues (such as faulty usage) and intentional events (such as cyber fraud).	To effectively manage IT risk and safeguard the confidentiality and integrity of business and customer information, the bank has implemented security controls in line with the RBI cybersecurity framework. Regular security monitoring is conducted, and the bank adheres to regulatory guidelines as they are updated. To ensure business continuity while maintaining security, the bank has established controls such as VPN with multi-factor authentication, business continuity plans (BCP), and incident response protocols to address both operational and security risks.
Liquidity Risk	An asset-liability mismatch can lead to liquidity risk for the bank, potentially forcing it to raise new liabilities at a higher cost or sell assets at a higher discount rate, which could negatively impact the bank's margins.	The bank's asset liability management (ALM) policy establishes a framework for managing liquidity risk, ensuring that the bank can meet its liquidity obligations and endure periods of liquidity stress, whether caused by internal or market-wide factors. The bank's liquidity profile is closely monitored both statically and dynamically, using key liquidity ratios and periodic liquidity stress tests. Liquidity positions and stress test outcomes are regularly reviewed by the bank's ALCO and the risk management committee of the board. In addition to regulatory limits, the bank has set prudential internal limits on liquidity gaps, borrowings, deposits, and placements. The bank also adheres to the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) in line with RBI guidelines, ensuring alignment with the defined risk appetite.
Cyber Risk	The bank's interconnected structure, both internally and externally via the internet, along with the complexity of its people, processes, and technology—such as delivery channels, cloud services, partners, and remote workers—the bank is susceptible to cyber threats. These include risks like man-in-the-middle (MiTM) attacks, distributed denial of service (DDoS) attacks, and ransomware, which could lead to financial losses, data breaches, and reputational damage.	The bank has established a robust and efficient cybersecurity framework, in line with RBI guidelines, to enhance its cybersecurity posture. The bank has a cybersecurity policy, cyber crisis management plan (CCMP), and information security policies, all approved by the board. A dedicated governance and management process has been put in place, defining roles and responsibilities to ensure these policies are implemented, maintained, assessed, and periodically updated. In line with regulatory requirements, the bank has set up a cybersecurity incident response team (CSIRT) and a cyber crisis management team (CCMT), as outlined in the CCMP. The security operations centre (SOC) operates 24/7 to monitor and protect the bank's assets in real-time. The bank has fully complied with the baseline cybersecurity resilience requirements of the RBI and has implemented a layered defence strategy, covering perimeter, network, application, data, and physical security. The bank runs a comprehensive cybersecurity awareness program for customers, employees, and partners. Cyber risk insurance coverage has been secured as a fallback for cyber incidents. The bank is ISO 27001:2013 certified and has been recognized with consecutive awards from the Indian banks' association (IBA) for its excellence in cyber risk management over the past two years.

Compliance Architecture



The bank's compliance department encompasses regulatory compliance, AML (anti-money laundering) compliance, and legal compliance. It plays a critical role in ensuring adherence to applicable laws, regulations, and internal policies by facilitating structured oversight and proactive engagement with regulatory authorities.

The department follows a well-defined process for:

- Circular management process
- Returns management process
- Policy management process
- AML/Transaction monitoring process
- Compliance risk assessment framework (compliance testing)
- Risk-Based Supervision (RBS) data management
- Legal management

Circular management process

All scheduled commercial banks (SCBs) in India are required to comply with various guidelines issued by the reserve bank of India (RBI) and other regulatory bodies. The bank has institutionalized a structured circular management process, which includes the systematic dissemination, tracking, and monitoring of regulatory circulars until their complete implementation across relevant departments.

Returns management process

In accordance with regulatory requirements, SCBs are mandated to submit periodic returns to the RBI and other authorities. The bank's compliance department has implemented a robust returns management process to ensure timely and accurate submission of all statutory and regulatory returns, thereby minimizing the risk of non-compliance.

Policy, management process

The compliance department maintains a central repository of all policies approved by the board of directors. To promote transparency and regulatory alignment, all departments are required to seek inputs from the compliance and legal teams when drafting new policies or reviewing existing ones. The department closely monitors the policy lifecycle to ensure timely review and approval by the Board within the defined timelines.

AML/Transaction monitoring process under PMLA 2002.

The bank's AML cell, functioning under the compliance department, is responsible for ensuring adherence to transaction monitoring guidelines as prescribed under the Prevention of Money Laundering Act, 2002 (PMLA). It also oversees statutory reporting to the financial intelligence unit – India (FIU-IND) to ensure full compliance with applicable AML regulations.

Compliance risk assessment framework

The compliance risk assessment framework enables the bank to identify and assess compliance-related risks across departments, products, and services. Through periodic compliance testing, the department evaluates the effectiveness of existing controls and recommends corrective actions to address any identified gaps, thereby strengthening the overall compliance posture of the bank.

Risk-Based Supervision (RBS) data management.

In addition to the regular and ad hoc submission of statutory returns to the reserve bank of India (RBI) and other regulatory authorities, the bank undergoes periodic inspections by the RBI under the risk-based supervision (RBS) framework. The compliance department is responsible for coordinating the submission of data elements required for RBS and acts as the primary interface with the RBI's onsite inspection teams.

Further, the bank is also regulated and supervised by other authorities such as UIDAI, IRDAI, SEBI, and FIU-IND, depending on the scope of its operations. The compliance department functions as the single point of contact (SPOC) for these authorities, representing the bank in all regulatory matters and ensuring prompt response to information requests and inspections.

Legal management

The Legal Department of Utkarsh Small Finance Bank Limited is structured to provide comprehensive legal support across all business verticals, ensuring compliance with applicable laws, regulations, and internal policies. The legal management process encompasses the following core responsibilities:

1. Legal Advisory Support

Providing legal opinions, clarifications, and approvals to various internal departments including:

- Branches / branch operations team – on matters like account opening, HUF formation, partnership account issues, etc.
- Central processing centre (CPC) – on operational and documentation queries.
- Recovery and collections teams – on recovery and enforcement actions.
- HR department – in relation to employee investigations, enquiries, and disciplinary matters.

2. Contract Management

Drafting, vetting, negotiating, and standardizing various legal agreements and documentation, including but not limited to Non-Disclosure Agreements (NDA), Master Service Agreements (MSA), Software License Agreements (SLA), Referral Associate Agreements (RFA), Direct Selling Agent (DSA) Agreements, Branding/Co-Branding & Sponsorship Agreements, Manpower, Housekeeping & HR Contracts, Recovery Agent & Auction Purchaser Agreements, Call Centre & Collection Agreements, Agreements with Payment Aggregators / Gateways, Merchant Agreements (e.g., Zomato, Flipkart, etc.), All other vendor/contractor/sub- contractor arrangements

3. Legal advisory and policy development

- Advising on loan and security documentation
- Issuing circulars on state-wise stamp duty rates
- Recommending delegation of powers for legal and operational decisions
- Advising on loss of documents and related procedures

4. Product papers and policy vetting

Legal review and sign-off on product notes, policies, guidelines, and procedural manuals prepared by business and functional departments.

5. Vigilance matters

- Legal advice on vigilance proceedings against employees
- Vetting of legal representations made to authorities/ courts
- Tracking and sharing of FIRs filed by employees
- Liaising with empanelled/local advocates for legal support in such cases
- Support during internal enquiries initiated by HR or Vigilance

6. Statutory notices and regulatory responses

Responding to legal notices and queries from government and enforcement authorities including:

- Police, Courts, DRTs, Cyber Crime, CBI, ED, GST, EPFO, ESIC, Income Tax, Revenue Authorities, Arbitration Forums, Tehsildars, etc.
- Advisories related to freeze orders, title search reports, property documentation and mortgage loan compliance
- Handling Banking Ombudsman (BO) complaints and customer grievances arising out of service deficiencies

7. Litigation and advocate management

- Empanelment/Disempanelment of legal counsel
- Drafting, reviewing, and filing replies to legal notices, RTIs, and court proceedings

8. Legal audit and RBI compliance

Conducting legal audits in alignment with:

- Master Direction on Frauds – Classification and Reporting by commercial banks and select FIs (July 01, 2016)
- Master Direction on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions (July 15, 2024)

9. Corporate transactions and strategic actions

Legal support for all strategic and transactional matters, including:

- Drafting, vetting, and review of documents for reverse merger and corporate restructuring
- Support in regulatory filings with SEBI, RBI, NSE, BSE, NCLT, ROC
- Drafting and negotiation of Engagement Letters for Valuers, Merchant Bankers, Legal Advisors, Trustees, etc.
- Review of fundraising documentation:
  - GID, KID, DTA, DTD – for issuance of Non- Convertible Debentures (NCDs)
- Vetting of Shareholders Agreements (SHA) and Share Subscription Agreements (SSA) for equity deals

10. Legal audit and RBI compliance

- Advising on title perfection and property due diligence
- Supervising legal research, analysing key judgments and regulatory updates
- Issuing advisories to prevent non-compliance or avoidable litigation
- Coordinating with internal departments on emerging legal trends impacting the Bank

In addition to the interaction with the regulators, the compliance department periodically apprises the Bank's management, Board of Directors, and Board Committees on the changes in the regulatory environment and the status of compliance thereof in the Bank. Necessary steps have been initiated towards cultivating and building a strong compliance culture within the Bank.

Audit and Internal Control Systems

The Bank's Internal Audit function plays a pivotal role in ensuring robust governance, risk management, and control processes. With a team of skilled professionals, the function provides assurance and advisory services that enhance the organization's overall operational efficiency & objective evaluation of the adequacy and effectiveness of internal controls, information security controls, risk management and processes on an ongoing basis to provide assurance that the policies, regulations, and internal standards defined for management of the various risks are operating effectively.

A key focus area for the function is leveraging technology to enhance audit efficiency and effectiveness. In this regard, IT/ IS audits emerge as a prominent area of emphasis, enabling the function to assess the organization's technology infrastructure and identify potential vulnerabilities. Additionally, system-based offsite audits are being successfully implemented, allowing for more comprehensive and remote assessments. In congruence with the Reserve Bank of India's Guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust Internal Audit Policy and undertakes a comprehensive Risk Based Audit of operating units.

The audit function is strengthening its data analytics capabilities to conduct data-driven audits and review on a continuous basis, enabling trend analysis of the issues with agility, utilizing advanced tools and techniques to analyse large datasets and identify potential risks. Computer-Assisted Audit Techniques (CAATs) tools are being extensively used to scrutinize financial transactions, detect anomalies, and provide valuable insights in audit recommendations. Additionally, it performs end-to-end reviews of new product, processes & systems, ensuring the alignment with Bank's strategic objective & regulatory requirement.

The Internal audit practices are guided by the globally recognized standards and best practices outlined by The Institute of Internal Auditors (IIA). The department adopts the IIA's Quality Assurance and Improvement Program (QAIP) framework to ensure the quality and effectiveness of its internal audit activities. This commitment to quality and best practices enables the department to maintain its high standards and deliver effective support to the organization.

The Head – Internal Audit functionally reports to the Audit Committee Board (ACB), ensuring the Independence, and for administrative purpose, reports to the Managing Director & CEO. The Internal Audit Department works under the guidance of Audit Committee Board (ACB) and the ACB reviews the efficacy of the Internal Audit Department, the effectiveness of controls laid down by the Bank and compliance with internal and regulatory guidelines, thus ensuring the alignment with the Best Practices on corporate governance.

Vigilance Mechanism

The Bank's Vigilance and Security Department play a multi- dimensional role in the Bank. The department investigates all types of internal fraud cases such as corruption, cash misappropriation as well as external fraud cases such as cash snatching, theft, robbery, dacoity, untoward incidents and policy and procedural violation cases including whistle blower complaints.

All investigations are reported directly to the Bank's HR department for initiating suitable disciplinary action once upon categorizing into 'vigilance' or 'non-vigilance' angle.

The Vigilance department imparts periodical training to the bank officials on vigilance awareness, surveillance, safety and security of the Bank's assets. The department also does surprise visits to branches to facilitate preventive vigilance.

The Bank's Vigilance Tele calling team contacts and receive feedback on its vigilance measures. The Bank also works closely with police department and other related government departments. Furthermore, Utkarsh SFBL issue timely reminders on vigilance and security awareness. In cases of security issues, the team files police report and send to concerned business teams for filing criminal cases against the guilty.

Information Technology (IT)

In today's rapidly evolving technological landscape, meeting shifting customer expectations is paramount. Automation and digitization are key enablers in leveraging technology to address the unique needs and preferences of Bank's customers, thereby driving business growth.

As part of the Bank digital transformation journey, the Bank has launched several initiatives this year to provide seamless access to the Bank services. These include the introduction of new secured credit card products, a personal loan platform, Aadhaar Enabled Payment Systems (AEPS), and multiple automation initiatives within Bank's Micro Banking segment. These efforts aim to expand the Bank product offerings while embedding robust operational controls into Bank's systems. Additionally, Bank introduced WhatsApp Banking to enhance customer service accessibility.

The Bank have also strengthened Bank's technological capabilities through collaborations with multiple fintech partners to enhance the Bank liability, asset, and card product portfolios. The Bank Know Your Customer (KYC) process has been fortified with the integration of Video KYC (VKYC), biometric verification, and facial authentication. Furthermore, The Bank has upgraded existing products with features such as cardless cash withdrawals at ATMs, eMandates for NACH, and ASBA functionalities via Internet and Mobile Banking. Enhancements to Bank's Digi Onboarding platforms have significantly improved customer acquisition turnaround times (TAT). The Bank has also enriched various features in Bank's existing business applications to improve product offerings and customer service, while reinforcing operational controls and efficiency.

In line with Bank's unwavering commitment to innovation, The Bank has re-architected and refreshed Bank's systems to enhance scalability, reliability, and security. Strategic technology acquisitions and investments in automation tools, analytics, and machine learning have been made to boost operational efficiency and risk management. Key focus areas include API banking and middleware platforms, low-code/no-code development platforms, cloud infrastructure, and extended collaboration through Office365. Several infrastructure-led initiatives have been implemented to revamp and upgrade platforms, thereby enhancing business- critical applications to support increased business volumes.

The Bank has also completed a comprehensive blueprint for Bank's Business Transformation project, which includes a detailed review of existing products, operational processes, and Bank's current technology stack. This initiative is being led by a specialized team known as the Transformation Management Office (TMO), which oversees the Bank's transformation journey. The project is currently in the "Implementation" phase, during which various internal systems, processes, and applications are being modernized. As part of this effort, the Bank has embarked on a major Core Banking replacement project, transitioning to the Infosys Finacle Core Banking platform.

At Utkarsh, the Bank places their Bank's employees at the heart of everything Bank do. Bank's human resources framework is designed to promote inclusive growth, transparency, and equity. With a structured HR setup spanning recruitment, operations, training, and employee engagement—supported by a zonal structure—Bank ensure last- mile connectivity. Bank's technology-driven HR services, including a mobile-enabled platform, support real-time access to key functions. As of March 31, 2025, Bank's workforce grew to 19,779, reflecting Bank's ongoing expansion and commitment to creating a collaborative, diverse, and growth-oriented workplace.

Learning and development remain central to Bank's people strategy. Through programs like Utkarsh Aarambh, Utkarsh Pragati, Udaan, Saksham, and Manthan, Bank offer employees opportunities to build functional, leadership, and compliance skills. In FY 2024–25, over 28,700 new joiners attended induction, and more than 7,600 existing employees engaged in developmental programs. Initiatives like the Probationary Officer Program, JUMPP 2.0, and

Bank's partnership with IPB and Baddi University ensure Bank cultivate talent aligned with Bank's mission.
To foster a culture of continuous learning and engagement, Bank rolled out initiatives such as 360-degree feedback, management development programs, and succession planning for key roles. Bank digitized many aspects of the employee lifecycle—from hiring to ID issuance—and onboarded apprentices under government schemes for future-ready talent. Bank's focus also included virtual training and leadership workshops aimed at improving performance across sales, liabilities, and assets.

Bank promote employee well-being through structured engagement activities, wellness initiatives, and recognition programs. From celebrating milestones like Bank's 8th anniversary to awarding long-serving employees and recognising top performers, Bank's aim is to motivate and retain talent. Bank's POSH policy, applicable to all employees and stakeholders, reinforces Bank's zero-tolerance stance against harassment. These initiatives underscore Bank's commitment to building a supportive, safe, and purpose-driven workplace.

Cautionary Statement

Statements included in this MD&A describing the Bank's priorities, forecasts, predictions, general market conditions, expectations, etc., can constitute 'forward-looking statements' within the scope of applicable legislation. Such factors and uncertainties include, but are not limited to, the Bank's ability to execute plans for development and expansion, variation between anticipated and actual non-performing advances, credit loss reserve, technological change, investment income and various risk profiles.

DIRECTORS' REPORT

To
The Members
Utkarsh CoreInvest Limited

Dear Shareholders

On behalf of the Board of Directors, it is our pleasure to present the 35th Annual Report on the business and operations of Utkarsh CoreInvest Limited ('UCL' or the 'Company'), together with the Audited Financial Statements of the Company for the year ended March 31, 2025.

The Company has adopted Ind AS since April 01, 2018 and accordingly, the financial statements have been prepared in accordance with the Indian Accounting Standard ("Ind AS"), as notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standard) Rules, 2015 and as amended from time to time.
The Company has recorded the following audited financial performance (on Standalone basis) for the year ended March 31, 2025:

(Amount in ₹ crore)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Change in %
Total Income	43.45	4.52	861%
Profit Before Interest, Depreciation & Tax (EBITDA)	**40.59**	**2.03**	**1899%**
Finance Charges	-	-	-
Depreciation	0.02	-	-
Provision for Income Tax	10.30	0.59	1660%
Profit / (Loss) After Tax	**30.27**	**1.45**	**1995%**
Other Comprehensive Income Actuarial gain / (loss) on defined benefit obligation	(0.01)	(0.03)	(66%)
Total Comprehensive Income	**30.26**	**1.41**	**2041%**

**Absolute amount for FY2024-25 ₹1,09,418 (₹3,24,390 for FY2023-24)*

Further, the Company has recorded the following audited financial performance (on consolidated basis) for the year ended March 31, 2025:

(Amount in ₹ crore)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Change in %
Total Income	4,155.62	3,383.55	23%
Profit Before Interest, Depreciation & Tax (EBITDA)	**1,294.40**	**1,845.46**	**(30%)**
Finance Charges	1,714.39	1,298.16	32%
Depreciation	135.48	108.89	24%
Provision for Income Tax	(133.17)	108.57	(223%)
Profit / (Loss) After Tax	**(422.30)**	**329.84**	**(228%)**
Other Comprehensive Income	2.53	24.28	(90%)
Total Comprehensive Income	**(419.77)**	**354.12**	**(219%)**

A. FINANCIAL DISCLOSURES

Dividend
Your Directors have not recommended any Dividend for this financial year ended March 31, 2025.

Net Worth
The Company's Net-worth as on March 31, 2025 stood at ₹855.94 crore comprising of paid-up equity capital of ₹99.37 crore and Reserves of ₹756.57 crore (excluding Revaluation Reserve, Investment Reserve and Intangible Assets) on Standalone basis. Further, on a Consolidated basis, the Net-worth stood at ₹1,727.91 crore comprising of paid-up equity capital of ₹99.37 crore, Reserves of ₹1,628.54 crore while excluding the non-controlling interest of ₹780.31 crore.

B. CORPORATE GOVERNANCE

The Company's Philosophy
The Company has a Corporate Governance framework that lays out various requirements of Corporate Governance as set out under various regulations and the best practices.

Constitution of the Board of Directors
The Board of Directors of the Company is constituted in accordance with the provisions of the Companies Act, 2013 (CA 2013) and the Articles of Association ('AoA') of the Company.

The Board consists of eminent persons with considerable professional expertise in Audit, Banking, Compliance, Finance, Risk, Strategy, Technology and other related fields. Their experience and professional credentials have helped the Company to gain insights for strategy formulation, monitoring control framework and direction setting for the Company, thus adding value to set a strong foundation enabling the overall growth objective of the Company.

The Board of the Company comprised of four (04) Directors consisting of two (02) Independent Directors, one (01) Nominee Director and one (01) Managing Director & CEO as on March 31, 2025.

All the Independent Directors have given the declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013. Based on the declaration of independence provided by them, all the aforesaid two (02) Independent Directors would qualify to be classified as Independent Directors under Section 149 of the Companies Act, 2013.

The Independent Directors on the Board of the Company are included in the Director's Data Bank of MCA. One of the Independent Directors, Mr. Sundararajan, is not required to pass Online Proficiency Self-Assessment Test (OPSAT) in terms of exemption from OPSAT, while Mr. Atul, Independent Director of the Company has passed the OPSAT on January 26, 2022 for Independent Director's Databank.

Committees of the Board of Directors
For effective decision-making, the Board acts through various Committees, which oversee specific operational or strategic matters falling within the ambit of the specific terms of reference of those Committees. The Board has constituted six (06) Committees. All the Board Committees have specific charter aligning with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on October 19, 2023 and these Committees monitor activities falling within their respective terms of reference.
Composition of the Committees and attendance of the Directors at the Committee Meetings and the Board Meetings held during the financial year under review have been given as Annexure - 'A' to this report.

Board Evaluation and Remuneration Policy
The Independent Directors of the Company carried out an Annual Performance Evaluation of the entire Board, the Chairperson and the individual Directors, as well as the evaluation of the working of its Committees.

The Board has framed a Corporate Governance Policy, which inter alia deals with remuneration structure and criteria for selection and appointment of Directors.

Management Discussion & Analysis
Management Discussion & Analysis (MDA) is formed part of Annual Report of the company for the year ended March 31, 2025.This part has been elucidated on the points of the task taken by the management in terms of the relevant Act and Regulations and this affair of the company along with its banking subsidiary.

C. STATUTORY DISCLOSURE

Conservation of Energy and Technology Absorption
The particulars to be disclosed under Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption are not applicable to the Company as the Company is not engaged in these types of activities as per the Memorandum of Association (MOA) & Articles of Association (AOA) of the Company.

Foreign Exchange Earnings / Outgo
As the Company has not carried out any activities relating to the export and import during the financial year, there are no foreign exchange expense and foreign exchange income during the financial year under review.

Whistle Blower Policy (Vigil Mechanism / Anti Bribery)

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the guidelines issued by Reserve Bank of India (RBI) and other applicable laws, the Company has established the Vigil Mechanism, as part of its Whistle Blower Policy, for the employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Additionally, the Company places zero tolerance for any integrity issue. Towards this, all the new as well as the existing employees are trained to maintain high standards of integrity in their work area. The Company's Whistle Blower Policy thus enables the employees to escalate, including any perceived integrity issues. The policy also encourages stakeholders, other than the employees to escalate such concerns.

In the FY 2024-25, no case of bribery or whistle blower disclosures or any case of corruption have been reported to the Company.

Risk Management Policy

Pursuant to the circular on 'Review of Guidelines of Core Investment Company' as issued by Reserve Bank of India on August 13, 2020, the Risk Management Policy of the Company has been introduced and adopted post approval of the Board. Further, in terms of the circular issued by RBI on 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on October 19, 2023, the Risk Management Policy of the Company has been revised, updated with the changes and adopted post approval of the Board of the Company.

There is no element of risk, which has been detected so far as a threat to the existence of the Company.

Statutory Auditors

Pursuant to Section 139 and 141 of the Companies Act, 2013, M/s. DMKH & Co., Chartered Accountants (Firm Registration Number 116886W / 066580) was appointed as the Statutory Auditor of the Company for a period of five years (05) from FY 2021-22 upto FY 2025-26.

Issue of Employee Stock Options

As part of the HR Policy for retention of employees in Utkarsh Group, the Company has Board approved ESOP policy. During FY 2024-25, as per policy, the ESOPs of the Company have also been allotted to, including the employees of the subsidiary – 'Utkarsh Small Finance Bank Limited' (USFBL). The employees of the subsidiary and of the Company were assessed and recommended by the Board Committees and the Options at the employee level were decided by the respective Boards or as delegated by the Board.

Details of ESOPs offered during the year are as below:

Particulars	March 31, 2025		March 31, 2024	
	Number of share options (in Units)	Average exercise price per share (in ₹)	Number of share options (in Units)	Average exercise price per share (in ₹)
Outstanding options at the beginning of the year	13,09,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125	30000	125
Add: Adjustment of previous year (negative impact)	2,43,354	110.61	-	-
Less: Lapsed/ forfeited during the year	2,93,875	116.63	10,91,634	115.38
Less: Exercised during the year	6,27,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	6,48,731	120.68	13,09,227	119.40
Options vested and exercisable at the end of the year	6,13,888	120.44	9,91,210	117.60

Deposits

The Company is a non-deposit taking company i.e., Non-Banking Financial Company - Non-Deposit taking - Systemically Important - Core Investment Company (NBFC-ND-SI-CIC) and thus has not accepted any deposits during the FY 2024-25.

Details of Top Ten (10) employees in terms of Remuneration of the Company

The Company had only seven (07) employees during FY 2024-25, the details of which are as under:

#	Name	Designation	DOJ	Qualifications	Age	Exp.	Total Remuneration (₹)*	Last Employment
1.	Mr. Suman Saurabh	Managing Director & CEO	30-Sep-23	MBA PGDRM	43 Years	16 years +	60,00,000	USFBL
2.	Mr. Harshit Agrawal	Chief Financial Officer	02-Apr-18	CA	35 Years	12 years +	18,87,564	USFBL
3.	Mr. Neeraj Kumar Tiwari	Company Secretary	10-Nov-14	CS	34 Years	11 years +	10,34,556	-
4.	Mr. Raju Pandey	Assistant Manager, Accounts	04-Oct-18	M. Com	31 Years	11 years +	5,85,804	USFBL
5.	Mr. Vikas Kumar Singh	Assistant Manager, HR, IT & Admin	23-Sep-19	MCA	35 Years	14 years +	5,23,716	CMS IT Services Pvt. Ltd.
6.	Mr. Jai Kapoor	Assistant manager - Internal Audit	07-Feb-22	B. Com, CA Inter	36 Years	9 years +	3,93,036	ARSAN & Co., Chartered Accountants
7.	Miss Anjali	Senior Executive- HR & Training	01-Apr-24	MBA	26 years	1 year	3,00,000	-

**Cost To Company*

Other Statutory Disclosures:

a. All related party transactions entered into FY 2024-25 were at Arm's Length basis in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large;

b. There were no significant / material orders passed by the Regulators / a Court / Tribunal, etc. during FY 2024-25, which would impact the going concern status of the Company and its future operations;

c. There were no adverse observations / qualifications in the Statutory Auditors' Report;

d. All recommendations of the Audit Committee were approved by the Board;

e. Proper internal financial controls were in place, and that the financial controls were adequate and were operating effectively;

f. There were no material changes and commitments, affecting the financial position of the Company, that have occurred between April 01, 2024 and the end of the Financial Year of the Company i.e. March 31, 2025.

D. OTHER DISCLOSURES

Code of Conduct

The Company has adopted a Code of Conduct for all the Directors and Key Managerial Personnel. Some of the areas which are covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality and conflict of interest.

Vigilance

Your Company is responsible, both to the members and to the communities in which the Company operates and aspires to be transparent in all the dealings. The Code of Conduct requires the employees not to be engaged in integrity related issues. The Code mentions that the Company maintains the highest level of professional ethics and personal integrity to avoid situations in which an individual's personal interest may conflict or appear to be in conflict with the interest of the Company.

Secretarial Auditors

Pursuant to the section 204 of Companies Act, 2013 and relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co. [ICSI Unique Code: P1991MH040400] as the Secretarial Auditor for the FY 2024-25. The Secretarial Auditor has carried out the Secretarial Audit, a copy of which is enclosed as Annexure 'B' to this Report.

Corporate Social Responsibility (CSR)

Your Company has Board approved policy for CSR, which is drawn in line with the existing regulations. The CSR initiatives of the Company is routed through CSR Implementing Agency, i.e. Utkarsh Welfare Foundation (UWF).

Your Company has been providing for CSR contribution in line with statutory requirements (currently 2% of average of last 3 years' profit), every year as part of its CSR initiatives to UWF, for undertaking various welfare activities.

As per the above provision, the obligation towards CSR contribution amounted to ₹5.00 lakh, towards CSR contribution for FY2024-25.

The CSR Activities are monitored by the CSR Committee of the Board, comprised of the following members:

i. Mr. G. S. Sundararajan, Independent Director, Chairperson
ii. Mr. Atul, Independent Director
iii. Mr. Aditya Deepak Parekh, Nominee Director

Prevention of Sexual Harassment of Women at Workplace (POSH)

Pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act, 2013), Utkarsh CoreInvest Limited ('UCL' or 'the Company') upholds working women's fundamental right to equality and dignity at the workplace and abides by three key obligations as advised under the POSH Act 2013:

1. Prohibition
2. Prevention, and
3. Redressal

Group Company Policy on POSH Act, 2013 is adopted and circulated amongst employees of the Company and is updated on the website of the company. In view of the small structure (establishment) of the Company, as advised thereby, the establishment having less than 10 workers, a Local Complaints Committee (LCC) structure which is required to be constituted by the District Officials is applicable to deal with in case of complaint(s) received.

WEB LINK FOR ANNUAL RETURN

The Company is having its website i.e. www.utkarshcoreinvest.com; and the Annual Return of the Company has been published on such website at the web-link:
https://www.utkarshcoreinvest.com/index.php/InvestorRelations/annuals_reports

E. Directors' Responsibility Statement

In pursuance of Section 134(3)(c) of the Companies Act, 2013, your Directors do hereby confirm and declare that:

a. in the preparation of the annual accounts for financial year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the FY 2024-25 and of the profit or loss of the Company for the FY 2024-25;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis; and

e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

F. Acknowledgment

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from all the stakeholders including shareholders, bankers, regulatory bodies and other partners during the year under review.

The Directors of the Company are thankful to the customers for posing their faith in the products and services offered by the Banking Subsidiary, i.e. Utkarsh Small Finance Bank Limited and their continued patronage.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all the employees of the Company, resulting in the committed performance of the Company and its subsidiary during the year under review.

For and on behalf of the Board of Directors

G. S. Sundararajan	**Suman Saurabh**
Chairperson	Managing Director & CEO
DIN- 00361030	DIN- 07132387
Date: August 29, 2025	Date: August 29, 2025
Place: Chennai	Place: Varanasi

Annexure 'A'

COMMITTEES OF BOARD OF DIRECTORS

The Board functions either as a full Board or through various Committees which oversee operational or strategic matters.

The Board has constituted various such Committees of Directors, required including as per the Companies Act, 2013, to monitor the activities falling within their respective terms of reference. The composition, dates of meetings and names of the members of these Committees as on March 31, 2025 are given below:

Sl. No.	Name of the Committee	Composition of the Committee	No. of Meetings held During the FY 24	Date of Meetings
1	Audit Committee of the Board (ACB)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director	4	21 May,2024 07 Aug, 2024 30 Dec, 2024 04 Mar, 2025
2	Corporate Social Responsibility Committee (CSRC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Aditya Deepak Parekh, Nominee Director 3.Mr. Atul, Independent Director	1	21 May,2024
3	Nomination & Remuneration Committee (NRC)	1.Mr. Atul, Independent Director (Chairperson) 2.Mr. G. S. Sundararajan, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director	3	21 May,2024 19 Sep, 2024 04 Mar, 2025
4	Share Allotment Committee (SAC)	1.Mr. Atul, Independent Director 2.Mr. Aditya Deepak Parekh, Nominee Director 3.Mr. Suman Saurabh, MD & CEO	1	04 Mar, 2025
5	Group Risk Management Committee (GRMC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director 4.Mr. Suman Saurabh, MD & CEO	3	07 Aug,2024 30 Dec,2024 04 Mar,2025
6	Promoter Dilution Monitoring Committee (PDMC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director 4.Mr. Suman Saurabh, MD & CEO	0	-

BOARD MEETINGS

The Board of Directors of the Company met five (05) times during FY 2024-25. The maximum gap between any two (02) Board meetings was not more than one hundred and twenty (120) days at any point of time. The details of the Meetings conducted are as under:

Sl	Members	Directorship	No. of Meetings	Dates of Meeting
1.	Mr. G. S. Sundararajan	Chairperson, Independent Director	5	21 May, 2024 07 Aug, 2024 20 Sep, 2024 30 Dec, 2024 04 Mar, 2025
2.	Mr. Atul	Independent Director		
3.	Mr. Aditya Deepak Parekh	Nominee Director		
4.	Mr. Suman Saurabh	Managing Director & CEO		

Attendance of the Board of Directors

The details of the attendance of Directors at the Board Meetings, Committee Meetings and Annual General Meeting held during FY 2024-25 along with the number of other Directorships and Committee Membership(s) / Chairmanship(s) held by them, is given below:

Sl	Name of Director	DIN	Category	BOD	ACB	CSRC	NRC	SAC	GRMC	PDMC	No. of Directorship	
	Number of meetings held during the FY2024			5	4	1	3	1	3	0	Public	Private
1.	Mr. G. S. Sundararajan	00361030	Chairperson, Independent Director	5	4	1	3	-	3	-	5	1
2.	Mr. Atul	07711079	Independent Director	5	4	1	3	1	3	-	-	-
3.	Mr. Aditya Deepak Parekh	02848538	Nominee Director	4	3	1	2	1	2	-	1	4
4.	Mr. Suman Saurabh	07132387	Nominee Director	5	-	-	-	1	3	-	-	1

^BCD - Board of Directors
^ACB - Audit Committee of Board
^CSRC - Corporate Social Responsibility Committee
^NRC - Nomination & Remuneration Committee
^SAC - Share Allotment Committee
^GRMC - Group Risk Management Committee
^PDMC - Promoter Dilution Monitoring Committee

SECRETARIAL AUDIT REPORT

S.N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES

10/25-26, 2nd Floor, Brindaban, Thane (W) – 400 601
T: +91 22 25345648 | +91 22 25432704
E: snaco@snaco.net | W: www.snaco.net
ICSI Unique Code: P1991MH040400

FORM No. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Utkarsh Coreinvest Limited,
CIN: U65191UP1990PLC045609
S-24/1-2, 4th Floor, Mahavir Nagar, Orderly Bazar,
New Mahavir Mandir, Varanasi, Uttar Pradesh - 221002

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Utkarsh Coreinvest Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2025**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2025** complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: Not applicable as the securities of the Company are not listed on any Stock Exchange;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowing during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not applicable as the securities of the Company were not listed on any Stock Exchanges during the period under review;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:

a) Reserve Bank of India Act, 1934 and guidelines made thereunder;

b) Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, and circulars issued, guidelines made thereunder;

c) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 and modifications thereof.

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with the Stock Exchanges; Not Applicable as the Securities of the Company are not listed on any Stock Exchange during the period under review.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. There has been no change in the composition of Board of Directors during the period under review.

(ii) Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) As recorded in the minutes, all the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on the representation made by the Company and on the basis of the compliances taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines, and We further report that during the financial year ended 31st March, 2025 following major event has occurred which had a bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

We further report that during the financial year ended 31st March, 2025 following major event has occurred which had a bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

a) The Members of the Company, at their Extra-Ordinary General Meeting held on 29th May, 2024, approved the following:

- Amendment of Article 13 and relevant texts of the Articles of Association (AOA) of the Company for the extension of timeline by three (03) years period i.e. up to January 22, 2027 towards the allotment of up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016 ("Permitted Sponsor Issuance"), pursuant to the Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders Agreement, dated April 26, 2024 (collectively "SHA"), each executed by the Company, Mr. Govind Singh, Ms. Revati Govind and the Trust and other shareholders of the Company.

b) The Members of the Company, at their Extra-Ordinary General Meeting held on 29th June, 2024, approved the following:

- cancellation of the entitlement of RAAG Family Private Trust ("Trust") to the right to be issued and allotted Equity Shares/Share Equivalents/other securities aggregating up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016 ("Permitted Sponsor Issuance"), pursuant to the Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders Agreement, dated April 26, 2024 (collectively "SHA"), each executed by the Company, Mr. Govind Singh, Ms. Revati Govind and the Trust and other shareholders of the Company.

- in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, payment of an amount aggregating to INR 30 Crore to the Trust by the Company, constituting a full and final settlement for the Trust, for the waiver / termination / cancellation of its right in relation to the Permitted Sponsor Issuance.

- amendment of the Articles of Association of the Company, reflecting the cancellation of the entitlement of Trust to the right to be issued and allotted Equity Shares/Share Equivalents/other securities aggregating up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016.

As informed by the Company, and based on a legal advice obtained, the aforesaid cash settlement was carried out with the approval of the Board of Directors and the Shareholders, towards the waiver, termination, or cancellation of rights associated with the Permitted Sponsor Issuance. In our view, there is neither any explicit provision under the Act and/or legal precedents, nor is there any restriction under the Act which prohibits such cash settlement in lieu of a waiver of such rights.

c) The Board of Directors of the Company at their meeting held on 20th September, 2024 has approved the Scheme of the Amalgamation of Utkarsh CoreInvest Limited ("Transferor Company") with Utkarsh Small Finance Bank Limited ("Transferee Company") subject to regulatory approvals, as may be required.

This Report is to be read with our letter of even date annexed as Annexure – A which forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000469527
28th May, 2025 | Thane

S.N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES

Annexure-A

To,
The Members,
Utkarsh Coreinvest Limited,
CIN: U65191UP1990PLC045609
S-24/1-2, 4th Floor, Mahavir Nagar, Orderly bazar,
New Mahavir Mandir, Varanasi, Uttar Pradesh – 221002

Our Secretarial Audit Report for the financial year ended **31st March, 2025** of even date is to be read along with this letter.

Management's Responsibility:

It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
5. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer:

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000469527
28th May, 2025 | Thane

INDEPENDENT AUDITOR'S REPORT (STANDALONE)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Utkarsh CoreInvest Limited
(Formerly known as Utkarsh Micro Finance Limited)

Report on the Audit of the Standalone Financial Statements

Opinion
We have audited the accompanying Standalone financial statements of Utkarsh CoreInvest Limited (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, Standalone Statement of Profit and Loss (including Standalone Other Comprehensive Income), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity for the year ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We have also:

- Identify and assess the risks of material misstatement of the Standalone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we did not identify any matters that were of such significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2025, that they would be considered key audit matters. Accordingly, no such matters have been described in our auditor's report. Furthermore, there were no circumstances where disclosure was precluded by law or regulation, or where adverse consequences were expected to outweigh the public interest benefits of such communication.

Other Matter:

We draw attention to the Note No. 35 of Financial Statements- Scheme of Amalgamation (the "Scheme") involving [UCL/Transferor Company] and [USFBL/Transferee Company], as approved by the respective Boards of Directors on February 13, 2024, and March 14-16, 2024, with the final approval provided by both the Boards on September 20, 2024. The Scheme has been formulated in compliance with the dilution requirements stipulated under the guidelines issued by the Reserve Bank of India (RBI) for Small Finance Banks (SFB Guidelines) and the RBI (Acquisition Directions), which require the promoter's equity stake in the Transferee Company to be reduced to 40% within five years, and further to 26% within 15 years, from the commencement of business operations.

Pursuant to the Scheme, the equity shareholding of the Transferor Company in the Transferee Company would be reduced to nil upon the dissolution of the Transferor Company, and no shareholders of the Transferor Company will qualify as promoters of the Transferee Company. Consequently, this amalgamation is intended to ensure compliance with the above-stated regulatory requirements.

The RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Further, the approval from Stock Exchanges is awaited.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V to the companies Act, 2013 in respect of the remuneration paid by the Company to its directors during the year. The remuneration paid is in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note no.22 to the standalone financial statements.

      ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv.(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      iv.(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

      iv.(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

      v. The Company has not declared or paid dividend during the year.

vi. Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, we report that the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operative from 1st April, 2023 for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place: Mumbai
Date: May 30, 2025

For DMKH & CO,
Chartered Accountants
Firm Registration No.: 116886W

CA Manish Kankani
Partner
Membership No.:158020
UDIN: 25158020BMIZKU4703

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the Company and Books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b) The Company has maintained proper records showing full particulars of intangibles assets.

c) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

d) According to the information and explanations given by the management, there are no immovable properties held by the company; hence the said clause is not applicable to the company.

e) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2025.

f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii The Company is a Non-Banking Finance Company ("NBFC"). Accordingly, it does not hold any inventory. Hence the provisions of Clause 3(ii) of the said order is not applicable to the company.

iii a) During the year, the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

b) The investments made by the Company, during the year, are not prejudicial to its interest. During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

c) The Company has not granted any loans to its employees during the year, Accordingly, the requirement to report under clause 3(iii)© of the Order is not applicable to the Company.

d) There are no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships, or any other parties which are overdue for more than ninety days.

e) There were no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships or any other parties which has fallen due during the years, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f) The Company has not granted loans and advances in the nature of loans, either repayable at demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (f) of the Order are not applicable to the company.

iv. There are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 of the Companies Act 2013 are applicable. The Company being NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the companies Act, 2013, for the services rendered by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employee's state insurance, income tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were in outstanding, at the year ending, for a period of more than six months from the date they become payable.

b) The dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, cess and other statutory dues have not been deposited on account of any dispute are as follows :

Nature of payment	Nature of the dues	Amount in (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending.
Income Tax Act, 1961	Income Tax Demands	1.04	AY 18-19	Income-tax Appellate Tribunal (ITAT)

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirements to report on clause 3(viii) of the Order is not applicable to the Company.

ix. a) The Company did not have any outstanding loans or borrowings due to any lender during the year. Accordingly, the requirements to report on clause 3(ix) (a) of the Order is not applicable to the Company.

b) The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

c) The Company did not have any term loans outstanding during the year, hence the requirement to report on clause 3(ix) (c) of the Order is not applicable to the Company.

d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix) (d) of the Order is not applicable.

e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries or associates.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.

x. a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments), hence the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debenture during the year under audit and hence, the requirement to report on clause 3(x) (b) of the Order is not applicable to Company.

xi. a) No Fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government.

c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints received during the year by the company.

xii. The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a), 3(xii) (b) and 3(xii) (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The Internal Audit reports of the company issued till the date of the audit report, for the period under audit, have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirements to report to clause 3(xv) of the Order is not applicable to the Company.

xvi. a) The Company has obtained the requisite registration as a Non-Banking Financial Institution under section 45 – IA of the Reserve Bank of India Act, 1934.

b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi) (b) of the Order is not applicable to the Company.

c) The Company is a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, and continues to fulfil the criteria of a CIC.

d) There is no Core Investment Company as a part of the Group, Hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

xvii. The Company has neither incurred cash losses in the current financial year nor in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report Clause 3(xviii) of the Order is not applicable to the company.

xix. On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. a) In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note no. 19 to the financial statements.

b) In respect of ongoing projects, there are no unspent amounts in respect of CSR, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note no. 19 to the financial statements.

Place: Mumbai
Date: May 30, 2025

For DMKH & CO,
Chartered Accountants
Firm Registration No.: 116886W

CA Manish Kankani
Partner
Membership No.:158020
UDIN: 25158020BMIZKU4703

Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Utkarsh CoreInvest Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ("ICAI"). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement including, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial controls over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial Reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2025, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: May 30, 2025

For DMKH & CO,
Chartered Accountants
Firm Registration No.: 116886W

CA Manish Kankani
Partner
Membership No.:158020
UDIN: 25158020BMIZKU4703

Audited Financial Statements (Standalone)

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Balance Sheet as at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	1.25	24.96
Bank balance other than above	4	531.85	463.48
Investments in subsidiaries	6	7,899.58	7,898.78
Other financial assets	5	6.86	3.12
Non-financial assets			
Current tax assets (net)	-	122.55	124.16
Property, plant and equipment	7	3.11	-
Other non-financial assets	8	0.19	0.19
Total assets		**8,565.39**	**8,514.69**
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises	9	0.57	0.75
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.94	2.02
Other financial liabilities	10	3.41	2.64
Non-financial liabilities			
Provisions	11	0.43	0.36
Other non-financial liabilities	12	0.59	4.01
Equity			
Equity share capital	13	993.72	987.44
Other equity	14	7,565.73	7,517.47
		8,565.39	**8514.69**
Total liabilities and equity			
Summary of material accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Other income	15	434.54	45.20
			45.20
Total income		**434.54**	
Expenses			14.36
Employee benefits expenses	16	15.630	-
Depreciation	17	0.190	10.54
Others expenses	18	13.040	
Total expenses		**28.86**	**24.90**
Profit/(Loss) before tax		405.68	20.30
Tax Expense:			
Current tax	56	102.98	5.85
Profit/(Loss) for the year		**302.70**	**14.45**
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
-Actuarial gain/(loss) on defined benefit obligation*		(0.11)	(0.32)
Total			
		(0.11)	**0.32**
Total Comprehensive Income for the year			
*Absolute amount for 31 March 2025: INR 109,418, (31 March 2024: INR 3,24,390)		**302.59**	**14.13**
Earnings per equity share			
Basic earnings per share of INR 10 each			
Diluted earnings per share of INR 10 each		3.06	0.15
		3.05	0.15
Summary of material accounting policies	29		
The accompanying notes are an integral part of these standalone financial statements.	29		
As per our report of even date attached.	2		

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
A. CASH FLOW FROM OPERATING ACTIVITES			
Net Profit/(loss) before Tax		405.68	20.30
Adjustments for:			
Depreciation and amortisation		0.19	-
Dividend income		(379.64)	-
Interest income		(40.59)	(34.42)
Sharebased payment adjustment		(0.36)	(7.96)
Actuarial gain/(loss) on defined benefit obligation		(0.11)	(0.32)
Operating (Loss)/profit before Working Capital Changes		**(14.83)**	**(22.40)**
Adjustments for:			
(Increase) in bank balance other than above		(68.25)	(38.85)
Decrease/(Increase) in other financial assets		(3.74)	(1.73)
Decrease in other non financial asset		0.00	0.05
(Decrease)/Increase in trade payables		(1.26)	0.03
(Decrease)/Increase in other financial liability		0.77	0.70
(Decrease)/Increase in other non financial liability		(3.42)	3.20
Increase/(Decrease) in provision		0.07	(0.55)
Cash Flow before taxation		**(75.83)**	**(37.16)**
Income Tax (paid)/ refund - Net		(101.37)	(8.23)
Net cash flow from operating activities		**(192.03)**	**(67.79)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		379.64	-
Interest income		40.47	33.51
Purchase of property, plant and equipments		(3.30)	
Net cash used in Investing Activities		**416.81**	**33.51**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Shares including Securities premium		51.51	59.19
Payment to shareholder under Shareholder agreement		(300.00)	-
Net cash flow from Financing Activities		**(248.49)**	**59.20**
Net (Decrease)/Increase in Cash and Cash Equivalent Flow (A+B+C)		(23.71)	24.92
Opening Cash and Cash Equivalent	3	24.96	0.04
Closing Cash and Cash Equivalent	3	1.25	24.96
Summary of material accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
"Standalone statement of changes in equity Balance as at 31 March 2025"
(Amount in millions unless otherwise stated)

A Equity Share Capital

	Balance as at 1 April 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025
Paid up share capital	984.21	3.23	987.44	6.28	993.72
	984.21	**3.23**	**987.44**	**6.28**	**993.72**

B

	Reserves and Surplus									Other comprehensive income		Total
Other Equity	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Other Equity - Fair valuation changes	Capital redemption reserve	Securities premium	ESOP reserve	Treasury shares	Retained Earnings	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Actuarial gain / loss on post employment defined benefit plan	Total
Balance as at 1 April 2023	-	**(109.01)**	**215.28**	**4,121.67**	**90.00**	**6479.52**	**142.77**	**(2.45)**	**(3,323.07)**	**(160.62)**	**(0.13)**	**7,453.96**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	14.45	-	(0.32)	14.13
Share options exercised	-	-	-	-	-	17.75	(17.75)	-	-	-	-	-
Transfer to / from retained earnings	-	-	2.87	-	-	-	(35.73)	-	32.86	-	-	(0.00)
Equity settled share based plan	-	-	-	-	-	-	(6.57)	-	-	-	-	(6.57)
Share Issued	-	-	-	-	-	-	-		-	-	-	34.41
Share application money received	2154	-	-	-	-	34.41	-	-	-	-	-	21.54
Balance as at 31 March 2024	**21.54**	**(109.01)**	**218.15**	**4,121.67**	**90.00**	**6531.69**	**82.71**	**(2.45)**	**(3,275.76)**	**(160.62)**	**(0.45)**	**7,517.47**
Total Comprehensive Income for the half year	-	-										
Share options exercised	-	-	-	-	-	32.16	(32.16)	-	302.70	-	(0.11)	302.59
Transfer to / from retained earnings	-	-	60.60	-	-	-	(8.75)	-	-	-	-	-
Equity settled share based plan	-	-	-	-	-	-	0.44	-	(51.85)	-	-	0.44
Share Issued	(21.54)	-	-	-	-	66.34	-	-	-	-	-	45.00
Payment to shareholders under shareholder agreement	-	-	-	-	-	-	-	-	(300.00)	-	-	(300.00)
Share application money received	**0.23**	-	-	-	-		-	-	-	-	-	0.23
Balance as at 31 March 2025	**0.23**	**(109.01)**	**278.75**	**4,121.67**	**90.00**	**6630.39**	**42.24**	**(2.45)**	**(3,324.91)**	**(160.62)**	**(0.56)**	**7,565.73**

Summary of significant accounting policies 2
The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
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DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
3 Cash and Bank Balances			
Cash and cash equivalents			
Balances with Banks			
- On current accounts		1.25	24.96
Total		**1.25**	**24.96**
4 Bank balance other than Cash and cash equivalents			
In Bank deposits		531.85	463.48
Total		**531.85**	**463.48**
5 Other financial assets			
Receivable from Utkarsh Small Finance Bank Limited		5.77	2.18
Other recoverable		0.02	0.01
Plan asset receivable for leave encashment provision		1.07	0.93
Total		**6.86**	**3.12**
6 Investments in subsidiaries			
Investment in -			
- 759,272,222 (31 March 2024: 759,272,222) Equity shares of Utkarsh Small Finance Bank Limited		7,899.58	7,898.78
Total		**7,899.58**	**7,898.78**
Out of Above		7,899.58	7,898.78
In India			
Outside India		-	-

Subsidiary details			Proportion of the ownership interest	
Name of the entity and Relationship	**Principal place of business**	**Principal activities**	**As at 31 March 2025**	**As at 31 March 2024**
Utkarsh Small Finance Bank Limited-Subsidiary	Varanasi	Banking Business	68.92%	69.06%

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

7 Property, Plant and Equipment

	Gross value				Depreciation				Net Value
Particulars	**As at 1 April 2024**	**Additions**	**Disposals**	**As at 31 March 2025**	**As at 1 April 2024**	**For the year**	**Disposals**	**As at 31 March 2025**	**As at 31 March 2025**
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10	-	-	0.10	-
Computers	2.98	3.30	-	6.28	2.98	0.19	-	3.18	3.11
Total	**3.08**	**3.30**	**-**	**6.38**	**3.08**	**0.19**	**-**	**3.27**	**3.11**

	Gross value				Depreciation				
Particulars	**As at 1 April 2023**	**Additions**	**Disposals**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Disposals**	**As at 31 March 2024**	**As at 31 March 2024**
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10	-	-	0.10	-
Computers	2.98	-	-	2.28	2.98	-	-	2.18	0.00
Total	**3.08**	**-**	**-**	**3.08**	**3.08**	**-**	**-**	**3.08**	**-**

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
8 Other non-financial assets			
Pre-paid expenses		0.19	0.19
Total		**0.19**	**0.19**
9 Trade payables			
Total outstanding due to micro and small enterprises (Refer Note 21)		0.57	0.75
Total outstanding dues of creditors other than micro enterprises & small enterprises		0.94	2.02
Total		**1.51**	**2.77**

Trade payables ageing schedule:

As on 31 March 2025

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	0.57-		-	-	-	0.57
(ii) Others	0.43	0.51	-	-	-	-	0.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-		-	-	-	-	-
Total	**0.43**	**1.08**	**-**	-	-	-	**1.51**

As on 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	0.75	-	-	-	-	-	0.75
(ii) Others	1.55	-	0.47	-	-	-	2.02
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**2.30**	-	**0.47**	-	-	-	**2.77**

10 Other financial liabilities			
Employee benefits payable		3.41	2.64
		3.41	**2.64**
Information about the Company's exposure to liquidity risk is included in Note 31			
11 Provisions			
		0.12	0.01
Provision for employee benefits		0.31	0.35
Provision for gratuity			
Provision for other employee benefits		**0.43**	**0.36**
Total			
12 Other non-financial liabilities			
		0.36	3.61
Statutory dues payable		0.15	0.34
TDS payable		0.08	0.06
GST payable			
PF payable		**0.59**	**4.01**

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
13 Share capital			
Authorised			
Equity shares			
10,00,00,000 (31 March 2024: 10,00,00,000) Equity shares of INR 10 each		1,000.00	1,000.00
Issued, subscribed and paid-up			
Equity shares			
9,93,71,965 (Previous year 9,87,44,490) equity shares of Rs. 10 each, fully paid up		993.72	987.44
		993.72	**987.44**

(a) Reconciliation of the number of shares outstanding is set out below:

	31 March 2025		31 March 2024	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	98,744,490	987.44	9,84,20,960	984.21
Issued during the year	627,475	6.28	323,530	3.23
Outstanding at the end of the year	**99,371,965**	**993.72**	**98,744,490**	**987.44**

(b) Rights, preferences and restrictions attached to equity shares

(i) Equity shares
"The Company has single class equity shares having a par value of INR 10 per equity share. They entitle the holders to participate in the dividends in proportion to the number of shares held.
However, as per the Shareholders Agreement, in the event of liquidation, the net proceeds shall be distributed in the following manner:
- First preference shall be given to the Investors (ABF, AGIMDC II, AVMS, CDC, FCIEF II, FCIEF III, HDFC Ergo, HDFC Life, HDFC Ltd., Hero, ICICI Pru, IFC, JIF, Lok CGF, NMI, rAPM, RBL, Sarva Capital, SFRE-SICAV-SIF, Shriram and SIDBI), shareholders which have been allotted equity shares pursuant to ESOP plan 2010 and other shareholders (other than the shareholders which have been allotted equity shares pursuant to grant of employee stock option of the Company excluding ESOP Plan 2010).
- Second preference shall be with shareholders which have been allotted equity shares pursuant to grant of employee stock options of the Company (excluding ESOP Plan 2010) and sponsors of the Company.
- Remaining shareholders shall have third preference over the residual assets of the Company at the time of liquidation. "

(c) Details of shareholder holding more than 5% shares is set below:

Equity shares	31 March 2025		31 March 2024	
Name of the shareholder	**Number of shares (in units)**	**% of Holding**	**Number of shares (in units)**	**% of Holding**
British International Investment PLC	13,726,978	13.81%	13,726,978	13.90%
(Formerly known as CDC Group PLC)	8,581,150	8.64%	9,702,950	9.83%
RBL Bank Limited	7,702,602	7.75%	7,702,602	7.80%
NMI Frontier Fund KS, Norway	7,660,082	7.71%	7,660,082	7.76%
Faering Capital India Evolving FUND II	**37,670,812**	**37.91%**	**38,792,612**	**39.29%**

(d) Shares reserved for issue under options - Refer Note 26 for details of shares to be issued under employee stock option plan.

(e) Pursuant to Shareholder Agreement dated September 27, 2016 (post receipt of RBI's in-principle approval for issue of SFB licence) and subsequent amendments thereto, Mr. Govind Singh was to be issued upto three percent (3%) of the paid up share capital of the promoter company either by the promoter company or by the SFB entity on a fully diluted basis within a period of Seven (7) years from the date of commencement of banking operations i.e. upto January 22, 2024.commencement of banking operations i.e. upto January 22, 2024.

Subject to RBI approval, the Board of Directors of the Bank has, vide the resolution passed at its meeting held on January 14, 2020, read along with resolution passed by it on July 20, 2020, approved the grant of options equivalent to 0.60% of the paid up share capital of the Bank as of March 31, 2020 constituting 45,55,633 Equity Shares to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank under the MD & CEO ESOP Plan. However, In response to the Bank's letter dated January 21, 2021 in the matter seeking RBI approval, Department of Regulation, RBI Central Office vide its reply letter dated June 9, 2021 has stated that the said remuneration proposal does not have RBI approval.

The Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders' Agreement dated April 26, 2024 ("SASRASHA"), (collectively, "SHA") and Amendment of the Articles of Association of the Company dated May 27, 2024 (as amended from time to time) executed amongst the Company, the sponsors and the other shareholders provides that the Company has agreed to issue Equity Shares/Share Equivalents/other securities that are equal to 3% of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016, to RAAG Family Private Trust ("Trust") ("Permitted Sponsor Issuance"), within a specified time period as reflected in the SASRASHA, at a price not less than [₹109.36 per share] and as amended from time to time.

Further in this regard, basis discussions between the Company, Trust and the Investors (as defined in the SHA), including calls with Investors dated [January 18, 2024 and April 30, 2024], it was proposed that the Company makes a settlement to the Trust, for an amount aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Settlement amount"), in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, which will constitute a full and final settlement for the Trust, for such waiver/ termination/ cancellation of the Permitted Sponsor Issuance.

Apropos the above, the Board of Directors of the company accorded its approval dated June 07, 2024 towards settlement to the trust amounting to ₹30 crore subject to approval by the shareholders of the company. The Company vide Extra-Ordinary general meeting of shareholders held on June 29, 2024 received requisite approval towards the above stated payment to the trust and thereby extinguishment/ waiver/ cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company. Further, the Company provisioned the above amount of ₹30 crore in its books of accounts during June 2024, out of which an amount of ₹10 crore has been paid to the trust dated June 29, 2024 and the balance of ₹20 crore paid dated August 12, 2024.

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
14 Other equity			
Capital redemption reserve			
Balance as at the beginning of the year		90.00	90.00
Add: Transfer from surplus in Statement of Profit and Loss		-	-
Balance as at the end of the year		**90.00**	**90.00**
Securities premium			
Balance as at the beginning of the year		6,531.69	6,479.52
Add: Transfer from stock option outstanding		32.16	17.75
Add: On issue of shares during the year		66.54	34.41
Balance as at the end of the year		**6,630.39**	**6,531.69**
Employees stock options outstanding			
Balance as at the beginning of the year		82.71	142.77
Add: Compensation for options granted		0.44	(6.57)
Less: Transfer to Retained Earnings		(8.75)	(35.73)
Exercise of stock options		(32.16)	(17.75)
Balance as at the end of the year		**42.24**	**82.71**
Equity component of financial instruments			
Balance as at the beginning of the year		(109.01)	(109.01)
Balance as at the end of the year		**(109.01)**	**(109.01)**
Remeasurement of defined benefit plans			
Balance as at the beginning of the year		(0.45)	(0.13)
Other comprehensive income		(0.11)	0.32
Balance as at the end of the year		**(0.56)**	**(0.45)**
Statutory reserve			
Balance as at the beginning of the year		218.15	215.28
Add: Transferred from surplus		60.60	2.87
Balance as at the end of the year		**278.75**	**218.15**
Other Equity - Fair valuation changes			
Balance as at the beginning of the year		4,121.67	4,121.67
Add: Fair valuation of equity share capital		-	-
Less: Loss on extinguishment		-	-
Balance as at the end of the year		**4,121.67**	**4,121.67**
Retained earnings			
Balance as at the beginning of the year		(3,275.76	(3,323.06
Add: Profit/(loss) for the year		302.70	14.45
Add: Amount transferred to statutory reserve (created under Section 45-1C of RBI Act, 1934)		-	(2.87)
Add: ESOP Reserve Adjustment		(51.85)	35.73
Less: Payment to shareholder under shareholder agreement		(300.00)	-
Balance as at the end of the year		**(3,324.91)**	**(3,275.76)**
Share Application money pending allotment			
Balance as at the beginning of the year		21.54	-
Shares issued during the year		(21.54)	-
Share application money received during the year		0.23	21.54
		0.23	**21.54**
Treasury shares			
Balance as at the beginning of the year		(2.45)	(2.45)
Treasury shares exercised during the year		-	-
Balance as at the end of the year		**(2.45)**	**(2.45)**
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss			
Balance as at the beginning of the year		(160.62)	(160.62)
Total Comprehensive Income for the year		-	-
		(160.62)	**(160.62)**
Total		**7,565.73**	**7,517.47**

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Nature and purpose of other reserve :

Capital Redemption Reserve
Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP Reserve
The said amount is used to recognise the grant date fair value of options issued to employees under Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.

Equity component of financial instruments
This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.

Remeasurement of defined benefit plans
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits: (a) actuarial gains and losses (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Statutory reserve
The said reserve has been created under Section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Company shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.

Other Equity - Fair valuation changes
The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities. During the year ended 31 March 2019, due to substantial modification of the shareholder agreement, the Company has reclassified the equity share capital from financial liability to equity. Accordingly, the amount debited to said reserve in the previous periods was credited. Further, on the date of said reclassification, the Company has recorded the equity at the fair valuation on the date of reclassification and accordingly, the impact of the same has been booked in other equity. Loss on extinguishment of financial liability has been recorded in the said reserve.

Retained Earnings
The said amount represents accumulated surplus/(deficit) of the profits earned by the Company. The company has provided for INR 30 million to RAAG trust in lieu of issuing 3% of share capital on fully diluted basis as per share holder agreement and article of asssociation

Share Application money pending allotment
This amount represents amount received from share holders against which shares are yet to be allotted.

Treasury shares
The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Company.

Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss
The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.

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	Note	As at 31 March 2025	As at 31 March 2024
15 Other income			
Dividend Income		379.640	-
Dividend income from current investments		40.590	34.42
Recovery from written off portfolio		-	-
Miscellaneous income		12.70	10.68
		1.61	0.09
Total		**434.54**	**45.20**
16 Employee benefit expenses			
Salaries and bonus		12.91	14.08
Contribution to provident and other funds		0.51	(0.09)
Share based payment to employees		1.98	0.18
Staff welfare expenses		0.23	0.19
Total		**15.63**	**14.36**
17 Depreciation			
Depreciation of property, plant and equipment		0.19	-
Total		0.19	**-**
18 Other expenses			
Repairs and maintenance		0.02	0.02
Contribution towards Corporate Social Responsibilities		0.50	0.40
Legal and professional charges		6.58	5.18
Loss on sale of property, plant and equipment		-	-
Director sitting fees		3.67	3.13
RBI Compounding fees		-	-
Communication expenses		0.07	0.06
Miscellaneous expenses #		1.32	0.84
Lease rent *		0.88	0.93
Total		**13.04**	**10.54**

* Represents lease rentals for short term leases in the current year
# -Includes INR 1,91,172 /- for year ended 31 March 2025 for director travel (INR 1,33,162 for the year ended 31 Match 2024)

19 Details of corporate social responsibility expenditure		
Average net profit of the Company for last three financial years	20.99	15.14
Gross amount required to be spent by the company during the year	Nil	Nil
Corporate Social Responsibility expenses for the year	0.50	0.40
Various Head of expenses included in above:		
Other expenses (Contribution towards Corporate Social Responsibilities)	0.50	0.40
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.50	0.40
Details of related party transactions	0.50	0.40
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the year	0.50	0.40
Less: Provision utilised during the year	0.50	0.40
Closing Balance	-	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
	Nil	Nil
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls by way of a note		
The nature of CSR activities undertaken by the Company	Contribution made towards CSR activities	Contribution made towards CSR activities

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.

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20 Auditors remuneration (Included in legal and professional charges, excluding taxes)

Payments to auditor (excluding tax)		
- Statutory auditor	0.90	1.06
- Other services	0.03	-
- Reimbursement of expenses	-	
		0.00
Total	**90.03**	**1.06**

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21 Amounts payable to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount remaining unpaid to any supplier as at the end of the year.	0.58	0.75
Interest due thereon remaining outstanding as at the end of the year.	Nil	Nil
The amount of interest paid by the buyer as per Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22 A. Contingent liabilities

Claims against the company not acknowledged as debts in respect of Income Tax is INR 10.39 (31 March 2024: INR 10.39).

B. Commitments

There are no commitments as at 31 March 2025 and 31 March 2024.

C. Contingent assets

There are no contingent assets as at 31 March 2025 and 31 March 2024.

23 Details of pending litigations

	As at 31 March 2025	As at 31 March 2024
Proceedings by Company against theft*	2.51	2.51
Income Tax CIT (A) - Refund	114.30	114.30
Income-tax Appellate Tribunal (ITAT) - Demand	10.39	10.39

*An amount of INR 0.14 (31 March 2024: 0.14) has been recovered in earlier years and INR 2.37 (31 March 2024 : 2.37) is yet to be recovered. The total unrecovered amount (against theft) is written off in the previous years.

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24 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

		As at 31 March 2025			As at 31 March 2024		
	(I) Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
A	**Financial assets**						
	Cash and cash equivalents	1.25	-	1.25	24.96	-	24.96
	Bank balance other than above	-	531.85	531.85	-	463.48	463.48
	Investment in subsidiary	-	7,899.58	7,899.58	-	7,898.78	7,898.78
	Other financial assets	6.86	-	6.86	3.12	-	3.12
	Total financial assets	**8.11**	**8,431.43**	**8,439.54**	**28.08**	**8,362.26**	**8,390.34**
	Non-financial assets						
B	Current tax assets (net)	-	122.55	122.55	-	124.16	124.16
	Property, plant and equipment		3.11	3.11	-	-	-
	Other non-financial assets	0.19	-	0.19	0.19	-	0.19
	Total non-financial assets	0.19	125.66	125.85	0.19	**124.16**	**124.35**
	Total Assets	**8.30**	**8,557.09**	**8,565.39**	**28.27**	**8,486.42**	**8,514.69**
	Liabilities						
(II)							
	Financial liabilities						
A	Trade Payable	1.51	-	1.52	2.77		2.77
	Other financial liabilities	3.41	-	3.41	2.64	-	2.64
	Non-financial liabilities						
B	Provisions	0.43	-	0.43	0.36	-	0.36
	Other non-financial liabilities	0.59		0.59	4.01	-	4.01
	Total financial liabilities	**5.94**	-	**5.95**	**9.78**	-	**9.87**
	Total Liabilities		-				
		5.94		**5.94**	**9.78**	-	**9.78**
	Net		-				
		2.36	**8,557.09**	**8,559.45**	**18.49**	**8,486.42**	**8,504.91**

25 Segment reporting

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' As the Company is not having any commercial operations, hence there are no separate reportable segments as per Ind AS 108.

Information about products and services:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about geographical areas:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about major customers (from external customers):
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

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26 Employee benefits

The Company operates the following post-employment plans -

i. Defined Benefit plan

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2025	31 March 2024
Net defined benefit liability	0.12	0.01

A) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section D below. Employees do not contribute to the plan.
Expected contributions to gratuity plan for the year ending 31 March 2026 is INR 0.28

B) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at 31 March 2025			As at 31 March 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	0.70	0.68	0.01	1.42	1.26	0.16
Included in profit or loss						
Current service cost	0.17	-	0.17	0.13	-	0.13
Past Service cost	-	-	-	-	-	-
Interest cost (income)	0.05	0.05	0.00	0.10	0.09	0.01
Total (A)	**0.22**	**0.05**	**0.17**	**0.23**	**0.09**	**0.14**
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.01	-	0.01	(0.00)	-	(0.00)
- experience adjustment	0.11	-	0.11	0.33	-	0.33
– Return on plan assets excluding interest income	-	0.01	(0.01)	-	0.00	(0.00)
Total (B)	**0.13**	**0.01**	**0.11**	**0.32**	**0.00**	**0.32**
Other						
Contributions paid by the employer	-	0.18	(0.18)	-	0.61	(0.61)
Benefits Paid	-			(1.28)	(1.28)	
Total (C)	-	0.18	**(0.18)**	**(1.28)**	**(0.67)**	**(0.61)**
Balance at the end of the year	**1.04**	**0.92**	0.12	0.70	0.68	0.01

C) Plan assets

	31 March 2025	31 March 2024
Insurer managed funds	100%	100%

"The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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D) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2025	31 March 2024
Discount rate	6.50%	7.10%
Future salary growth	8%	7.00% for the first 2 years, and 9.00% thereafter
Withdrawal rate: All ages	13.10% - 31.90%	13.10% - 31.90%
Retirement Age (in year)	60	60
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary escalation rate: Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

E) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.07)	0.07	(0.05)	0.05
Salary growth rate (1% movement)	0.07	(0.07)	0.05	(0.05)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F) Expected maturity analysis of the defined benefit plans in future years

	31 March 2025	31 March 2024
0 to 1 Year	0.14	0.10
1 to 5 Year	0.50	0.32
5 Year onwards	1.12	0.90
Total	**1.76**	**1.32**

As at 31 March 2025, the weighted-average duration of the defined benefit obligation was 7 years (31 March 2024: 7 years)

G) Description of risk exposures

Investment risk
"The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)
"Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality risk
"The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year, we have used Indian Assured Lives Mortality (2012-14) ultimate table.
A change in mortality rate will have a bearing on the plan's liability."

Salary risk
"The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

ii) Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Provident fund	0.50	0.52

iii) Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	Year ended 31 March 2025	Year ended 31 March 2024
Amount recognised in Statement of Profit and Loss		
Provision for leave encashment and gratuity	(0.11)	0.29

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27 Employee stock options

A Description of share-based payment arrangements

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Company and its subsidiary Companies ('Group'). The scheme provides that subject to continued employment with the company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The Company formed Utkarsh ESOP Welfare Trust ('Trust') to issue ESOPs to employees of the Company as per Employee Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme.

The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.

The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Company and gets consolidated with the standalone books of the Company.

The Company granted 17,500 (31 March 2024, 30,000) options to the employees of the Company during the year.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Company in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective Septemebr 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles. Further to apprise that a note on the re-issuance of ESOP grant to the employees of USFBL and UCL may be placed before the Committee during current financial year.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

	As at 31 March 2025		As at 31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	1,309,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125.00	30,000	125.00
Add: Adjustment of previous year (negative impact)	243,354	110.61	-	-
Less: Lapsed/forfeited during the year	293,875	116.63	10,91,634	115.38
Less: Exercised during the year	627,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	**648,731**	**120.68**	**13,09,227**	**119.40**
Options vested and exercisable at the end of the year	613,888	120.44	9,91,210	117.60

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was 116.11 (31 March 2024 INR 116.37).

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C Share options outstanding at the end of the year have the following contractual expiry date and exercise options.

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	179,094	4,69,000
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125.00	12,500	35,000
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	416,669	7,67,727
1 April 2021	1 April 2023 - 1 April 2026	125.00	3,750	7,031
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,031	12,188
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	18,281
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	-
Weighted average remaining contractual life of options outstanding at the end of the year			1.28 years	2.05 years

D Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60
The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.83%	21.6	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.6	45.51	7.74%	27.54 - 32.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.6	71.4	7.46%	53.15 - 57.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.40%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	132.13	7.03%	49.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.55%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	47.90%	125.00	166.70	7.10%	68.20 - 99.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.90 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Company has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 26

As the scheme is applicable to all the employees of the group, the Company has made a cross charge to Utkarsh Small Finance Bank for the ESOP expense incurred by the Company on behalf of Utkarsh Small Finance Bank.

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28 Related party disclosure

i. Name of the related party and nature of relationship:-

A.	**Name of the Related Party**	**Nature of Relationship**
a.	**Key managerial personnel**	
i	Mr. Ashwani Kumar	– Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii	Mr. Suman Saurabh	– Managing Director & CEO (w.e.f. 19 December 2023)
iii	Mr. G.S. Sundararajan	– Independent Director
iv	Mr. Gaurav Malhotra	– Nominee Director (ceased to be director w.e.f. 25 August 2022)
v	Mr. Atul	– Independent Director
vi	Mr. T. K. Ramesh Ramanathan	– Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii	Mr. Harjeet Toor	– Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii	Mr. Aditya Deepak Parekh	– Nominee Director
b.	**Subsidiaries**	Utkarsh Small Finance Bank Limited

c. **Company in which Director / KMP / their Relatives are Member and have the Controlling Rights / Shareholding in that Company exceeding 50%**
Utkarsh Welfare Foundation (Ceased to be related party w.e.f. Dec 19, 2023)
Faering Capital Private Limited (Mr. Aditya Deepak Parekh has the controlling right in the capacity of MD)
Faering Capital LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)
AMP Fitness LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)

B. Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Year Ended 31 March 2025	Year Ended 31 March 2024
Utkarsh Welfare Foundation	(i) Contribution towards CSR activities	0.50	0.40
Utkarsh Small Finance Bank Limited	(i) ESOP cost cross charge	(2.34)	(8.14)
	(ii) Fixed deposits placed during the year	589.35	178.75
	(iii) Fixed deposits matured during the year	521.10	139.90
	(iv) Interest received	40.59	34.42
	(v) Service charge on collection	0.15	0.13
	(vi) Dividend received	379.64	-
	(vii) Rent Paid	0.88	0.93
	(viii) Deemed Investment in USFB (Basis IND AS Fair valuation)	0.80	1.39

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C. Compensation of key managerial personnel

	Year Ended 31 March 2025	Year Ended 31 March 2024
Short-term employee benefits		
Ashwani Kumar	-	5.26
Suman Saurabh	5.81	2.10
GS Sundararajan	1.25	1.06
Post-employment defined benefit plan		
Ashwani Kumar	-	1.11
Suman Saurabh	0.25	0.11
Other long term benefits		
Ashwani Kumar	-	0.34
Suman Saurabh	0.11	-
Share-based payments		
Ashwani Kumar*	-	(0.32)
Suman Saurabh	0.82	-
Sitting fees		
GS Sundararajan	1.18	1.10
Atul	1.24	0.96
	10.66	**11.73**

* Reversal of ESOP Cost by ₹0.70 million due to cancellation of 39,875 ESOPs (proportionate 39,875 and Total 57,625) granted to Mr. Ashwani Kumar during FY24.

Terms and conditions
All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D. Receivables as at balance sheet date:

Name of related party	Year Ended 31 March 2025	Year Ended 31 March 2024
Utkarsh Small Finance Bank Ltd. - Investment in FDR	527.00	458.75
Utkarsh Small Finance Bank Ltd. - Current Account	1.11	21.72
Utkarsh Small Finance Bank Ltd. - Other receivables	5.77	2.18

29. Earnings per share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Basic earning per share		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	98,275,137
b) Diluted		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	98,275,137
Add: Weighted average number of potential equity shares on account of employee stock options	373,348	1,111,091
Weighted average number of equity shares outstanding during the year – Diluted	9,93,62,341	99,386,227
Earnings per share		
Basic – par value of INR 10 each	3.06	0.15
Diluted - par value of INR 10 each	3.05	0.15

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30 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Cash and cash equivalents	-	-	1.25	-	-	24.96
Bank balance other than above	-	-	531.85	-	-	463.48
Other financial assets	-	-	6.86	-	-	3.12
	-	-	**539.96**	-	-	**491.56**
Financial liabilities:						
Other financial liabilities	-	-	3.41	-	-	2.64
	-	-	**3.41**	-	-	**2.64**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	1.25	-	-	-	-
Bank balance other than above	531.85	-	-	-	-
Other financial assets	6.86	-	-	-	-
	539.96	-	-	-	-
Financial liabilities:					
Other financial liabilities	3.41	-	-	-	-
	3.41	-	-	-	-

As at 31 March 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	24.96	-	-	-	-
Bank balance other than above	463.48	-	-	-	-
Other financial assets	3.12	-	-	-	-
	491.56	-	-	-	-
Financial liabilities:					
Other financial liabilities	2.64	-	-	-	-
	2.64	-	-	-	-

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

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C. Valuation framework

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

31 Financial risk management

The Company's activities exposure is to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

(a) Risk management structure and Company's risk profile

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment in debentures, cash and cash equivalents, other bank balances, etc. The carrying amounts of financial assets represent the maximum credit risk exposure.

Cash and bank balances and other financial assets

Cash and bank balances of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial labilities at the reporting date. The amount are gross & undiscounted.

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	3.41	(3.41)	(3.41)	-	-	-	-

As at 31 March 2024	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	2.64	(2.64)	(2.64)	-	-	-	-

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Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to any currency risk as Company does not have any foreign currency transactions during the current year and comparative year.

(ii) Interest Rate Risk

The Company does not have any borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	31 March 2025	31 March 2024
Fixed rate instruments		
Financial assets	531.85	463.48
Financial liabilities	-	-

(iii) Legal and operational risk

a Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. The Company also has well established legal procedures to scrutinise product offerings and manage risks arising out of its transactions."

b Operational

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operational risk department operates independently from other units of the Company and reports directly to the Audit Committee, which consists of members of the Board. It conducts regular reviews of all business areas of the Company and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.

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32 Capital management

"The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, the Company is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. The Company has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines. Going forward, attempt shall be made to strengthen Capital allocation practices and enhance efficiency of capital."

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premiums and retained earnings.
- The Company does not have any elements in Tier 2 capital.

	As at 31 March 2025	As at 31 March 2024
Common equity Tier 1 (CET1) capital		
Paid up share capital	993.72	987.44
Capital redemption reserve	90.00	90.00
Securities premium account	6,630.39	6,531.69
(Deficit) in the statement of profit and loss account	(3,324.91)	(3,275.76)
Statutory reserve	278.75	218.15
ESOP outstanding account	39.79	80.26
Prepaid expenditure	(0.19)	(0.19)
	4,707.55	**4,631.59**
Tier 2 capital instruments		
Less: Investment in excess of 10% of Own fund		-
	4,707.55	**4,631.59**
Total regulatory capital	4,707.55	4,631.59
Risk weighted assets	7909.55	7,901.90
CRAR (%) - Refer note 34 (a)	59.52%	58.61%
CRAR -Tier I Capital (%)	59.52%	58.61%
CRAR -Tier II Capital (%)	0.00%	0.00%

ii. Capital allocation

Management uses extant regulatory capital ratios to monitor its capital base. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements. Theoretically, maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities. Going forward, capital allocation for various lines of business and activities shall be attempted, as part of annual business plan based on synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives.

33 Liquidity coverage ratio

Numerator	Denominator	31-Mar-25	31-Mar-24	% of variance	Explanation for change in the ratio by more than 25%
502.04	2.22	22666.00%	2720.88%	733.04%	Majorly, due to higher increase in Callable FD by 202% against decrease in outflow by 64% year on year

34

The Company has elected not to recognise right of use assets and lease liabilities for short term lease of building that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on straight line basis.

Rent expense recognised in the statement of profit and loss on account of short term exemption is INR 0.88 (31 March 2024 : INR 0.93)

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35 As per the SFB Guidelines and RBI Clarifications read with the RBI Acquisition Directions, the promoter (in this case, 'UCL' or 'Transferor Company') of a small finance bank (in this case 'USFBL' or 'Transferee Company') is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by Securities and Exchange Board of India ("SEBI"). In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Board of Directors of both the Transferor Company and the Transferee Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger on February 13, 2024 and March 14-16, 2024 respectively.

The Scheme has been formulated in view of the above, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines and the RBI Acquisition Directions.

Apropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority.

Further, the RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Also, the approval from the Stock Exchanges are awaited.

36 Additional Disclosures as required by Reserve Bank of India (RBI)

a) Components of ANW and other related information:

Particulars	As at 31 March 2025	As at 31 March 2024
i) ANW as a % of Risk Weighted Assets	59.52%	58.61%
ii) Unrealized appreciation in the book value of quoted investments	-	-
iii) Diminution in the aggregate book value of quoted investments	-	-
iv) Leverage Ratio	0.00	0.00

Note: The ANW as a % of RWA as at 31 March 2025 disclosed above is as per RBI circular "RBI/DoR(NBFC)/2016-17/39 dated August 25, 2016, Master Direction DoR(NBFC).PD.003/03.10.119/2016-17 (Updated as on December 29, 2022)". ANW as a % of RWA as at 31 March 2025 has been calculated without considering the fair value changes in other equity as part of free reserves. If the Company consider the fair value changes in other equity and equity component of financial instruments, the ANW as a % of RWA as at 31 March 2025 will be 110.25% (31 March 24: 109.39%).

b) The Company has the following direct exposure to real estate sector:

Particulars	As at 31 March 2025	As at 31 March 2024
Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-

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c) Maturity pattern of certain items of assets and liabilities:

Particulars (31 March 2025)	1 day to 7 days	8 days to 14 days	15 days to30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	7,971.43	7,971.43

Particulars (31 March 2024)	1 day to 7 days	8 days to 14 days	15 days to30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	7,971.43	7,971.43

d) Investments:

Particulars	31 March 2025	31 March 2024
Value of Investments		
(i) Gross Value of Investments		
(a) in India	7,971.43	7,971.43
(a) outside India,	-	-
(ii) Provisions for Depreciation		
(a) in India	-	-
(a) outside India,	-	-
(iii) Net Value of Investments		
(a) in India	7,971.43	7,971.43
(a) outside India,	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

e) Business Ratio:

Particulars	31 March 2025	31 March 2024
Return on Equity	3.55%	0.17%
Return on Assets	3.54%	0.17%
Net Profit per Employee	37.82	1.77

f) Provision and contingency

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	102.98	5.85
Provision for Standard Assets	-	-
Other Provision and Contingencies	-	-

g) Draw down from Reserves

There has been a draw down from reserves amounting to ₹300 mn. during FY 2024-25 on account of settlement of liability and thereby extinguishment / waiver / cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company, (previous year: Nil).

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h) Concentration of Advances, Exposures and NPAs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Concentration of Advances		
Total advances to twenty largest borrowers	-	-
(%)of advances to twenty largest borrowers to total advances	-	-
Total exposure to top five NPA Accounts	-	-

i) Sector wise Non-Performing Assets (NPA)

Sector	Percentage of NPAs to total advances in that sector	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

j) Movement in Non-Performing Asset (NPA)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Net NPA to net advances percentage	-	-
Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
Movement of net NPAs		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	-	-
b) Provisions made during the year	-	-
c) Write off/ write back of excess provisions	-	-
d) Closing balance	-	-

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k) Disclosure with respect to customer complaints

Particulars	Number of complaints	
	For the year ended 31 March 2025	For the year ended 31 March 2024
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

l) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2025 and financial year ended 31 March 2024.

m) Registration obtained from other financial sector regulators

Regulator	Registration No.	Date of Registration
Ministry of Corporate Affairs	U65191UP1990PLC045609	24 June 2016

n) Details of penalties imposed by RBI and other regulators
No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2025 and 31 March 2024.

o) Unsecured Advances
The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31 March 2025 and 31 March 2024.

p) Details of non-performing financial assets purchased / sold
The Company has not purchased/sold any non-performing financial assets during the financial year ended 31 March 2024 and 31 March 2025.

q) Disclosure of frauds reported during the half-year ended March 31, 2024 vide DNBS. PD. CC No. 256/03.10.042/2011-12 dated 2 March 2012
During the year ended March 31, 2025:-

Particulars	During the year ended 31 March 2025						During the year ended 31 March 2024					
	Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh		Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Person involved												
Staff	-	-	-	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
B) Type of Fraud												
Misappropriation and	-	-	-	-	-	-	-	-	-	-	-	-
Criminal Breach of Trust	-	-	-	-	-	-	-	-	-	-	-	-
Fraudulent Encashment/manipulation of books of accounts or through fictitious accounts and conversion of property.	-	-	-	-	-	-	-	-	-	-	-	-
Unauthorised credit facilities extended for reward or for illegal gratification	-	-	-	-	-	-	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

r) The Company has no exposure or transactions regarding overseas assets.

s) There are no derivatives as at 31 March 2025 and 31 March 2024. Accordingly disclosure pertaining to derivatives vide DNBR (PD) CC.No.053/03.10.119/2015-16 dated 01 July 2015 are not provided.

t) The Company has no investment in other CICs as at March 31, 2025 and March 31, 2024.

u) The Company has no Off Balance Sheet exposure as at March 31, 2025 and March 31, 2024.

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
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37 Additional Disclosures as required by Reserve Bank of India (RBI) basis Scale Based Regulation (SBR)
(Refer Circular No- RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 dated April 19, 2022)

a) Exposure:

1 Exposure to real estate sector

Category	As at 31 March 2025	As at 31 March 2024
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector		

2 The Company does not have any exposure to capital market as at March 31, 2025 and March 31, 2024.

3 Sectoral exposure

	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on balance sheet & off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet & off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
i….	-	-	-	-	-	-
ii….	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Industry (i+ii+…+Others)	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i…	-	-	-	-	-	-
ii…	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Services (i+ii+…+Others)	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
i…	-	-	-	-	-	-
ii…	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Personal Loans (i+ii+…+Others)	-	-	-	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-
	-	-	-	-	-	-

4 Intra-group exposures

Particulars	As at 31 March 2025	As at 31 March 2024
i. Total amount of intra-group exposures	8,433.46	8,381.43
ii. Total amount of top 20 intra-group exposures	8,433.46	8,381.43
iii. Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	100%	100%

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
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5 The Company does not have any unhedged foreign currency exposure as at March 31, 2025 and March 31, 2024.

B) Related Party Disclosures

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors	
Items	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2025**	**As at 31 March 2024**
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	527.00	458.75	-	-	0.31	10.30
Placement of deposits	-	-	545.85	458.75	-	-	10.81	15.74
Advances	-	-	-	-	-	-	-	-
Investments	-	-	7,899.58	7,898.78	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	40.59	34.42	-	-	0.76	0.25
Others	-	-	-	-	-	-	-	-

Related Party	Key Management Personnel		Relatives of Key Management Personnel		Total	
Items	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**
Borrowings	-	-	-	-	-	-
Deposits	0.60	0.48	0.75	1.41	528.66	470.95
Placement of deposits	0.91	1.20	1.54	1.48	559.11	477.17
Advances	-	-	-	-	-	-
Investments	-	-	-	-	7,899.58	7,898.78
Purchase of fixed/other assets	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	0.03	0.04	0.05	0.03	41.42	34.74
Others	-	-	-	-	-	-

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	-	-
3. Number of complaints disposed during the year	-	-
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Since, no complaints have been received during year ended March 2025 and FY 2023-24, hence, the ground of complaints are Nil for both years.

D) The Company does not have any loan or have not issues any debt securities during year ended March 2025 and FY 2023-24.

E) Since, none of the conditions for divergence in asset classification and provisioning are met, hence, the same is not applicable to the Company during year ended March 2025 and FY 2023-24.

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Notes to standalone financial statements as at 31 March 2025
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Additional Disclosures as per Schedule III Amendment by Ministry of Corporate Affairs (MCA) dated March 24, 2021:

38 There are no immovable properties in the name of Company included in property, plant and equipment and intangible assets.

39 The Company has not entered into a transaction where the fair value of investment property (as measured for disclosure purposes in the financial statements) is measured on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

40 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

41 The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

42 (a) The Company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
(II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall:
(I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries")
(II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

43 No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

44 The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

45 The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

46 There are no identified promoter of the Company as at March 31, 2025 and March 31, 2024.

47 No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

48 There are no charges / satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

49 There are no capital work in progress, investment property in progress and intangible assets as at March 31, 2025 and March 31, 2024. Hence, there are no projects in progress or temporarily suspended. Also, there are no projects whose completion is overdue or has exceeded its cost as per original plan.

50 The Company is in compliance with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

51 There are no approved Scheme of Arrangements by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at March 31, 2025 and March 31, 2024.

52 There are no Security deposits, lease liabilities and long–term borrowings of the Company as at March 31, 2025 and March 31, 2024.

53 There are no any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

54 There have been no trading / investment in crypto / virtual currency during the year and previous year. Also, there have been no deposits and advances received from any person for the purpose of trading / investment in crypto currency during current year and previous year.

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Notes to standalone financial statements as at 31 March 2025
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55 Additional Disclosures as required by Reserve Bank of India (RBI) basis Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 vide RBI / DoR / 2023-24 / 106 DoR.FIN.REC.No.45/03.10.119/2023-24 updated as on March 21, 2024

	Particulars			
	Liabilities side		**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures: Secured	Nil	Nil
		: Unsecured	Nil	Nil
		(other than falling within the meaning of public deposits*)	Nil	Nil
	(b)	Deferred Credits	Nil	Nil
	(c)	Term Loans	Nil	Nil
	(d)	Inter-corporate loans and borrowing	Nil	Nil
	(e)	Commercial Paper	Nil	Nil
	(f)	Public Deposits*	Nil	Nil
	(g)	Other Loans (specify nature)	Nil	Nil
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	Nil	Nil
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c)	Other public deposits	Nil	Nil
	Assets side		**Amount outstanding**	
(3)	**Break-up of Loans & Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured	Nil	
	(b)	Unsecured	Nil	
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a) Financial lease	Nil	
		(b) Operating lease	Nil	
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire	Nil	
		(b) Repossessed Assets	Nil	
	(iii)	Other loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed	Nil	
		(b) Loans other than (a) above	Nil	
(5)	**Break-up of Investments**			
	Current Investments			
	1.	Quoted		
		(i) Shares	-	
		(a) Equity	Nil	
		(b) Preference	Nil	
		(ii) Debentures and Bonds	Nil	
		(iii) Units of mutual funds	Nil	
		(iv) Government Securities	Nil	
		(v) Others (please specify)	Nil	
	2.	Unquoted		
		(i) Shares	-	
		(a) Equity	Nil	
		(b) Preference	Nil	
		(ii) Debentures and Bonds	Nil	
		(iii) Units of mutual funds	Nil	
		(iv) Government Securities	Nil	
		(v) Others (please specify)	Nil	
	Long Term investments			
	1.	Quoted		
		(i) Shares	-	
		(a) Equity	7,899.58	
		(b) Preference	Nil	
		(ii) Debentures and Bonds	Nil	
		(iii) Units of mutual funds	Nil	
		(iv) Government Securities	Nil	
		(v) Others (please specify)	Nil	
	2.	Unquoted		
		(i) Shares	-	
		(a) Equity	Nil	
		(b) Preference	Nil	
		(ii) Debentures and Bonds	Nil	
		(iii) Units of mutual funds	Nil	
		(iv) Government Securities	Nil	
		(v) Others (please specify)	Nil	

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
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(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 2 below**				
		Category	**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1.	**Related Parties ****			
		(a) Subsidiaries	Nil	Nil	Nil
		(b) Companies in the same group	Nil	Nil	Nil
		(c) Other related parties	Nil	Nil	Nil
	2.	Other than related parties	Nil	Nil	Nil
		Total			

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**			
		Category	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	**Related Parties ****		
		(a) Subsidiaries	Nil	7899.58
		(b) Companies in the same group	Nil	Nil
		(c) Other related parties	Nil	Nil
	2.	Other than related parties	Nil	Nil
		Total	Nil	7899.58

(8)	**Other information**		
		Particulars	**Amount**
	(i)	Gross Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	Nil
	(ii)	Net Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	Nil
	(iii)	Assets acquired in satisfaction of debt	Nil

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

56 Income Tax

A Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense	102.98	5.85
Tax for earlier years	-	-
Tax expense	**102.98**	**5.85**

B Reconciliation of effective tax rate

Particulars	As at 31 March 2025		As at 31 March 2024	
Profit before tax		405.68		20.30
Tax using the Company's domestic tax rate	25.17%	102.10	25.17%	5.11
Effect of:				
Permanent differences	0.00%	-	0.50%	0.10
Tax for earlier years	0.00%	-	0.00%	-
Tax exempt income	0.00%	-	0.00%	-
Change in unrecognised temporary differences	0.15%	0.59	3.68%	0.75
Others	0.07%	0.28	-0.52%	(0.11)
Effective tax rate/tax expense	**25.38%**	**102.98**	**28.82%**	**5.85**

C Uncertain tax positions

Claims against the company not acknowledged as debts in respect of Income Tax is INR 124.69 (31 March 2024: INR 124.69).

D Uncertain tax positions

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	For the year ended 31 March 2025	For the year ended 31 March 2024
Deductible temporary differences	0.59	1.51
Deferred tax on account of indexation on equity shares of investment in subsidiary*	-	620.08
Total	**0.59**	**621.59**

* From FY 2024-25, there will be no indexed cost of acquisition. Hence, there is no disclosure made for deferred tax impact on investment in subsidiary as tax base and carrying value will be the same.

57 Audit Trail

A Enhancing Accountability and Transparency: Implementation of Audit Trail

The company had implemented an audit trail system within our company's software which has impact on books of accounts with effect from April 01, 2023. This implementation underscores our commitment to transparency, accountability, and data integrity. Audit trail has been implemented for all transactions recorded in the software throughout the year.

By capturing and documenting critical events and activities within our systems, we ensure a comprehensive record that enhances security, facilitates compliance, and supports effective decision-making.

In addition, audit trail data is preserved in the system as per statutory requirement for record retention. The company's dedication to maintain a robust audit trail reflects ongoing efforts to uphold the highest standards of governance and security across all aspects of business operations.

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
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B Backup Schedule and Data Preservation:

The company is following a backup schedule and data preservation protocol within the organization The company's backup schedule entails frequent and systematic backups of critical data assets to safeguard against potential data loss or corruption. This proactive approach ensures that valuable information remains protected and accessible in the event of unforeseen circumstances. The Backup for the accounting software Intellect Core Banking System is done on a Daily basis and preserved at Disaster Recovery (DR) site located at Hyderabad.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

1. Reporting entity

Utkarsh Coreinvest Limited ("the Company" or "Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh Coreinvest Limited w.e.f. 11 October 2018.

The company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income groups of Below Poverty Line ("BPL") in urban and rural areas. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the Reserve Bank of India ("RBI") has granted its approval to the Company for carrying on the business of a Non-Deposit taking- Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

2. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Basis of preparation

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) as amended from time to time.

These financial statements were authorized for issue by the Company's Board of directors on 30 May 2025.

The Company is regulated by the Reserve Bank of India ('RBI'). The RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the previous years may need to undergo changes in measurement and/or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

ii. Basis of measurement

- The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:
- Certain financial assets and liabilities that are measured at fair value or amortised value;

Net defined benefit liability/ (asset): present value of defined benefit obligation less fair value of plan assets.

iii. Functional and Presentation Currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

iv. Use of Judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgments

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements have been given below:

Note 30 - Financial instruments - fair value and risk management: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for every period ended are included below:

- Note 26 - Measurement of defined benefit obligations: The cost of the defined benefit gratuity plan, the present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its longterm nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
- Note 31 - Impairment of financial assets: key assumptions in determining the average loss rate
- Note 30 - Fair value measurement of financial instruments: When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques as per the valuation policy. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the respective financial instruments.

b. Revenue Recognition

- Dividend income is accounted on an accrual basis when the right to receive the dividend is established. This is generally when the shareholders approve the dividend.
- Income from interest on deposits and interest-bearing securities is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- All other fees are accounted for as and when they become due.

c. Financial Instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

The Company initially recognizes loans and advances on the date on which they are originated. All other financial assets are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

Financial instrument are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

Classification and subsequent measurement
Classifications

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

iii. Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.

- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt Instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through other Comprehensive Income (FVTOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (OCI). Interest income is recognized basis EIR method and the losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Instruments at fair value through profit and loss (FVTPL)

The Company classifies its investment in financial assets at fair value through profit and loss. The said classification depends upon the entity's business model for managing the financial assets and the contractual terms of the cash flow. The said assets are measured at fair value whose gains and losses shall be recorded in statement of profit or loss.

Financial assets not measured at fair value
The carrying value less expected credit loss provision of other financial assets are assumed to approximate their fair values due to their short-term nature.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Company evaluates that substantial risk and reward have not been transferred, the Company continues to recognize the transferred asset. If the Company evaluates

that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of Profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Financial liabilities designated at fair value through profit and loss

When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or
- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortized cost.

The fair valuation changes on the liabilities subsequently measured at FVTPL account are recognized in profit and loss account except the changes in the liability's credit risk, which is recognized in Other Comprehensive Income.

Financial liabilities not measured at fair value

The carrying value less provision of other financial liabilities are assumed to approximate their fair values due to their short-term nature.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expires.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial Liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognized in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has classified the financial instruments based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instrument, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 financial instrument, if there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction like quoted price for identical instruments, interest rates & yields adjusted for condition and location of the asset or to the extent to which it relates.

Level 3 financial instrument, if adjustments are based on one or more unobservable inputs where there is no market activity for the asset or liability at the measurement date The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument.

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d. Impairment of Financial Assets

Impairment of Financial Instruments

The Company recognizes impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Bank balance
- Other financial assets

No impairment loss is recognized on equity investments.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

With respect to other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognized in the Statement of Profit or Loss.

e. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f. Foreign currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

g. Property, Plant and Equipment (PPE)
Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognized in statement of Profit and loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Impairment
Carrying amounts of assets or a Cash Generating Unit ("CGU") are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognized in the Statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount..

Depreciation
Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

h. Employee Benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-base payment arrangements

The Company has formulated an Employees Stock Option Scheme ("the Scheme") to be administered through Utkarsh ESOP Welfare Trust and also issues options to employees which are not routed through the Trust. The Scheme provides that subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

Provident Fund

The Company contributes to mandatory government administered provident fund which is a defined contribution scheme as the Company does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and are recognized in the Statement of Profit and Loss.

iv. Defined benefit plans

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense (income) and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs..

v. Other long-term employee benefits

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefits of accumulating compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Re-measurements are recognized in profit or loss in the period in which they arise.

i. Income tax

Income tax expense comprises of current tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date

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Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortized cost in the Statement of Financial Position.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as the chief operating decision maker for the Company.

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l. Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

m. Leases

The Company's lease asset class primarily consists of leases for buildings.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

n. Earning per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the posttax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares on account of employee stock options, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

o. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Suman Saurabh
Managing Director and CEO
DIN: 07132387

INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Utkarsh CoreInvest Limited
(Formerly known as Utkarsh Micro Finance Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion
We have audited the accompanying Consolidated Ind AS Financial statements of **Utkarsh CoreInvest Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Consolidated other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year ended and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiary as were audited by the other auditors, the aforesaid Consolidated Ind AS Financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and Consolidated profit and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter
We draw attention to Note 41 to the Consolidated Ind AS Financial Statements which specifies that there are 89 legal cases pending aggregating to 30.29 million which may impact the Group's operations as they are uncertain in nature. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon
The Holding Company's Management and Board of Directors are responsible for other information. The other information comprises the information included in the management Discussion and Analysis, Board's Report Including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the Consolidated Ind AS Financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements
The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the respective Company, as aforesaid.

In preparing the Consolidated financial statements the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors of the Companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Consolidated Ind AS Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether adequate internal financial controls systems are in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters:
We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 2,78,354.41 million as at March 31, 2025, total revenues of Rs. 38,894.06 million, total profit after tax of Rs. (4,145.99) million, and net cash outflows of Rs. 4,855.79 million for the year ended March 31, 2025, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

I. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 31 to the Consolidated Ind AS Financial Statements.

ii. Provision has been made in the Consolidated Ind AS Financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long term contracts including derivative contracts. Refer Note 16 to the Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group.

iii. There are no amounts which are required to be transferred to the Investor Education and protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March 2025.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company has not declared or paid any dividend during the year. The final dividend proposed in the previous year and declared and paid during the current year by the Subsidiary Company is in compliance with the provisions of Section 123 of the Companies Act, 2013.

vi. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

vii. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries incorporated in India have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that have operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of audit, we and respective other auditors of above referred subsidiary, whose reports have been furnished to us by the Management of the Holding Company, have not come across any instance of the audit trail feature being tampered with.

Further, in accordance with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable with effect from April 1, 2023, the audit trail feature has been operated throughout the financial year ended March 31, 2025, for all transactions recorded in the software, and the audit trail has not been tampered with and the audit trail has been preserved by the Company and its subsidiary as per the statutory requirements for record retention.

2) With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the respective companies included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report

Place: Mumbai
Date: 29 August 2025

For DMKH & CO,
Chartered Accountants
Firm Registration Number: 116886W

CA Manish Kankani
Partner
Membership Number: 158020
UDIN:

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Utkarsh CoreInvest Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

Opinion

In conjunction with our audit of the consolidated financial statements of Utkarsh CoreInvest Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, to the best of our information and explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India has, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiaries, which are companies incorporated in India, internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

Meaning of internal financial controls with reference to Consolidated financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and

c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company incorporated in India based on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

Place: Mumbai
Date: 29 August 2025

For DMKH & CO,
Chartered Accountants
Firm Registration Number: 116886W

CA Manish Kankani
Partner
Membership Number: 158020
UDIN:

Financial Statements (Consolidated)

Utkarsh CoreInvest Limited
Consolidated Balance Sheet As at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	33,317.37	28,464.66
Bank balance other than above	3	1,091.08	1,825.86
Loans	4	180,404.62	1,76,500.05
Investments	5	50,224.67	36,501.58
Other financial assets	6	2,333.15	2,774.43
Non-financial assets			
Current tax assets (net)	7	782.70	311.59
Deferred tax assets (net)	7	3,015.25	1,519.58
Property, plant and equipment	8	5,961.74	5,014.85
Capital work-in-progress	8	630.05	102.84
Other intangible assets	9	210.41	241.71
Other non-financial assets	10	472.39	177.35
Total assets		**278,443.43**	**2,53,434.50**
Equity and Liabilities			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises	11	101.36	107.12
" - Total outstanding dues of creditors other than micro enterprises and small enterprises "	11	306.11	387.39
Borrowings (other than debt securities)	12	18,454.23	34,904.54
Lease liability	49	3,453.41	2,716.73
Deposits	13	222,352.97	1,79,975.81
Subordinated liabilities	14	5,158.86	2,098.12
Other financial liabilities	15	3,306.61	3,825.92
Non-financial liabilities			
Current tax liabilities (net)		97.03	97.03
Provisions	16	58.74	130.02
Other non-financial liabilities	17	71.85	80.96
Equity			
Equity share capital	18	993.72	987.44
Other equity	19	16,285.42	19,241.64
Equity attributable to equity holders of the parent		17,279.14	20,229.08
Non controlling interest	19	7,803.12	8,881.78
Total liabilities and equity		**278,443.43**	**2,53,434.50**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these financial statements.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Statement of Consolidated profit and loss For the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	for the year ended 31 March 2024
I. Revenue from operations			
Interest income	20	38,453.66	30,928.36
Fees and commission income	21	440.40	475.28
Net gain on fair value changes	25		
Total revenue from operations		**38,894.06**	**31,403.64**
II. Other income	22	2,662.13	2,431.86
III. Total income		**41,556.19**	**33,835.50**
IV. Expenses			
Finance costs	23	17,143.85	12,981.62
Fees and commission expense	24	1,218.64	631.48
Net loss on fair value changes	25	242.18	-
Net loss on derecognition of financial instruments under amortised cost category			
Impairment on financial instruments	26	13,698.54	3,783.76
Employee benefits expenses	27	8,536.41	7,397.36
Depreciation and amortisation	28	1,354.79	1,088.92
Others expenses	29	4,916.40	3,568.30
Total expenses		**47,110.81**	**29,451.44**
V. Profit/(loss) before tax		**(5,554.62)**	**4,384.06**
Tax Expense:			
Current tax	7	264.86	1,803.51
Deferred tax	7	(1,596.53)	(717.80)
VI. Profit for the year		**(4,222.95)**	**3,298.35**
VII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/(loss) on defined benefit obligation		33.85	6.93
- Income tax relating to items that will not be reclassified to profit or loss		(8.55)	(1.82)
Subtotal (A)		25.30	5.11
B (i) Items that will be reclassified to profit or loss			
- Debt securities measured at FVTOCI - reclassified to other comprehensive income		-	317.69
- Income Tax relating to items that will be reclassified to profit or loss		-	(79.96)
Subtotal (B)		-	237.73
Other comprehensive income (A + B)		**25.30**	**242.84**
VIII. Total comprehensive income for the year		**(4,197.65)**	**3,541.19**
IX. Profit for the year attributable to :			
- Equity holders of the parent		(3,126.17)	2,437.58
- Non-controlling interest		(1,096.78)	860.77
X. Other comprehensive income for the year attributable to :			
- Equity holders of the parent		18.58	179.10
- Non-controlling interest		6.72	63.74
XI. Total comprehensive income for the year attributable to :			
- Equity holders of the parent	INR	(3,107.59)	2,616.69
- Non-controlling interest	INR	(1,090.06)	924.50
XII. Earnings per equity share			
Basic earnings per share of INR 10.00 each	2	(42.66)	33.56
Diluted earnings per share of INR 10.00 each		(42.50)	33.19

Summary of material accounting policies
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
I. Cash flows from operating activities			
Net profit before tax		(5554.62)	4,384.06
Adjustments for:			
Depreciation and amortisation		1354.79	1,088.92
Impairment provision/ write offs		13698.54	3,783.76
Net (gain) / loss in fair value changes		242.18	-
Finance costs		17143.85	12,981.62
Interest income on investments		(2709.59)	(2,112.40)
Interest income on Loans		(34234.33)	(27,916.56)
Interest income on term deposits		(93.79)	(75.07)
Interest income on RBI Reverse Repo, TREPS Reverse Repo, Call / Term Lending)		(1415.95)	(824.33)
Employee share based expense		221.60	28.98
Impairment on non-financial asset		12.56	3.60
Profit/Loss on sale of property, plant and equipment		(2.40)	-
Profit/Loss on sale of investments		(118.93)	-
Operational cash flows from interest			-
Interest paid on Deposits		14116.38)	(9,301.53)
Interest received on Loans and Advances		36351.36	29,301.84
Operating cash flow before working capital changes		10,778.88	11,342.89
Adjustments for:			
(Increase) in loans		(19715.88)	(46,182.78)
(Increase) in other financial assets		(109.12)	(836.32)
Decrease/ (increase) in other non-financial asset		(295.04)	(31.83)
Increase in deposits		40883.13	37,561.80
Increase in other financial liability		(518.85)	1,260.58
Increase in other non-financial liability		(9.11)	(62.46)
Increase in trade payables		(87.05)	74.40
Increase in provision		(49.99)	12.90
Cash flow from operations		30,876.98	3,139.19
Income tax paid		(735.97)	(1,911.30)
Net cash flow from operating activities (A)		30,141.01	1,227.89
II. Cash flow from investing activities			
Purchase of property, plant and equipments (including capital work in progress)		(1388.32)	(563.25)
Proceeds from sale of property, plant and equipments		12.77	2.32
Purchase of intangible assets		(127.62)	(164.92)
Purchase of investments		(12881.03)	(8,200.43)
Acquisition by Non-Controlling Interest		91.56	4,716.85
Deposits in other bank balances		(1578.57)	(4,307.60)
Withdrawals in other bank balances		2343.58	2,529.26
Interest received		4120.36	2,908.92
Net cash used in investing activities (B)		**(9,407.28)**	**(3,078.84)**
III. Cash flow from financing activities			
Issue of equity shares		51.28	59.19
Share application money received		0.23	-
Payment to shareholders under shareholder agreement		(300.00)	-
Payment of lease liabilities		(828.55)	(710.06)
Repayment of borrowings		(27695.48)	22,160.00
Proceeds from borrowings		11540.00	(14,716.74)
Proceeds from issue of subordinated liabilities		3,049.99	-
Reapayment of subordinated liabilities		-	(246.02)
Dividend paid		(170.59)	-
Interest paid		(1527.90)	(1,356.41)
Net cash (used in)/ from financing activities (C)		**(15,881.02)**	**5,189.97**
Refer Note 33 for Change in liabilities arising from financing activities			
Net increase/(decrease) in cash and cash equivalents (A + B + C)		4,852.71	3,339.02
Opening Cash and Cash Equivalent		28464.66	25,125.64
Closing Cash and Cash Equivalent		33317.37	28,464.66

Utkarsh CoreInvest Limited
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

For composition of cash & cash equivalents 3

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on Cash Flow Statement.
2. Figures in Bracket represents Cash Outflow.

Summary of material accounting policies 2

The accompanying notes are an integral part of these financial statements.
As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Statement of changes in equity as at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

A Equity Share Capital

Particulars	Balance as at 31 March 2022	Changes during the year	Balance as at 31 March 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025
Paid up share capital	983.30	0.91	984.21	3.24	987.45	6.27	993.72
Less: Equity share capital classified as financial liability	-	-	-	-	-	-	-
Total	**983.30**	**0.91**	**984.21**	**3.24**	**987.45**	**6.27**	**993.72**

B Other Equity

Particulars	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Capital redemption reserve	Securities premium	Other Equity - Fair valuation changes	ESOP reserve	Investment fluctuation reserve	Treasury shares	Capital reserve	Corpus fund	General reserve	Retained earnings	Other comprehensive income: Debt instruments through other comprehensive income	Other comprehensive income: Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Other comprehensive income: Actuarial gain / loss on post employment defined benefit plan	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at 31 March 2023	-	109.01	**2,044.25**	**90.00**	**6,479.53**	**4,121.67**	**142.75**	**50.69**	**(2.45)**	**76.45**	**-**	**-**	**4,314.69**	**(458.68)**	**(160.62)**	**(3.34)**	**16,585.92**	**3,194.50**	**19,780.43**
Total Comprehensive Income for the year						-							2,437.58	175.42		3.68	2,616.68	924.50	3,541.18
Acquisition by Non-Controlling Interest*						-							(90.48)	73.79		6.31	(10.38)	4,727.23	4,716.85
Transfer to/(from) retained earnings			523.40			-	(35.73)	31.64		**(14.15)**			(505.16)				-		-
Issue of equity shares						-							-				-		-
ESOP reserve of subsidiary						-							-				-	35.55	35.55
Share options exercised					17.75	-	(17.75)		-				-				-		-
Equity settled share based plan						-	(6.54)						-				(6.54)		(6.54)
Shares issued					34.42	-							-				34.42		34.42
Share issue expenses						-							-				-		-
Share application money received	21.54												-				21.54		21.54
													-						
Balance as at 31 March 2024	21.54	109.01	**2,567.65**	**90.00**	**6,531.70**	**4,121.67**	**82.73**	**82.33**	**(2.45)**	**62.30**	**-**	**-**	**6,156.63**	**(209.47)**	**(160.62)**	**6.65**	**19,241.64**	**8,881.78**	**28,123.42**
Total Comprehensive Income for the year													(3,126.17)						
Acquisition by Non-Controlling Interest*			(23.00)					(42.21)		(20.86)	(1.24)		304.61	19.87		18.58	(3,107.59)	(1,090.06)	(4,197.65)
Transfer to/(from) retained earnings			119.85				(8.75)	135.30		66.74	3.99		(337.00)	189.60		(1.19)	216.10	(124.55)	91.56
Reclassification of Investment from FVOCI to Amortised cost													-				-		-
Issue of equity shares													-				189.60	85.39	274.99
ESOP reserve of subsidiary													-				-		-
Share options exercised					32.16		(32.16)						-				-	221.16	221.16
Equity settled share based plan							0.44						-				-		-
Dividend paid to non-controlling interest of subsidiary													-				0.44		0.44
Shares issued					61.44								-					(170.59)	(170.59)
Payment to shareholders under shareholder agreement													(300.00)				39.90		39.90
Share issue expenses	21.54												-				(300.00)		(300.00)
Share application money received	0.23				5.06								-				5.06		5.06
													-				0.23		0.23
Balance as at 31 March 2025	0.23	109.01	**2,664.50**	**90.00**	**6,630.36**	**4,121.67**	**42.25**	**175.42**	**(2.45)**	**108.18**	**-**	**2.75**	**2,698.07**	**-**	**(160.62)**	**24.04**	**16,285.39**	**7,803.12**	**24,088.51**

During the year ended March 31, 2025, pursuant to implementation of the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, effective from April 01, 2024, covering regulatory change by the RBI related to restrictions on sale of securities from HTM portfolio, the group had reassessed its business model and concluded that investment in Government securitites are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Consequently, the group has reversed accumulated fair value loss of Rs. 366.81 million on such investment in Government securities and related deferred tax of Rs. 92.32 million in other equity on April 1, 2024.

*Refer Note 48 for ownership interest held by non- controlling interest

As per our report of even date attached

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

3 Cash and bank balances	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents		
Cash in hand	792.73	790.21
Balances with banks		
- in current accounts	435.44	745.74
- in RBI current accounts	6,750.09	6,688.79
- in deposits accounts (with maturity less than three months)	-	-
- call/notice lending (with less than three months maturity)	1,250.00	3,754.02
- term lending (with less than three months maturity)	-	-
- term lending (with maturity less than three months maturity)	-	-
Reverse repo	24,091.87	16,487.86
	33,320.13	28,466.62
Less : Allowance for Impairment loss	2.76	1.96
Total (A)	**33,317.37**	**28,464.66**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Bank balance other than above		
Fixed deposits with bank not considered as cash and cash equivalents		1,826.45
	1,091.42	1,826.45
Less : Allowance for Impairment loss	1,091.42	0.59
	0.34	
Total (B)	1,091.08	**1,825.86**
Total (A+B)	34,408.45	**30,290.52**

Information about the Group's exposure to fair value measurement and credit and market risks are included in Note 40 and 41 respectively.

4 Loans	As at 31 March 2025	As at 31 March 2024
At Amortised cost		
(A)		
(i) Bills Purchased and Bills Discounted		
(ii) Loans repayable on Demand	6,862.92	4,628.90
Term Loans	189,741.83	1,77,622.20
Total (A) - Gross	**196,604.75**	**1,82,251.10**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (A) - Net	**180,404.62**	**1,76,500.05**
(B)		
(i) Secured by tangible assets and intangible assets	84,018.75	62,646.27
(ii) Covered by Bank/Government guarantees	290.83	0.19
(iii) Unsecured	112,295.17	1,19,604.63
Total (B) - Gross	**196,604.75**	**1,82,251.09**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (B) - Net	**180,404.62**	**1,76,500.04**
(C)		
(i) Priority Sector	144,681.40	1,42,307.67
(ii) Banks	-	-
(iii) Others	51,923.35	39,943.43
Total (C) - Gross	**196,604.75**	**1,82,251.10**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (C) - Net	**180,404.62**	**1,76,500.05**

All the Loans above are Loans in India.
For details pertaing to Allowance for Impairment Loss refer note 41

Utkarsh CoreInvest Limited
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5 Investments:	Amortised cost	At Fair Value: Through other comprehensive income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Sub- Total	Others	Total
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
As on 31 March 2025							
Government securities	37,512.06	-	5,348.01	-	5,348.01	-	42,860.07
Debt securities	-	-	67.89	-	67.89	-	67.89
Equity instruments	-		7,309.89		7,309.89		7,309.89
Total – Gross (A)	**37,512.06**	-	**12,725.79**	-	**12,725.79**	-	**50,237.85**
(i) Investments in India	37,512.06	-	12,725.79	-	12,725.79	-	50,237.85
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	37,512.06	-	**12,725.79**	-	**12,725.79**	-	**50,237.85**
Less: Allowance for Impairment loss (C)	(13.18)	-	-	-	-	-	(13.18)
Total – Net D= (A)-(C)	**37,498.88**	-	**12,725.79**	-	**12,725.79**	-	**50,224.67**

During the year ended March 31, 2025, pursuant to the implementation of the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023, effective from April 01, 2024, covering regulatory change by the RBI related to restrictions on sale of securities from HTM portfolio, the group had reassessed its business model and concluded that investment in Government securitites are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Consequently, the group has reversed accumulated fair value loss of Rs. 366.81 million on such investment in Government securities and related deferred tax of Rs. 92.32 million in other equity on April 1, 2024.

As at 31 March 2025							
Government securities	-	33,033.26			33,033.26	-	33,033.26
Debt securities	-	3,478.33			3,478.33	-	3,478.33
Equity instruments		-			-		-
Total – Gross (A)	-	**36,511.59**	-	-	**36,511.59**	-	**36,511.59**
(i) Investments in India	-	36,511.59	-	-	36,511.59	-	36,511.59
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	-	**36,511.59**	-	-	**36,511.59**	-	**36,511.59**
Less: Allowance for Impairment loss (C)	-	(10.01)	-	-	(10.01)	-	(10.01)
Total – Net D= (A)-(C)	-	**36,501.58**	-	-	**36,501.58**	-	**36,501.58**

6 Other financial assets	As at 31 March 2025	As at 31 March 2024
Interest accrued on investments	-	542.89
Bank deposit (due to mature after 12 months from the reporting date)	0.00	-
Advances recoverable in cash	2,332.89	2,230.89
Other recoverables	1.09	0.94
	2,333.98	2,774.72
Less : Allowance for Impairment loss	0.83	0.29
Total	**2,333.15**	**2,774.43**

Information about the group's exposure to fair value measurement and credit and market risks are included in note 40 and 41

Utkarsh CoreInvest Limited
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7 Income tax

A. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax		
Current period (a)	264.86	1,803.51
Changes in estimates related to prior years (b)	-	-
	-	-
Deferred tax (c)	-	-
Attributable to-	-	-
Origination and reversal of temporary differences	(1,596.53)	(717.80)
Sub-total (c)	(1,596.53)	(717.80)
Tax expense (a)+(b)+(c)	**(1,331.67)**	**1,085.71**

B. Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Before tax	Tax (expense) / income	Net of tax	Before tax	Tax (expense) / income	Net of tax
Remeasurements of the net defined benefit liability/asset	33.85	(8.55)	25.31	6.93	(1.82)	5.11
Debt instruments fair value through other comprehensive	-	-	-	317.69	(79.96)	237.73
	33.85	**(8.55)**	**25.31**	**324.62**	**(81.78)**	**242.84**

C. Reconciliation of effective tax rate

Particulars	year ended 31 March 2025		year ended 31 March 2024	
	%	Amount	%	Amount
Profit before tax	25.17%	(5,554.62)	25.17%	4,384.06
Tax using the Company's domestic tax rate		(1,397.99)		1,103.38
Effect of:				
Permanent differences	-0.40%	22.05	0.33%	14.35
Tax exemption/deduction	0.82%	(45.70)	-1.09%	(47.82)
Change in unrecognised temporary differences	-0.01%	0.59	0.02%	0.75
Changes in estimate related to prior years	0.00%		0.00%	-
Changes in tax rate	0.00%		0.00%	-
MAT credit written off	0.00%	-	0.00%	-
Others	-1.61%	89.38	0.34%	15.06
Effective tax rate/tax expense		**(1,331.67)**		**1,085.71**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
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D. Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

Particulars	As at 31 March 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in OCI during the year	As at 31 March 2025
Deferred tax assets:					
Loans	1,095.86	1,507.11			2,602.97
Lease Liabilities	135.38	15.26			150.64
Others	400.29	28.22			428.51
Property, plant and equipment	(223.07)	16.35			(206.72)
	1,408.45	**1,566.94**	-		**2,975.40**
Deferred tax liabilities:					
Property, plant and equipment	6.61				6.61
Others	(117.74)	(29.59)	8.55	92.32	(46.46)
	(111.13)	(29.59)	8.55	92.32	(39.85)
Net deferred tax assets	1,519.58	**1,596.53**	**(8.55)**	**(92.32)**	**3,015.25**

Particulars	As at 01 April 2023	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in OCI during the year	As at 31 March 2024
Deferred tax assets:					
Loans	888.60	207.26			1,095.86
Lease Liabilities	131.14	4.24			135.38
Others	(101.64)	501.92			400.29
Property, plant and equipment	(229.36)	6.28			(223.07)
	688.74	**719.71**	-	-	**1,408.45**
Deferred tax liabilities:					
Property, plant and equipment	6.61				6.61
Others	(201.43)	1.91	81.78	-	(117.74)
	(194.82)	**1.91**	**81.78**	**-**	**(111.13)**
Net deferred tax assets	**883.56**	**717.80**	**(81.78)**	**-**	**1,519.58**

E. Unrecognised deferred tax balances

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Particulars	As at 31 March 2025	As at 31 March 2024
Deductible temporary differences	0.59	1.51
Total	**0.59**	**1.51**

F. Uncertain tax positions

Refer Note 31 on contingent liabilities and commitment relating to income tax matter under dispute.

Particulars	As at 31 March 2025	As at 31 March 2024
Current Tax	782.70	311.59
Total	**782.70**	**311.59**

Utkarsh CoreInvest Limited
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8 Property, Plant and Equipment

Particulars	Gross Block					Depreciation				Net Block	
	As at 1 April 2024	Adjustment	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	For the year	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Owned Assets											
Leasehold improvement	576.59	-	186.28	2.58	760.29	193.40	71.51	1.19	263.72	496.58	383.19
Computers	752.25	-	309.82	57.92	1,004.15	492.61	218.76	56.56	654.81	349.34	259.64
Vehicles	65.95	-	33.78	6.83	92.90	12.91	16.46	2.47	26.90	66.00	53.04
Office equipment	403.71	-	124.76	3.19	525.28	216.16	98.80	3.13	311.83	213.46	187.55
Electrical equipment	535.05	-	72.52	4.03	603.54	181.85	67.02	3.03	245.84	357.70	353.19
Furniture and fixtures	656.98	-	65.20	6.08	716.10	328.59	88.41	4.42	412.58	303.52	328.39
Generator	111.34	-	68.67	1.32	178.69	42.20	14.38	0.93	55.65	123.04	69.14
Land	121.20	-	-	-	121.20	-	-	-	-	121.20	121.20
Building	1,001.30	-	-	-	1,001.30	34.21	16.69	-	50.90	950.40	967.09
Right of use assets											
Premises	3,776.19	-	1,275.13	-	5,051.32	1,534.87	588.44	-	2,123.31	2,928.01	2,241.32
ATM Machines	107.69	-	17.00	1.06	123.63	56.60	15.43	0.90	71.13	52.49	51.09
Total	**8,108.25**	**-**	**2,153.16**	**83.01**	**10,178.40**	**3,093.40**	**1,195.90**	**72.63**	**4,216.67**	**5,961.74**	**5,014.85**

Particulars	Gross Block					Depreciation				Net Block	
	As at 1 April 2023	Adjustment	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024	As at 1 April 2023
Owned Assets											
Leasehold improvement	500.80	-	78.10	2.31	576.59	134.67	60.05	1.31	193.40	383.19	366.13
Computers	640.55	-	188.26	76.57	752.25	403.79	164.72	75.90	492.61	259.64	236.76
Vehicles	26.44	-	40.89	1.38	65.95	5.00	8.49	0.58	12.91	53.04	21.44
Office equipment	321.90	-	83.71	1.90	403.71	153.10	64.92	1.86	216.16	187.55	168.81
Electrical equipment	502.47	-	34.28	1.70	535.05	127.14	56.21	1.49	181.85	353.19	375.33
Furniture and fixtures	633.45	-	27.10	3.57	656.98	264.86	67.12	3.39	328.59	328.39	368.59
Generator	85.57	-	25.77	-	111.34	32.40	9.80	-	42.20	69.14	53.17
Land	121.20	-	-	-	121.20	-	-	-	-	121.20	121.20
Building	1,001.30	-	-	-	1,001.30	17.47	16.73	-	34.21	967.09	983.83
Right of use assets											
Premises	3,514.37	-	261.82	-	3,776.19	1,097.56	437.31	-	1,534.87	2,241.32	2,416.80
ATM Machines	97.12	-	10.57	-	107.69	43.94	12.66	-	56.60	51.09	53.18
Total	**7,445.16**	**-**	**750.49**	**87.42**	**8,108.25**	**2,279.93**	**898.00**	**84.52**	**3,093.40**	**5,014.85**	**5,165.24**

For capital commitments made by the group refer note 31

Capital-Work-in Progress (CWIP):

Ageing Schedule

CWIP	As on 31 March 2025				
	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	630.05	-	-	-	630.05
Projects temporarily suspended	-	-	-	-	-
Total	**630.05**	-	-	-	**630.05**

Ageing Schedule

CWIP	As on 31 March 2024				
	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	102.84	-	-	-	102.84
Projects temporarily suspended	-	-	-	-	-
Total	**102.84**	-	-	-	**102.84**

There are no projects where the completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and as at 31 March 2024.

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9 Intangible assets

Particulars	Gross Block					Amortisation				Net Block
	As at 1 April 2024	Adjustment	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	For the year	Disposals	As at 31 March 2025	As at 31 March 2024
Owned Assets										
Computer software	824.29	-	127.62		951.91	582.58	158.92		741.50	210.41
Right of use assets										
Core banking software	165.58	-	-		165.58	165.58	-		165.58	-
Total	**989.87**	-	**127.62**	-	**1,117.48**	**748.16**	**158.92**	-	907.08	**210.41**

Particulars	Gross Block					Amortisation				Net Block
	As at 1 April 2023	Adjustment	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2023
Owned Assets										
Computer software	659.40	-	164.90	-	824.29	416.55	166.05	-	582.58	241.71
Right of use assets										
Core banking software	165.58	-			165.58	141.91	23.68		165.58	-
Total	**824.98**	-	**164.90**		**989.87**	**558.46**	**189.73**		**748.16**	**241.71**

	As at 31 March 2025	As at 31 March 2024
10 Other non-financial assets		
Capital advances	63.89	3.77
Staff advances	-	-
Prepaid expenses	408.50	173.58
Total	**472.39**	**177.35**
11 Trade payables		
Total outstanding due to micro and small enterprises (Refer Note 46)	101.36	107.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	306.11	387.39
Total	**407.47**	**494.51**

Trade payables ageing schedule:

As on 31 March 2025

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	100.80	0.57	-	-	-	-	101.36
(ii) Others	303.00	0.51	-	-	2.59	-	306.11
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**403.80**	**1.08**	-	-	2.59	-	**407.47**

As on 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	86.93	-	20.19	-	-	-	107.12
(ii) Others	342.07	-	29.79	15.53	-	-	387.39
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	429.00	-	49.98	15.53	-	-	**494.51**

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	As at 31 March 2025	As at 31 March 2024
12 Borrowings (Other than Debt Securities)		
At Amortised cost		
Term loans		
- from banks		
- from financial institution	18,454.23	33,262.61
- from others	-	-
RBI repo	-	1,641.93
Total	18,454.23	**34,904.54**
Borrowings in India	18,454.23	34,904.54
Borrowings outside India	-	-
Total	18,454.23	**34,904.54**

Information about the group's exposure to fair value measurement and credit and market risks are included in note 40 & 41
Information about the lease liabilities is included in Note 49

Terms of Borrowings (Other than debt securities)

Nature of Facility	Amount o/s	Contractual amount o/s	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2025						
ecured Refinance from Financial Institution						
NABARD Refinance 8*	1.26	-	8.50%	30-Aug-20	Principal Quarterly /Interest Monthly	28-Feb-25
NABARD Refinance 9*	3.49	-	8.50%	30-Sep-20	Principal Quarterly /Interest Monthly	29-Mar-25
NABARD Refinance 12	1,009.07	1,000.00	8.60%	30-Jun-23	Principal Quarterly /Interest Monthly	31-Mar-26
NABARD Refinance 13	815.92	810.00	8.60%	31-Aug-23	Principal Quarterly /Interest Monthly	31-May-26
NABARD Refinance 14	908.59	900.00	8.50%	30-Sep-23	Principal Quarterly /Interest Monthly	31-Dec-25
NABARD Refinance 15	3,525.42	3,500.00	8.55%	31-Aug-24	Principal Quarterly /Interest Monthly	30-Nov-26
NABARD Refinance 16	1,814.39	1,800.00	8.50%	31-Mar-25	Principal Quarterly /Interest Monthly	30-Jun-27
NABARD Refinance 17	3,021.53	3,000.00	8.45%	31-Jul-25	Principal Quarterly /Interest Monthly	31-Oct-27
NABARD Refinance 18	3,021.53	3,000.00	8.45%	31-Aug-25	Principal Quarterly /Interest Monthly	30-Nov-27
NABARD Refinance 19	3,002.07	3,000.00	8.40%	30-Sep-25	Principal Quarterly /Interest Monthly	31-Dec-27
Refinance SIDBI	461.52	460.00	5.50%	1-Mar-27	Principal Bullet /Interest Monthly	1-Mar-27
Refinance SIDBI	541.79	540.00	5.50%	1-Mar-27	Principal Bullet /Interest Monthly	1-Mar-27
Refinance NHB	327.64	327.64	4.90%	1-Apr-23	Principal & Interest Quarterly	1-Oct-29

***Amount outstanding includes interest on borrowings paid in the next financial year**

Nature of Facility	Amount o/s	Contractual amount o/s	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2024						
Secured borrowing in the form of Inter Bank Paticipatory Certificates (IBPC)						
HDFC BANK LIMITED	2,060.20	2,000.00	6.50%	10-Apr-24	Bullet repayment	10-Apr-24
MIZORAM RURAL BANK	1,723.71	1,700.00	5.50%	26-Jun-24	Bullet repayment	26-Jun-24
HDFC BANK LIMITED	2,032.98	2,000.00	6.50%	30-May-24	Bullet repayment	30-May-24
YES BANK LIMITED	2,015.74	2,000.00	5.40%	5-Aug-24	Bullet repayment	5-Aug-24
YES BANK LIMITED	3,015.20	3,000.00	6.00%	28-Aug-24	Bullet repayment	28-Aug-24
YES BANK LIMITED	2,001.81	2,000.00	6.00%	23-Sep-24	Bullet repayment	23-Sep-24
HDFC BANK LIMITED	4,004.80	4,000.00	6.99%	29-Jul-24	Bullet repayment	29-Jul-24
Secured Refinance from Financial Institution						
NABARD - Refinance 6	302.29	300.00	9.00%	31-Jan-20	Principal Half yearly/Interest Monthly	31-Jul-24
NABARD - Refinance 7	604.33	600.00	8.50%	31-Jul-20	Principal Half yearly/Interest Monthly	31-Jan-25
NABARD - Refinance 8	402.89	400.00	8.50%	31-Aug-20	Principal Half yearly/Interest Monthly	28-Feb-25
NABARD - Refinance 9	1,010.71	1,000.00	8.50%	30-Sep-20	Principal Half yearly/Interest Monthly	31-Mar-25
NABARD- Refinance 10	1,115.89	1,110.00	6.25%	31-Aug-22	Principal Half yearly/Interest Monthly	31-Jan-25
NABARD- Refinance 11	744.89	740.00	6.30%	30-Sep-22	Principal Half yearly/Interest Monthly	28-Feb-25
NABARD- Refinance 12	2,016.38	2,000.00	8.60%	30-Jun-23	Principal Half yearly/Interest Monthly	31-Mar-26
NABARD- Refinance 13	1,500.88	1,490.00	8.60%	31-Aug-23	Principal Half yearly/Interest Monthly	31-May-26
NABARD- Refinance 14	2,117.26	2,100.00	8.50%	30-Sep-23	Principal Half yearly/Interest Monthly	31-Dec-25
NABARD- Refinance 15	5,036.31	5,000.00	8.55%	29-Feb-24	Principal Half yearly/Interest Monthly	30-Nov-26
SIDBI- Refinance 6	670.07	667.20	6.55%	10-May-22	Principal Half yearly/Interest Monthly	10-Feb-25
SIDBI- Refinance 7	460.35	460.00	5.50%	9-Apr-24	Principal Half yearly/Interest Monthly	1-Mar-27
NHB	425.92	425.92	4.90%	1-Jul-23	Principal Half yearly/Interest Monthly	1-Jan-30
RBI Repo						
LTRO - 6	1,641.93	1,500.00	4.00%	12-Dec-24	Bullet	12-Dec-24

All secured term loans were secured by way of exclusive charge on the standard assets portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

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	As at 31 March 2025	As at 31 March 2024
13 Deposits (at amortized cost)		
Deposits		
(i) From Banks	-	43,279.04
(ii) From Others *	222,352.97	1,36,696.77
Total	**222,352.97**	**1,79,975.81**
* Includes deposit received from related parties refer Note no. 36 for the same		
14 Subordinated Liabilities (at amortized cost)		
Subordinated debt	5,158.86	2,098.12
Total (A)	**5,158.86**	**2,098.12**
Subordinated Liabilities in India	5,158.86	2,098.12
Subordinated Liabilities outside India	-	-
Total (B)	**5,158.86**	**2,098.12**

Concentration by location is based on the subscriber country of incorporation.
Information about the Group's exposure to fair value measurement and credit and market risks are included in Note 40 and 41.

Terms of Subordinated liabilities

Nature of Facility	Amount o/s	Contractual amount outstanding	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2025						
Unsecured						
Redeemable non convertible debt - 15	149.57	150.00	10.58%	30/Aug/25	Bullet repayment	30/Aug/25
Redeemable non convertible debt - 16	1,949.80	1,950.00	12.50%	26/Jun/27	Bullet repayment	26/Jun/27
Redeemable non convertible debt - 17	2,000.82	2,000.00	11.00%	28/Jun/31	Bullet repayment	28/Jun/31
Redeemable non convertible debt - 18	1,058.67	1,050.00	10.90%	27/Nov/31	Bullet repayment	27/Nov/31
As at 31 March 2024						
Unsecured						
Redeemable non convertible debt - 15	148.38	150.00	10.58%	30-Aug-25	Bullet repayment	30-Aug-25
Redeemable non convertible debt - 16	1,949.74	1,950.00	12.50%	26-Jun-27	Bullet repayment	26-Jun-27

	As at 31 March 2025	As at 31 March 2024
15 Other financial liabilities		
Employee benefits payable	369.09	608.49
Bills payable	1,296.56	1,839.85
Security deposit from staff	64.77	70.03
Expenses payable	400.22	504.57
Client insurance payable	35.73	107.85
Others*	1,140.24	695.13
Total	**3,306.61**	**3,825.92**
*Others comprises of settlement accounts		
16 Provisions		
For Employee Benefits		
Provision for gratuity *	(34.29)	16.44
Provision for leave benefits	42.81	57.64
Allowance on impairment loss on off-book exposure **	10.27	28.55
Others	39.95	27.39
Total	**58.74**	**130.02**
* Refer note 34 for employee benefits.		
** For information about allowance on impairment loss on off book exposure refer note 41.		
17 Other non-financial liabilities		
Statutory dues payable	71.85	80.96
Total	**71.85**	**80.96**

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	As at 31 March 2025	As at 31 March 2024
18 Share capital		
Authorised		
Equity shares		
10,00,00,000 (31 March 2024: 10,00,00,000) Equity shares of INR 10 each	1,000	1,000
Issued, subscribed and paid-up		
Equity shares		
9,93,71,965 (Previous year 9,87,44,490) equity shares of Rs. 10 each, fully paid up	993.72	987.44
Total	**993.72**	**987.44**

(a) Reconciliation of the number of shares outstanding is set out below:

Particular	As at 31 March 2025		As at 31 March 2024	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	98,744,490	987.44	9,84,20,960	984.21
Issued during the year	627,475	6.28	3,23,530	3.23
Outstanding at the end of the year	**99,371,965**	**993.72**	**9,87,44,490**	**987.44**

(b) Rights, preferences and restrictions attached to equity shares

The Group has single class equity shares having a par value of INR 10 per equity share. They entitle the holders to participate in the dividends in proportion to the number of shares held.

However, as per the Shareholders Agreement, in the event of liquidation, the net proceeds shall be distributed in the following manner:

- First preference shall be given to the Investors (ABF, AGIMDC II, AVMS, CDC, FCIEF II, FCIEF III, HDFC Ergo, HDFC Life, HDFC Ltd., Hero, ICICI Pru, IFC, JIF, Lok CGF, NMI, rAPM, RBL, Sarva Capital, SFRE-SICAV-SIF, Shriram and SIDBI), shareholders which have been allotted equity shares pursuant to ESOP plan 2010 and other shareholders (other than the shareholders which have been allotted equity shares pursuant to grant of employee stock option of the Group excluding ESOP Plan 2010)

- Second preference shall be with shareholders which have been allotted equity shares pursuant to grant of employee stock options of the Group (excluding ESOP Plan 2010) and sponsors of the Group.

- Remaining shareholders shall have third preference over the residual assets of the Group at the time of liquidation.

(c) Details of shareholder holding more than 5% shares is set below:

Name of the equity shareholders	As at 31 March 2025		As at 31 March 2024	
	Number of shares (in units)	% of Holding	Number of shares (in units)	% of Holding
NMI Frontier Fund KS, Norway	7,702,602	7.75%	7,702,602	7.80%
British International Investment PLC (Formerly known as CDC Group PLC)	13,726,978	13.81%	13,726,978	13.90%
Faering Capital India Evolving FUND II	7,660,082	7.71%	7,660,082	7.76%
RBL Bank Limited	8,581,150	8.64%	9,702,950	9.83%
Total	**37,670,812**	**37.91%**	**38,792,612**	**39.29%**

(d) Shares reserved for issue under options - refer Note 35 for details of share to be issued under employee stock option plan

(e) Pursuant to Shareholder Agreement dated September 27, 2016 (post receipt of RBI's in-principle approval for issue of SFB licence) and subsequent amendments thereto, Mr. Govind Singh was to be issued upto three percent (3%) of the paid up share capital of the promoter company either by the promoter company or by the SFB entity on a fully diluted basis within a period of Seven (7) years from the date of commencement of banking operations i.e. upto January 22, 2024.commencement of banking operations i.e. upto January 22, 2024.

Subject to RBI approval, the Board of Directors of the Bank has, vide the resolution passed at its meeting held on January 14, 2020, read along with resolution passed by it on July 20, 2020, approved the grant of options equivalent to 0.60% of the paid up share capital of the Bank as of March 31, 2020 constituting 45,55,633 Equity Shares to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank under the MD & CEO ESOP Plan. However, In response to the Bank's letter dated January 21, 2021 in the matter seeking RBI approval, Department of Regulation, RBI Central Office vide its reply letter dated June 9, 2021 has stated that the said remuneration proposal does not have RBI approval.

Utkarsh CoreInvest Limited
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The Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders' Agreement dated April 26, 2024 ("SASRASHA"), (collectively, "SHA") and Amendment of the Articles of Association of the Company dated May 27, 2024 (as amended from time to time) executed amongst the Company, the sponsors and the other shareholders provides that the Company has agreed to issue Equity Shares/Share Equivalents/other securities that are equal to 3% of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016, to RAAG Family Private Trust ("Trust") ("Permitted Sponsor Issuance"), within a specified time period as reflected in the SASRASHA, at a price not less than [₹109.36 per share] and as amended from time to time.

Further in this regard, basis discussions between the Company, Trust and the Investors (as defined in the SHA), including calls with Investors dated [January 18, 2024 and April 30, 2024], it was proposed that the Company makes a settlement to the Trust, for an amount aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Settlement amount"), in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, which will constitute a full and final settlement for the Trust, for such waiver/ termination/ cancellation of the Permitted Sponsor Issuance.

Apropos the above, the Board of Directors of the company accorded its approval dated June 07, 2024 towards settlement to the trust amounting to ₹30 crore subject to approval by the shareholders of the company. The Company vide Extra-Ordinary general meeting of shareholders held on June 29, 2024 received requisite approval towards the above stated payment to the trust and thereby extinguishment/ waiver/ cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company. Further, the Company provisioned the above amount of ₹30 crore in its books of accounts during June 2024, out of which an amount of ₹10 crore has been paid to the trust dated June 29, 2024 and the balance of ₹20 crore paid dated August 12, 2024.

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(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
19 Other equity		
Share Application money pending allotment		
Balance as at the beginning of the year	21.54	-
Shares issued during the year	(21.54)	-
Amount received during the year	0.23	21.54
Balance as at the end of the year	0.23	**21.54**
Equity component of compound financial instruments		
Balance as at the beginning of the year	(109.01)	(109.01)
Balance as at the end of the year	**(109.01)**	**(109.01)**
Statutory reserve		
Balance as at the beginning of the year	2,567.65	2,044.25
Add: Transferred from retained earnings	119.85	523.40
Add: Transactions with Non-Controlling Interest	(23.00)	
Balance as at the end of the year	**2,664.50**	**2,567.65**
Capital redemption reserve		
Balance as at the beginning of the year	90.00	90.00
Balance as at the end of the year	90.00	**90.00**
Securities premium		
Balance as at the beginning of the year	6,531.70	6,479.53
Add: Transactions with Non-Controlling Interest	-	-
Add: Transfer from stock option outstanding	98.66	52.17
Balance as at the end of the year	**6,630.36**	**6,531.70**
Other Equity - Fair valuation changes		
Balance as at the beginning of the year	4,121.67	4,121.67
Balance as at the end of the year		
	4,121.67	**4,121.67**
Employees stock options outstanding		
Balance as at the beginning of the year		
Add: Compensation for options granted	82.72	142.75
Less: transfer to retained earnings	0.44	(6.54)
Exercise of stock options	(8.75)	(35.73)
	(32.16)	(17.75)
Balance as at the end of the year		
	42.25	**82.72**
Investment fluctuation reserve		
Balance as at the beginning of the year		
Add: transfer from retained earnings	82.33	50.69
Add: Transactions with Non-Controlling Interest	(42.21)	-
Balance as at the end of the year	135.30	31.64
	175.42	**82.33**
Treasury shares		
Balance as at the beginning of the year		
Treasury shares exercised during the year	(2.45)	(2.45)
Balance as at the end of the year	-	-
	(2.45)	**(2.45)**
Retained earnings		
Balance as at the beginning of the year		
Add: Profit for the year	6,156.63	4,314.69
Add: Amount transferred to various reserves	(3,126.17)	2,437.58
Share issue expenses	(337.00)	(505.16)
Payment to shareholder`s under shareholder agreement	(300.00)	
Transactions with Non controlling interest	304.61	(90.48)
Balance as at the end of the year	**2,698.06**	**6,156.63**
Debt instruments through other comprehensive income		
Balance as at the beginning of the year	(209.47)	(458.68)
Other comprehensive income for the year	-	175.42
Loss transferred on reclassification of investments held at FVTOCI*	189.60	-
Transactions with Non-Controlling Interest	19.87	73.79
Balance as at the end of the year	**-**	**(209.47)**
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		
Balance as at the beginning of the year	(160.62)	(160.62)
Total Comprehensive Income for the year	-	-
Balance as at the end of the year	**(160.62)**	**(160.62)**
Remeasurement of defined benefit plans ((gain)/loss)		
Balance as at the beginning of the year	6.65	(3.34)
Other comprehensive income for the year	18.58	3.68
Transactions with Non-Controlling Interest	(1.19)	6.31
Balance as at the end of the year	**24.04**	**6.65**

Utkarsh CoreInvest Limited
Consolidated Balance Sheet As at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
General reserve		
Balance as at the beginning of the year	-	-
Additions during the year	2.75	-
Balance as at the end of the year	**2.75**	**-**
Capital reserve		
Balance as at the beginning of the year	62.30	76.45
Additions during the year	45.88	(14.15)
Balance as at the end of the year	**108.18**	**62.30**
Non-controlling interest		
Balance as at the beginning of the year	8,881.78	3,194.50
Other comprehensive income for the year	(1,090.06)	924.50
Acquisition by Non-Controlling Interest**	(124.55)	4,727.23
Transfer from retained earnings	85.39	-
Dividend	(170.59)	-
ESOP reserve of subsidiary	221.16	35.55
Balance as at the end of the year	**7,803.12**	**8,881.78**
Total	**24,088.51**	**28,123.42**

***Refer Statement of Changes in Equity**
****Refer Note 48 for ownership interest held by non-controlling interest add these lines**
Nature and purpose of other reserve :
Share Application money pending allotment
This amount represents amount received from share holders against which shares are yet to be allotted.
Equity component of financial instruments
This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.
Statutory reserve
"The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Group shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.
The Group has made an appropriation of 25% out of profits for the year ended March 31, 2023 to the Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949."
Capital Redemption Reserve
Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.
Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
Other Equity - Fair valuation changes
The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities as at 31 March 2018 and 1 April 2017.
ESOP Reserve
The said amount is used to recognise the grant date fair value of options issued to employees of Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.
Investment fluctuation reserve
As per the notification issued by Reserve Bank of India on Investment Fluctuation Reserve (IFR) on April 02, 2018, the Group is required to create reserve of at least 2% of the HFT and AFS portfolio, on continuing basis. Notification further says that this should be achieved within a period of 3 years. As per the policy, the Group is required to create Investment Fluctuation Reserve within 2 years starting from financial year 2018-19. The Group has created Investment Fluctuation Reserve at 2% on HFT & AFS portfolio. Any adjustment (drawdown) to the reserve due to change in HFT & AFS portfolio is permitted only at the end of the accounting year.
Treasury shares
The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Group.
Retained Earnings
The said amount represents accumulated surplus/(deficit) of the profits earned by the Group.
Debt instruments through other comprehensive income
This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss
The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.
Remeasurement of defined benefit plans
"Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)"
Capital Reserve
The amount relates to profit on sale of HTM securities as stated by RBI guidelines.
Non-controlling interest
The said amount represents non-controlling interest in the subsidiaries.

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost
20 Interest Income				
Interest income on loan portfolio	-	34,234.33	-	27,916.56
Interest income on fixed deposits	-	93.79	-	75.07
Interest income on investments	-	2,709.59	2,112.40	-
Others (Interest on RBI Reverse Repo, TREPS Reverse Repo, Call / Term Lending)	-	1,415.95	-	824.33
Total	**-**	**38,453.66**	**2,112.40**	**28,815.96**

	For the year ended 31 March 2025	For the year ended 31 March 2024
21 Fees and commission income		
ATM interchange - acquirer fees	20.53	-
Insurance commission	416.74	448.56
Others	3.13	26.72
	440.40	**475.28**
22 Other income		
Dividend income	-	-
Miscellaneous income*	2,649.43	2,421.18
Recovery from written off portfolio	12.70	-
		10.68
Total	2,662.13	**2,431.86**

* includes fee received on sale of PSLCs of INR 1151.66 million (31 March 2024: 1036.52 million)

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Liabilities measured at Fair value through OCI	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at Fair value through OCI	On Financial Liabilities measured at Amortised Cost
23 Finance Costs				
Interest on deposits	-	15,610.41	-	11,174.83
Interest on borrowings	-	772.52	-	1,277.41
Interest on lease liabilities	-	289.63	-	273.23
Interest on subordinated debt	-	465.66	-	3.52
Other borrowing costs	-	5.64	-	-
Total	-	**17,143.85**	-	**12,981.62**

	For the year ended 31 March 2025	For the year ended 31 March 2024
24 Fees and commission expenses		
ATM interchange - issuer fees	72.69	87.08
Commission on business correspondent	1,145.96	544.40
Total	**1,218.64**	**631.48**
25 Net (gain)/loss on fair value changes		
Derivative instruments	242.18	-
Reclassified from OCI for sale of investments	-	-
	242.18	**-**
Net (gain)/loss on fair value changes		
Fair value changes :		
- Realised	(118.93)	-
- Unrealised	361.11	
Total	**242.18**	**-**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

26 Impairment on financial instruments	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans		13,712.57		3,770.38
Investments		3.17	(1.89)	-
Off balance sheet items		(18.29)		15.02
Other assets		1.09		0.25
Total		**13,698.54**	**(1.89)**	**3,785.65**

For information about impairment on financial instruments refer note 41

	For the year ended 31 March 2025	For the year ended 31 March 2024
27 Employee benefit expenses		
Salaries and wages	7,593.60	6,755.01
Contribution to provident and other funds	600.20	516.78
Share Based Payments to employees	250.63	68.80
Staff welfare expenses	91.98	56.77
Total	**8,536.41**	**7,397.36**
Refer note 34 for employee benefits.		
28 Depreciation and amortisation		
Depreciation of property, plant and equipment	1,195.87	899.19
Amortisation of intangible assets	158.92	189.73
Total	1,354.79	**1,088.92**
29 Other expenses		
Modification loss on financial instruments - -	-	-
Repairs and maintenance 207.85 174.87	207.85	174.87
Contribution towards Corporate Social Responsibilities (refer Note 47)	85.50	51.60
Legal and professional charges	304.49	290.62
Auditor's fees and expenses (Refer Note 30)	24.92	22.06
Subscription and membership expenses	8.48	7.46
Provision for diminution of investments	-	27.50
Recruitment expenses	59.85	-
Insurance	203.80	148.37
Director sitting fees	10.80	4.33
Rent	(0.00)	9.57
Travelling expenses	316.49	295.44
Printing and stationery	126.84	142.54
Communication expenses	360.26	309.26
Credit bureau expenses	36.59	31.53
Power and fuel	190.10	169.97
Provision against unreconciled balances	12.56	3.60
Office maintenance	56.69	59.49
Software charges	949.88	728.54
Miscellaneous expenses	1,961.30	1,091.56
Total	**4,916.40**	**3,568.30**
30 Payment to Auditors		
Statutory audit fees	105.51	18.04
Certification and other services	4.41	-
Reimbursement of expenses	5.03	4.02
Total	**114.95**	**22.06**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

		As at 31 March 2025	As at 31 March 2024
31	**Contingent Liabilities, commitments and contingent assets**		
A	**Contingent liabilities and capital commitments**		
(I)	Claims not acknowledged as debts	45.98	38.44
(ii)	Other items for which the group is contingently liable *	861.19	741.12
(iii)	Income Tax CIT (A) - Refund	114.30	114.30
	Total	**907.17**	**779.56**

* Includes capital commitments of INR 552.96 (31 March 2024: INR 478.71) and Bank Guarantee of INR 308.23 (31 March 2024: 262.41).

The Group's pending litigations include claims by counterparties and proceedings pending with tax authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable.

B Commitments
There are no other commitments as at 31 March 2025 and 31 March 2024.

C Contingent assets
There are no contingent assets as at 31 March 2025 and 31 March 2024.

32 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	29,431.29	3,886.08	33,317.37	25,976.82	2,487.84	28,464.66
Bank balance other than above	1,048.84	42.24	1,091.08	1,819.70	6.16	1,825.86
Loans	79,773.26	100,631.37	180,404.62	92,836.75	83,663.30	1,76,500.05
Investments	28,225.45	21,999.22	50,224.67	23,747.14	12,754.44	36,501.58
Other financial assets	2,066.94	266.21	2,333.15	2,163.83	610.60	2,774.43
Non-financial assets						-
Current tax assets (net)	782.70	-	782.70	124.16	187.43	311.59
Deferred tax assets (net)	-	3,015.25	3,015.25	-	1,519.58	1,519.58
Property, plant and equipment		5,961.74	5,961.74	0.06	5,014.79	5,014.85
Capital work-in-progress		630.05	630.05	-	102.84	102.84
Other intangible assets		210.41	210.41	54.28	187.43	241.71
Other non-financial assets	66.81	405.58	472.39	0.19	177.16	177.35
Total Assets	**141,395.28**	**137,048.16**	**278,443.44**	**1,46,722.93**	**1,06,711.56**	**2,53,434.49**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Trade payables						
- Total outstanding due to micro and small enterprises	101.37	-	-	107.12		107.12
- Total outstanding dues of creditors other than micro	303.52	2.59	101.37	387.39		387.39
enterprises and small enterprises"			306.11			
Borrowings (other than debt securities)	8,252.15	10,202.08	18,454.23	27,864.18	7,040.36	34,904.54
Lease liability	864.67	2,588.73	3,453.41	694.35	2,022.38	2,716.73
Deposits	95,784.42	126,568.55	222,352.97	1,05,954.93	74,020.88	1,79,975.81
Subordinated liabilities	166.77	4,992.10	5,158.86	4.00	2,094.12	2,098.12
Other financial liabilities	3,196.04	110.57	3,306.61	4,313.11	(487.19)	3,825.92
Non-financial liabilities						
Current tax liabilities (net)	97.03	-	97.03	97.03	-	97.03
Provisions	10.26	48.48	58.74	-	130.02	130.02
Other non-financial liabilities	71.85	-	71.85	76.93	4.03	80.96
Total Liabilities	**108,848.08**	**144,513.09**	**253,361.18**	**1,39,499.03**	**84,824.61**	**2,24,323.64**
Net	**32,547.20**	**(7,464.93)**	**25,082.26**	**7,223.90**	**21,886.95**	**29,110.85**

33 Change in liabilities arising from financing activities

Particulars	As at 1 April 2024	Cashflows	Other non-cash adjustments	As at 31 March 2025
Deposits	179,975.81	42,377.08	0.08	222,352.97
Borrowings (other than debt securities)	34,904.54	(16,170.93)	(279.38)	18,454.23
Lease liability	2,716.73	(828.56)	1,565.24	3,453.41
Subordinated liabilities	2,098.12	3,070.76	(10.01)	5,158.86
Total Liabilities from financing activities	**219,695.20**	**28,448.35**	**1,275.93**	**249,419.47**

Particulars	As at 1 April 2023	Cashflows	Other non-cash adjustments	As at 31 March 2024
Deposits	1,40,540.71	39434.91	0.20	1,79,975.81
Borrowings (other than debt securities)	27,265.66	7643.94	5.06	34,904.54
Lease liability	2,910.98	710.05	515.81	2,716.73
Subordinated liabilities	2,342.01	246.03	2.14	2,098.12
Total Liabilities from financing activities	**1,73,059.36**	**46122.77**	513.08	**2,19,695.20**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

34 Employee benefits

The Group operates the following post-employment plans:

i. Defined Benefit plan

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

	As at 31 March 2025	As at 31 March 2024
Net defined benefit liability	(34.29)	16.43

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the next year is INR 19.86

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	272.96	256.52	16.44	233.04	221.86	11.18
Included in profit or loss						
Current service cost	71.00	-	71.00	67.50	-	67.50
Past Service credit						
Interest cost (income)	19.37	18.20	1.17	16.93	16.12	0.81
Total (A)	**90.37**	**18.20**	**72.17**	**84.43**	**16.12**	**68.31**
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	-		-	(20.33)	-	(20.33)
- financial assumptions	(55.07)		(55.07)	2.21	-	2.21
- experience adjustment	22.69	-	22.69	4.47	-	4.47
– Return on plan assets excluding interest income	-	1.47	(1.47)	-	(0.23)	0.23
Total (B)	**(32.38)**	1.47	**(33.85)**	**(13.65)**	**(0.23)**	**(13.41)**
Other				-	49.65	(49.65)
Contributions paid by the employer	-	89.05	(89.05)	(1.28)	(30.86)	29.58
Benefits paid	(34.55)	(34.55)	-	(29.58)	-	(29.58)
Benefits paid from revenue account of the Group	-	-	-	-	-	-
Total (C)	**(34.55)**	**54.50**	(89.05)	**(30.86)**	**18.77**	**(49.65)**
Balance at the end of the year	**296.40**	**330.69**	**(34.29)**	**272.96**	**256.52**	**16.43**

Amount recognised in Statement of Profit and Loss Account	For the year ended 31 March 2025	For the year ended 31 March 2024
Gratuity Expenses	16.12	68.31

For detailed Break up please refer column 'Net defined benefit (asset)/ liability' in the above table

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C. Plan assets

	For the year ended 31 March 2025	For the year ended 31 March 2024
Insurer managed funds	100%	100%

The group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

D. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2025	As at 31 March 2024
Discount rate	6.50%	7.10%
Future salary growth	8%	7.00% for the first 2 years, and 9.00% thereafter
Withdrawal rate:		
For management	13.10% - 31.90%	13.10% - 31.90%
For junior staff		
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion.

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9.55)	10.20	(9.51)	10.22
Future salary growth (1% movement)	10.33	9.73	9.66	9.14

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

	As at 31 March 2025	As at 31 March 2024
(i) Duration of defined benefit obligation		
Duration (Years)		
0-1 years	86.97	74.95
1 to 5 years	194.66	178.35
More than 5	96.19	113.41
Total	**377.82**	**366.70**
(ii) Weighted Average duration of the defined benefit obligation	3-7 years	3-6 years

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follow -

Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)

Interest Rate risk: The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year, we have used Indian Assured Lives Mortality (2012-14) ultimate table and in the previous year, Indian Assured Lives Mortality (2006-08) had been used.

A change in mortality rate will have a bearing on the plan's liability.

Salary Risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

ii. Defined contribution plan

The Group makes monthly contribution towards Provident Fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	As at 31 March 2025	As at 31 March 2024
Contribution to Provident Fund and other funds	600.20	516.78

iii. Other long-term benefits

The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	As at 31 March 2025	As at 31 March 2024
Amount recognised in Statement of Profit and Loss	61.79	51.45

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35 Employee stock options

A Description of share-based payment arrangements

The Group has formulated an Employees Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Group. The scheme provides that subject to continued employment with the Group, the employees are granted an option to acquire equity shares of the Group that may be exercised within a specified period.

The Group formed Utkarsh ESOP Welfare Trust ('Trust') to issue ESOPs to employees of the Group as per Employee Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme. The Group has given interest and collateral free loan to the trust, to provide financial assistance to purchase equity shares of the Group under such schemes.

The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.
The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Group and gets consolidated with the books of the Group.

The Company granted 17,500 (31 March 2024, 30,000) options to the employees of the Company during the year.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Group in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective Septemebr 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles. Further to apprise that a note on the re-issuance of ESOP grant to the employees of USFBL and UCL may be placed before the Committee during current financial year.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting Condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

Particulars	31 March 2025		31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	13,09,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125.00	30,000	125.00
Add: Adjustment of previous year (negative impact)	2,43,354	110.61	-	-
Less: Lapsed/forfeited during the year	2,93,875	116.63	10,91,634	115.38
Less: Exercised during the year	6,27,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	6,48,731	120.68	13,09,227	119.40
Options vested and exercisable at the end of the year	6,13,888	120.44	9,91,210	117.60

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was 116.11 (31 March 2024 INR 116.37).

C Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	1,79,094	4 ,69,000
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125	12,500	35,000
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	4,16,669	7 ,67,727
1 April 2021	1 April 2023 - 1 April 2026	125.00	3 ,750	7,031
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,031	12,188
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	1 8,281
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	-
Weighted average remaining contractual life of options outstanding at the end of the period			1.28 years	2.05 years

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D Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.83%	21.60	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.60	45.51	7.74%	27.54 - 32.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.60	71.40	7.46%	53.15 - 57.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.40%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	132.13	7.03%	49.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.55%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	49.90%	125.00	166.70	7.10%	68.20 - 99.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.90 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Group has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 27

F Options granted by the subsidiary Utkarsh Small Finance Bank Limited ('the Bank')

Description of share-based payment arrangements

During the FY 2019-20, the Bank introduced Utkarsh Small Finance Bank Limited (USFBL) MD & CEO Employee Stock Option Plan 2020 to offer, grant and issue in one or more tranches, the Stock Options to Mr. Govind Singh, MD & CEO.

The bank received approval from RBI on 31st August 2021 for remuneration of MD & CEO for FY 2019-20 wherein non cash component of variable pay of Rs. 1 million was approved and was paid by way of grant of 71,377 options out of banks shares with effect from 28 December 2020 being the date of approval of Banks ESOP Scheme. The Bank received approval for remuneration to MD & CEO for financial year 2020-21 from RBI on 12 January 2022 advising to defer non-cash component over next 3 years in 3 equal instalments of 33.33% each. Further, 50% of cash component to be paid upfront and remaining 50% to be deferred in next 3 years in equal instalments. Accordingly, the Bank has granted 456,817 ESOPs to MD & CEO at Rs. 14.01 per share w. e. f 12 January 2022 with vesting over next three years in equal proportion i.e. 33.33% each year. However, Bank has received another letter from RBI on 28 July 2022 wherein non cash component has been revised. It is also advised to adjust the excess grant of non-cash component in the next tranche itself. Accordingly, bank has revised the options granted to MD & CEO w.e.f 12 January 2022 to 221,270 options with vesting over next two year with the proportion of 69% and 31%.

The bank received approval for remuneration to MD & CEO for financial year 2021-22 from RBI on 14 December 2022 including non cash variable pay of Rs. 6 millions and advised to defer it over next 3 years in 3 equal instalments. Accordingly,bank has granted 6,26,226 ESOPs to MD & CEO at Rs. 31.80 per share w.e.f 17 September 2022 being the date of Board approval for remuneration to MD & CEO with vesting over next three years in equal proportion i.e. 33.33% each year.

During the year the Bank has granted 1,92,87,909 options (previous year 1,67,09,150 options) under the Utkarsh Small Finance Bank Limited (USFBL) Employee Stock Option Plan 2020, to MD & CEO, Whole Time Director and other employees.

This includes 6,06,896 ESOPs granted to MD & CEO at Fair value of ₹ 17.40 and at exercise price of ₹44.00 per share during the year.The bank received approval for remuneration to MD & CEO for financial year 2023-24 from RBI on September 16, 2024 with fixed pay of ₹2.57 cr including perquisites & variable pay of ₹1.76 cr with bifurcation into ₹0.70 cr as cash component and ₹1.06 cr as non-cash component with deferral over three years.

This also includes grant to Whole Time Director. The bank received approval for appointment of Whole time Director for the period of three years from the date of taking charge with remuneration at fixed pay of ₹1.63 cr per annum including perquisites and joining bonus of ₹1.93 cr in the form of ESOPs. Accordingly,bank has granted 10,54,644 ESOPs to Whole time Director at Fair value of ₹18.30 and at exercise price of ₹44.19 per share during the year.

The options vested can be exercised within a period of 24 months from the date of vesting. The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

These options shall vest on graded basis as follows:

Time period	General grant	Grant to WTD	Grant to MD & CEO Grant dated 12 January 2022	Other grant
On completion of 1 year	25%	10%	69.00%	33.33%
On completion of 2 years	25%	20%	31.00%	33.33%
On completion of 3 years	25%	30%	-	33.33%
On completion of 4 years	25%	40%	-	-

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Reconciliation of outstanding share options
Set out below is a summary of options granted under the plan

Particulars	31 March 2025		31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	38,413,892	34.54	2,93,85,764	27.16
Add: Granted during the year	19,287,909	44.01	1,67,09,150	44.08
Less: Lapsed/forfeited during the year	5,163,108	36.69	41,28,225	27.02
Less: Exercised during the year	2,152,440	26.91	35,52,797	27.10
Less: Adjustment of previous year	-	-	-	-
Outstanding options at the end of the year	**50,386,253**	**38.27**	**3,84,13,892**	**34.54**
Options vested and exercisable at the end of the year	12,409,946	32.14	59,16,227	27.05

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was INR 26.91 (31 March 2024: INR 27.10).
Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Share options outstanding at the end of the year have the following contractual expiry date and exercise options

			No of options outstanding	
Grant date	**Expiry date**	**Exercise price**	**As at 31 March 2025**	**As at 31 March 2024**
28 December 2020	28 Dec 2023 - 28 Dec 2026	14.01	-	17,845.00
1 August 2021	1 Aug 24 - 1 Aug 2027	27.00	5,537,287	78,07,662.00
1 October 2021	1 Oct 2024 - 1 Oct 2027	30.00	11,250	15,000.00
18 October 2021	18 Oct 2024 - 18 Oct 2027	31.80	15,000	20,000.00
8 November 2021	8 Nov 2024 - 8 Nov 2027	31.80	-	10,000.00
1 January 2022	1 Jan 2025 - 1 Jan 2028	31.80	15,000	15,000.00
12 January 2022	12 Jan 2025 - 12 Jan 2028	14.01	-	-
1 April 2022	1 April 2025 - 1 April 2028	31.80	45,000	60,000
7 April 2022	7 April 2025 - 7 April 2028	31.80	-	-
2 May 2022	2 May 2025 - 2 May 2028	31.80	20,000	20,000
16 July 2022	16 July 2025 - 16 July 2028	31.80	-	18,750
1 August 2022	1 Aug 25 - 1 Aug 2028	27.00	10,781,063	1,28,19,001
17 Sep 2022	17 Sep 2025 - 17 Sep 2027	31.80	417,484	4,17,484
30 Sep 2022	30 Sep 2025 -30 Sep 2028	31.80	150,000	1,50,000
13 Oct 2022	13 Oct 2025 -13 Oct 2028	27.00	120,000	1,20,000
2 Jan 2023	2 Jan 2026 - 2 Jan 2029	31.80	35,000	35,000
1 Feb 2023	1 Feb 2026 - 1 Feb 2029	31.80	104,000	1,04,000
20 Mar 2023	20 Mar 2023 - 20 Mar 2029	31.80	75,000	75,000
1 Jan 2024	01 Jan 2024 - 01 Jan 2029	27.00	30,000	55,000
16 Mar 2024	16 Mar 2024 - 16 Mar 2030	44.14	14,286,577	1,66,54,150
Weighted average remaining contractual life of options outstanding at the end of the period			3.06 years	3.42 years

Measurement of Fair values
The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 6.92 - 23.28

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Dividend Yield	Fair value
28 December 2020	28 Dec 2023 - 28 Dec 2026	52.20%	14.01	10	4.10%	0%	15.15 - 18.52
1 August 2021 to 1 January 2022	1 Aug 2024 - 1 Jan 2028	49.80%	27.00 to 31.80	10	4.48%	0%	11.44 - 17.00
12 January 2022	12 Jan 2025 - 12 Jan 2028	49.80%	14.01	10	4.48%	0%	11.44 - 17.00
1 August 2022 to 20 March 2023	1 Aug 2025 - 20 Mar 2029	49.30%	27.00 to 31.80	10	7.04%	0%	9.03 - 14.94
17 September 2022	17 Sep 2025 - 17 Sep 2027	48.50%	31.80	10	7.06%	0%	6.92 - 11.87
January 1, 2024 to March 16, 2024	1 Jan 2027 - 16 Mar 2029	43.00%	27.00 to 44.14	10	6.99%	1%	14.38 - 23.28
September 3, 2024 to September 20, 2024	03 Sep 2027- 20 Sep 2030	42.70%	44 to 44.19	10	6.72%	1%	13.60 - 23.00

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36 Related party disclosure

I. Related party relationships and transactions of the Parent Company

A. Name of the related party and nature of relationship:-

Name of the Related Party Key managerial personnel / Others	Nature of Relationship
i. Mr. Ashwani Kumar	– Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii. Mr. Suman Saurabh	– Managing Director & CEO (w.e.f. 19 December 2023)
iii. Mr. G.S. Sundararajan	– Independent Director
iv. Mr. Gaurav Malhotra	– Nominee Director (ceased to be director w.e.f. 25 August 2022)
v. Mr. Atul	– Independent Director
vi. Mr. T. K. Ramesh Ramanathan	– Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii. Mr. Harjeet Toor	– Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii Mr. Aditya Deepak Parekh	– Nominee Director
iX British International Investment PLC (Formerly known as CDC Group PLC)	– Investor (holding more than 10% equity share capital)

B. Compensation of key managerial personnel	As at 31 March 2025	As at 31 March 2024
Short-term employee benefits		
Ashwani Kumar	-	5.26
Suman Saurabh	5.81	2.10
GS Sundararajan	1.25	1.06
Post-employment defined benefit plan		
Ashwani Kumar	-	1.11
Suman Saurabh	0.25	0.11
Other long term benefits		
Ashwani Kumar	-	0.34
Suman Saurabh	0.11	-
Share-based payments		
Ashwani Kumar	-	(0.32)
Suman Saurabh	0.82	-
Sitting fees		
G S Sundararajan	1.18	1.10
Atul	1.24	0.96
	10.66	**11.73**

* Reversal of ESOP Cost by ₹0.70 million due to cancellation of 39,875 ESOPs (proportionate 39,875 and Total 57,625)

Terms and conditions
All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

C Transactions with related parties

Bank deposits		
Mr. Ashwani Kumar	-	13.64
Mr. Suman Saurabh	9.99	8.80
Mr. Aditya Deepak Parekh	0.00	0.00

*Ceased to be MD & CEO w.e.f. 19 December 2023

Terms and conditions
All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D (Payable) / receivables as at balance sheet date: **Name of related party**	As at 31 March 2025	As at 31 March 2024
i. British International Investment PLC (Formerly known as CDC Group PLC)		
Debt securities issued to British International Investment PLC	-	-
ii. Mr. Ashwani Kumar		
Saving bank deposits	-	0.20
Fixed deposits	-	0.01
iii. Mr. Suman Saurabh		
Saving bank deposits	0.31	0.10
iv. Mr. G S Sundararajan		
Fixed deposits	0.76	10.00
v. Mr. Aditya Deepak Parekh		
Saving bank deposits	0.00	0.00

*Ceased to be MD & CEO w.e.f. 19 December 2023

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2 Related party relationships and transactions of the subsidiary:

A. Name of the related party and nature of relationship:-

Name of the Related Party	**Nature of Relationship**
Key managerial personnel / Others	
i Mr. Parveen Kumar Gupta	– Part Time Non-Executive Chairman and Non-Executive Independent Director
ii Mr. Nagesh Dinkar Pinge	– Non-Executive Independent Director
iii Mr. Muralidharan Rajamani	– Non-Executive Director
iv Mr. Kajal Ghose	– Non-Executive Independent Director
v Mr. Chandra Shekhar Thanvi	– Nominee Director, SIDBI (w.e.f. September 30, 2021)
vi Mr. Ajay Kumar Kapur	– Non-Executive Independent Director
vii Ms. Kalpana Prakash Pandey	– Non-Executive Independent Director
viii Mr. Govind Singh	– Managing Director & CEO
ix Mr. Pramod Dubey	- Whole Time Director w.e.f. September 20, 2024
x Mr. Sarjukumar Pravin Simaria	– Chief Financial Officer
xi Mr. Muthiah Ganapathy	– Company Secretary
xii Mr. Puranam Hayagreeva Ravikumar	– Part Time Non-Executive Chairman & Independent Director (till 19 July, 2021)

B. Enterprise where KMP exercise significant influence
RAAG Family Private Trust
Utkarsh Welfare Foundation

C. Relatives of Key Management Personnel

Name of KMP	**Father and Mother**	**Spouse and Children**	**Other relatives**
Mr. Parveen Kumar Gupta	Father - Baldev Krishna Gupta	Neena Gupta (Spouse)	Anu Gupta (Sister)
	Mother - deceased	Saksham Gupta (Son)	Naveen Gupta (Brother)
		Nipun Gupta (Son)	Ashwani Gupta (Brother)
Mr. Nagesh Dinkar Pinge	Both deceased	Sujata Nagesh Pinge (Spouse)	Mahesh Dinkar Pinge (Brother)
		Nikita Nagesh Pinge (Daughter)	
		Pankaja Nagesh Pinge (Daughter)	
Mr. Muralidharan Rajamani	Both deceased	Seetha Muralidharan (Spouse)	Meera Sridharan (Sister)
		Amrithanand Muralidharan (Son)	Usha Rajan (Sister)
			Anu Gopu (Sister)
Mr. Kajal Ghose	Father - deceased	Monimala Ghose (Spouse)	Kakoli Ghose (Sister)
	Mother - Dipali Ghose	Ranjita Ghose (Daughter)	Kamal Ghose (Brother)
		Mayank Shekar (Son-in-law)	Kushal Ghose (Brother)
Mr. Chandra Shekhar Thanvi	Father - deceased	Rashmi Thanvi (Spouse)	Chitra Purohit (Sister)
	Mother - Rajeshwari Thanvi	Shantanu Thanvi (Son)	
		Rashmi Thanvi (Daughter-in-law)	
		Thanushri Thanvi (Daughter)	
Mr. Ajay Kumar Kapur	Both deceased	Deepshikha Kapur (Spouse)	Usha Rani Malhotra (Sister)
		Ankit Kapur (Son)	LT. Col. (Retd.) Barat Bushan Kapur (Brother)
			Gr. Capt. (Retd.) Arun Kapur (Brother)
			Anil Kapur (Brother)
Ms. Kalpana Prakash Pandey	Father - Dharma Nand Pandey	Prakash Mohan Pandey (Spouse)	Meena Kothyari (Sister)
	Mother - deceased	Aditya Prakash Pandey (Son)	Bharati Joshi (Sister)
			Geeta Joshi (Sister)

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Name of KMP	Father and Mother	Spouse and Children	Other relatives
Mr. Govind Singh	Father - deceased	Revati Govind Singh (Spouse)	Ramesh Chandra Singh (Brother)
	Parvati Devi (Mother)	Ankur Singh (Son)	
		Achin Singh (Son)	
Mr. Pramod Dubey	Father - deceased	Anita Dubey (Spouse)	Neelam Tiwari (Sister)
	Janak Dulari (Mother)	Apoorva Dubey (Son)	Pushpa Tiwari (Sister)
		Aditya Dubey (Son)	Arun Kumar Dubey (Brother)
			Nirmal Kumar Dubey (Brother)
Mr. Sarjukumar Pravin Simaria	Father-Pravin V. Simaria	Karuna S. Simaria (Spouse)	Bharat P. Simaria- Brother
	Mother-Nirmala P. Simaria	Malav S. Simaria (Son)	
		Bhakti S. Simaria (Daughter)	
Mr. Muthiah Ganapathy	Both deceased	Lakshmi Devi (Spouse)	Mukesh (Brother)
		Aarna (Daughter)	
		Arshini (Daughter)	

D. Post-employment benefit plan
Utkarsh Small Finance Bank Employees' Gratuity Trust

E. Compensation of key managerial personnel	As at 31 March 2025	As at 31 March 2024
Short-term employee benefits		
Mr. Govind Singh (MD & CEO)	*30.24	**28.83
Mr. Pramod Dubey (WTD)	**9.47	
Mr. Sarjukumar Pravin Simaria (CFO)	17.34	14.50
Mr. Parveen Kumar Gupta		1.20
Mr. Muthiah Ganapathy (CS)	5.89	5.42
Mr. Ajay Kumar Kapur	0.90	-
Mr. Kajal Ghose	0.71	-
Ms. Kalpana Prakash Pandey	0.90	-
Mr. Muralidharan Rajamani	0.90	-
Mr. Nagesh Dinkar Pinge	1.20	-
	67.55	**49.95**
Share-based payments		
Mr. Govind Singh (MD & CEO)	10.56	8.16
Mr. Sarjukumar Pravin Simaria (CFO)	19.30	-
Mr. Sarjukumar Pravin Simaria (CFO)	8.71	3.45
Mr. Muthiah Ganapathy (CS)	0.92	3.09
	39.49	**11.61**
Sitting fees	3.34	3.60
Mr. Ajay Kumar Kapur	2.82	3.90
Mr. Kajal Ghose	3.40	3.14
Ms. Kalpana Prakash Pandey	3.20	2.86
Mr. Muralidharan Rajamani	2.80	3.24
Mr. Nagesh Dinkar Pinge	3.28	3.76
Mr. Parveen Kumar Gupta	**18.84**	**20.50**

*Includes 50% of the cash portion of bonus for FY 2023-24 at ₹ 3.52 million as per approval of remunaration of FY 23-24 by RBI vide letter dated September 16, 2024
*** Includes annual bonus of INR 6.3 and reversal of salary paid in FY 2020-21 of INR 6.5 for the differntial amount post approval of RBI vide letter dated 12 January 2022 for remuneration of MD & CEO for FY 2020-21.
**Appointment of ED alongwith his salary was approved by RBI vide letter dated September 19, 2024

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

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F. (Payable)/receivables as at balance sheet date:

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
Utkarsh Welfare Foundation	Deposits Outstanding	25.63	30.50
	Maximum deposit outstanding during the year	64.16	47.10
Utkarsh Small Finance Bank Employees' Gratuity Trust	Deposits Outstanding	4.88	2.68
	Maximum deposit outstanding during the year	31.90	23.50
KMP: Parveen Kumar Gupta	Deposits Outstanding	22.52	19.74
	Maximum deposit outstanding during the year	31.04	19.74
KMP: Kajal Ghose	Deposits Outstanding	1.47	1.61
	Maximum deposit outstanding during the year	3.88	2.03
KMP : Ajay Kumar Kapur	Deposits Outstanding	4.00	4.00
	Maximum deposit outstanding during the year	4.00	6.00
KMP : Govind Singh (MD & CEO)	Deposits Outstanding	11.87	2.64
	Maximum deposit outstanding during the year	13.67	11.40
KMP : Mukund Barsagde (CFO)	Deposits Outstanding	-	-
	Maximum deposit outstanding during the year	-	11.40
KMP: Pramod Dubey (WTD)	Deposits Outstanding	4.13	-
	Maximum deposit outstanding during the year	5.95	-
KMP: Sarjukumar Pravin Simaria (CFO)	Deposits Outstanding	28.62	1.58
	Maximum deposit outstanding during the year	33.21	1.80
KMP : Muthiah Ganapathy (CS)	Deposits Outstanding	1.80	0.89
	Maximum deposit outstanding during the year	2.43	1.40
KMP Relative - Neena Gupta	Deposits Outstanding	2.58	1.79
	Maximum deposit outstanding during the year	2.58	1.79
KMP Relative - Deepshikha Kapur	Deposits Outstanding	3.73	-
	Maximum deposit outstanding during the year	6.56	-
KMP Relative - Revati Govind Singh	Deposits Outstanding	5.25	2.35
	Maximum deposit outstanding during the year	12.71	3.30
KMP Relative - Ankur Singh	Deposits Outstanding	3.50	0.06
	Maximum deposit outstanding during the year	83.01	1.00
KMP Relative - Achin Singh	Deposits Outstanding	4.98	0.46
	Maximum deposit outstanding during the year	73.96	0.50
KMP Relative - Ramesh Chandra Singh	Deposits Outstanding	1.53	2.28
	Maximum deposit outstanding during the year	4.14	4.20
KMP Relative -Renu Singh	Deposits Outstanding	-	2.80
	Maximum deposit outstanding during the year	-	2.80
KMP Relative - Parvati Devi	Deposits Outstanding	1.22	1.06
	Maximum deposit outstanding during the year	1.22	1.20
KMP Relative - Nirmala Simaria	Deposits Outstanding	1.40	1.60
	Maximum deposit outstanding during the year	1.60	1.60
RAAG Family Private Trust	Deposits Outstanding	48.04	0.05
	Maximum deposit outstanding during the year	249.54	0.20

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G. Transactions with related parties

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
Utkarsh Welfare Foundation	Interest paid	2.09	1.86
	Contribution towards CSR & CER	85.00	51.20
Utkarsh Small Finance Bank Employees' Gratuity Trust	Interest paid	-	0.06
	Contribution to Gratuity Trust	88.87	49.00
KMP : Praveen Kumar Gupta	Withdrawal from Gratuity Trust	40.23	35.90
	Interest paid	1.92	0.75
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	5.70	1.50
KMP: Kajal Ghose	Interest paid	0.18	0.07
	Amount deposited during the year (excluding CASA deposit)	-	-
KMP: Ajay Kumar Kapur	Amount repaid during the year (excluding CASA deposit)	-	-
	Interest paid	0.38	0.26
KMP: Govind Singh (MD & CEO)	Amount deposited during the year (excluding CASA deposit)	-	1.50
	Amount repaid during the year (excluding CASA deposit)	-	3.44
	Interest paid	0.61	0.37
	Amount deposited during the year (excluding CASA deposit)	-	*0.00
	Amount repaid during the year (excluding CASA deposit)	-	*0.00
	Dividend paid	0.24	-
KMP: Pramod Dubey (WTD)	Interest paid	0.14	-
	Amount deposited during the year (excluding CASA deposit)	0.05	-
	Amount repaid during the year (excluding CASA deposit)	0.05	-
KMP: Sarjukumar Pravin Simaria (CFO)	Interest paid	1.19	*0.00
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
	Dividend paid	0.03	-
KMP: Muthiah Ganapathy (CS)	Interest paid	0.13	*0.00
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
RAAG Family Private Trust	Interest paid	3.33	-
	Amount deposited during the year (excluding CASA deposit)	251.50	-
	Amount repaid during the year (excluding CASA deposit)	204.50	-
KMP Relative - Neena Gupta	Interest paid	0.18	0.14
	Amount deposited during the year (excluding CASA deposit)	1.70	0.88
	Amount repaid during the year (excluding CASA deposit)	0.91	0.07
KMP Relative - Deepshikha Kapur	Interest paid	0.29	0.14
	Amount deposited during the year (excluding CASA deposit)	3.00	0.88
	Amount repaid during the year (excluding CASA deposit)	-	0.07
KMP Relative - Revati Govind Singh	Interest paid	0.70	0.16
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
	Dividend paid	*0.00	-
KMP Relative - Ankur Singh	Interest paid	2.90	*0.00
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
KMP Relative - Achin Singh	Interest paid	2.74	*0.00
	Amount deposited during the year (excluding CASA deposit)	10.50	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
	Dividend Paid	0.01	
KMP Relative - Ramesh Chandra Singh	Interest paid	0.20	0.21
	Consultancy Charges	-	1.10
	Amount deposited during the year (excluding CASA deposit)	-	0.95
	Amount repaid during the year (excluding CASA deposit)	0.64	0.55
	Dividend paid	*0.00	-

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G. Transactions with related parties

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
KMP Relative - Renu Singh	Interest paid	-	0.23
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
KMP Relative - Nirmala Simaria	Interest paid	0.14	0.10
	Amount deposited during the year (excluding CASA deposit)	-	1.40
	Amount repaid during the year (excluding CASA deposit)	0.20	-
KMP Relative - Parvati Devi	Interest paid	0.11	0.09
	Amount deposited during the year (excluding CASA deposit)	1.20	0.44
	Amount repaid during the year (excluding CASA deposit)	1.12	0.29

* Amount less than INR 0.05 million is shown as Nil

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

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37 Earnings per share

Particulars		**For the year ended 31 March 2025**	**For the year ended 31 March 2024**
a) Basic earning per share			
Profit after tax		(4,222.95)	3,298.35
Weighted average number of equity shares outstanding during the year – Basic	Nos.	98,988,994	9,82,75,137
b) Diluted earning per share			
Adjusted net profit/(loss) for the year			3,298.35
Weighted average number of equity shares outstanding during the year – Basic	Nos.	(4,222.95)	9,82,75,137
Add: Weighted average number of potential equity shares on account of	Nos.	98,988,994	11,11,091
employee stock options		373,348	
Weighted average number of equity shares outstanding during the year – Diluted	Nos.	99,362,342	9,93,86,227
Earnings per share			
Basic – par value of Rs.10 each	INR	(42.66)	33.56
Diluted - par value of Rs.10 each	INR	(42.50)	33.19

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38 Operating segments

The Board has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Group is engaged primarily in the business of banking and there are no separate reportable segments as per Ind AS 108.

a. Information about products and services:
The Group deals in only one product i.e. granted loans to customers. Hence, no separate disclosure is required.

b. Information about geographical areas:
The entire sales of the Group are made to customers which are domiciled in India. Also, all the assets of the Group are located in India.

c. Information about major customers (from external customers):
The Group does not earn revenues from the customers which amount to 10 per cent or more of Group's revenues.

39 Transfers of financial assets

In the ordinary course of business, the Group enters into transactions that result in the transfer of loans and advances. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Group's continuing involvement, or are derecognised in their entirety.

40 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Cash and cash equivalents	-	-	33,317.37	-	-	28,464.66
Bank balance other than above	-	-	1,091.08	-	-	1,825.86
Derivative financial instruments	-	-	-	-	-	-
Loans	-	-	180,404.62	-	-	1,76,500.05
Investments	12,725.79	-	37,498.88	-	36,501.58	-
Other financial assets	-		2,333.15	-		-
	12,725.79	**-**	**254,645.10**	-	**36,501.58**	**2,09,565.00**
Financial liabilities:						
Trade payables	-	-	407.46	-	-	494.51
Borrowings (other than debt securities)	-	-	18,454.23	-	-	34,904.54
Lease liability	-	-	3,453.41	-	-	2,716.73
Deposits	-	-	222,352.97	-	-	1,79,975.81
Subordinated liabilities	-	-	5,158.86	-	-	2,098.12
Other financial liabilities	-	-	3,306.61	-	-	3,825.92
	-	-	**253,133.54**	-	-	**2,24,015.63**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table. During the year there were no transfer between Level 1 and Level 2. Similarly, there were no transfers from or transfer to Level 3.

Financial assets measured at fair value - recurring fair value measurements

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments	-	-	-	-
Investments	50.00	12,675.79	-	12725.79
	50.00	**12,675.79**	-	**12725.79**

As at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets:	-	-	-	-
Investments	-	36,501.58	-	36,501.58
	-	**36,501.58**	-	**36,501.58**

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	33,317.37	-	-	33,317.37	33,317.37
Bank balance other than above	1,091.08	-	-	1,091.08	1,091.08
Loans	180,404.62	-	-	179,991.96	179,991.96
Investments	37,498.88	-	-	37,498.88	37,498.88
Other financial assets	2,333.15	-	-	2,333.15	2,333.15
	254,645.10	-	-	**254,232.44**	**254,232.44**
Financial liabilities:		-	-		
Trade payables	407.46	-	-	407.46	407.46
Borrowings (other than debt securities)	18,454.23	-	-	34,975.80	34,975.80
Lease liability	3,453.41	-	-	3,453.41	3,453.41
Deposits	222,352.97	-	-	222,885.93	222,885.93
Subordinated liabilities	5,158.86	-	-	2,127.72	2,127.72
Other financial liabilities	3,306.61	-	-	3,714.81	3,714.81
	253,133.55	-	-	**267,565.13**	**267,565.13**

As at 31 March 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	28,464.66	-	-	28,464.66	28,464.66
Bank balance other than above	1,825.86	-	-	1,825.86	1,825.86
Loans	-	-	-	1,76,087.38	1,76,087.38
Other financial assets	1,76,500.05	-	-	2774.43	2774.43
	2,09,565.00	-	-	**2 ,09,152.33**	**2 ,09,152.33**
Financial liabilities:		-	-		
Trade payables	494.51	-	-	494.51	494.51
Borrowings (other than debt securities)	34,904.54	-	-	34,975.80	34,975.80
Lease liability	2,716.73	-	-	2,716.73	2,716.73
Deposits	1,79,975.81	-	-	1,80,461.02	1,80,461.02
Subordinated liabilities	2,098.12	-	-	2,127.72	2,127.72
Other financial liabilities	3,825.92	-	-	4,317.15	4,317.15
	2,24,015.63	-	-	**2,25,092.92**	**2,25,092.92**

C. Valuation framework

The finance department of the group relies on external valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and the external valuer at every twelve months, in line with the group's annual reporting periods. Specific controls include :
- verification of observable pricing
- re-performance of model valuations
- review and approval process for new models and changes to models
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.
Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.
Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops Level 3 inputs based on the best information available in the circumstances.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for OTC derivatives such as forward rate agreements. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks, trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

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41 Financial risk management

The group's activities exposure it to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

(a) Risk management structure and group's risk profile

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the group's activities is critical for the financial soundness and profitability of the group. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the group employs leading risk management practices and recruits skilled and experienced people.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securities and deposits with banks and financial institutions and any other financial assets.

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's asset on finance and trade receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Credit risk management

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the group on terms that the group would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;"

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits are established for each customer and reviewed quarterly. Any loan exceeding those limits require approval from the risk management committee.

(b) Definition of default and cure

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The group considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:

- DPD analysis as on each reporting date
- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.
- significant increase in credit risk on other financial instruments of same borrower.
- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

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(c) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the group assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of group's models.

(d) Loss given default

JLG and MBBL loans, loss given default (LGD) values are assessed based on historical data for a period of 5 years which is at 50%. However, considering increase in the LGD based on most recent periods to reduce the volatility in the Bank's provisioning requirement, Bank has chosen to stick with pre-Covid higher level LGD percentage at ~62.5%. MSME Unsecured loans LGD is assessed for FY2024-25 at 62%. Corporate loans, regulatory LGD is taken at 65%. The group doesn't have adequate historical data of recovery / resolution of secured loans. Considering the same Bank is taking a conservative view of keeping the minimum LGD at 30% or model computed LGD number whichever is higher. Basis recovery rate & collateral impact under Stage 3 loans the computed LGD is higher for HL at 48.24%, MSME Secured at ~33.21% and Wheels at 32.03%. For all the fraud cases the bank has applied 100% LGD.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data.

Under Ind AS 109, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI Ind AS 109 segment of each asset class.

(e) Significant increase in credit risk

The group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

(f) Expected credit loss on Loans

The group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, collateral type and other relevant factors.

The group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The group considers financial instruments to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the group's internally developed statistical models and other historical data. In addition, the group uses reasonable and supportable information on future economic conditions including macroeconomic factors such as interest rates, gross domestic product, inflation, industry and expected direction of the economic cycle. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2025				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Current (not past due)	163,716.63	-	-	-	163,716.63
1-30 days past due	4,778.15	-	-	-	4,778.15
31-60 days past due	-	4,278.50	-	-	4,278.50
61-90 days past due	-	3,448.94	-	-	3,448.94
More than 90 days past due	-	-	20,382.54	-	20,382.54
	168,494.78	7,727.43	20,382.54	-	196,604.75
Loss allowance	(2,035.17)	(1,740.85)	(12,424.11)	-	(16,200.13)
Carrying value	**166,459.61**	**5,986.58**	**7,958.43**	-	**180,404.62**

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Other financial assets at amortised cost					
Gross carrying amount	2,332.89	-	-	-	2,332.89
Loss allowance	(0.83)	-	-	-	(0.83)
Carrying value	**2,332.05**	**-**	**-**	**-**	**2,332.05**

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Investments at amortised cost					
Sovereign rated	37,512.06	-	-	-	37,512.06
BBB - to AAA	-	-	-	-	-
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	37,512.06	-	-	-	37,512.06
Loss allowance	(13.18)	**-**	**-**	**-**	(13.18)
Amortised cost	**37,498.88**	-	-	-	**37,498.88**
Investment at FVTPL					
Sovereign rated	-	-	-	-	-
BBB - to AAA					
BB- to BB+	12,657.90	-	-	-	12,657.90
B- to B+	-				-
C to CCC+		-	-	-	
D					
Unrated	67.89	-	-	-	67.89
	12,725.79	-	-	-	12,725.79
Loss allowance	-	**-**	**-**	**-**	-
Amortise cost	**12,725.79**				**12,725.79**
Bank Balances					
BBB - to AAA	34,411.40	-	-	-	34,411.40
B- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	34,411.40	-	-	-	34,411.40
Loss allowance	(3.10)	-	-	-	(3.10)
Amortised cost	**34,408.30**	**-**	**-**	**-**	**34,408.30**

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	As at 31 March 2024				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Current (not past due)	1,71,831.71	-	-	-	1,71,831.71
1-30 days past due	2,762.67	-	-	-	2,762.67
31-60 days past due	-	1,753.27	-	-	1,753.27
61-90 days past due	-	1,744.58	-	-	1,744.58
More than 90 days past due	-	-	4,158.87	-	4,158.87
	1,74,594.38	3,497.85	4,158.87	-	1,82,251.10
Loss allowance	(2,087.23)	(850.42)	(2,813.41)	-	(5,751.05)
Carrying value	**1,72,507.15**	**2,647.43**	**1,345.46**	-	**1,76,500.05**
	-	-	-	-	-

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Other financial assets at amortised cost	-	-	-	-	-
	-	-	-	-	-
Gross carrying amount	2,773.78	-	-	-	2,773.78
Loss allowance	(0.29)	-	-	-	(0.29)
Carrying value	**2,773.49**	-	-	-	**2,773.49**
	-	-	-	-	-

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Investment in debt securities at FVTOCI	-	-	-	-	-
	-	-	-	-	-
Sovereign rated	33,032.30	-	-	-	33,032.30
BBB - to AAA	3,479.28	-	-	-	3,479.28
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	36,511.58	-	-	-	36,511.58
Loss allowance	(10.01)	-	-	-	(10.01)
Amortised cost	**36,501.57**	-	-	-	**36,501.57**
	-	-	-	-	-
Bank balances	-	-	-	-	-
	-	-	-	-	-
BBB - to AAA	14,247.75	-	-	-	14,247.75
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	14,247.75	-	-	-	14,247.75
Loss allowance	(2.55)	-	-	-	(2.55)
Amortised cost	**14,245.20**	-	-	-	**14,245.20**

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The group has applied a three-stage approach to measure expected credit losses (ECL) on loans and investment in debt securities accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'Transition Matrix' method based on the probability of a receivable in 12 months time interval. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the group uses information that is relevant and available without undue cost or effort. This includes the group's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

Expected credit loss on other financial assets
The group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors.

The group monitors changes in credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the group supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

Expected credit loss on Investments in Debt securities

The group limits its exposure to credit risk by investing only in government securities and only with counterparties that have a credit rating of at least A-1 from S&P and/ or from CRISIL.

The group monitors changes in credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the group supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by S&P for each credit rating and are recalibrated based on current government bond yields. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.
The following table presents an analysis of the credit quality of debt securities at amortised cost, at FVTOCI and FVTPL. It indicates whether assets measured at amortised cost or FVTOCI were subject to a 12 month expected credit loss (ECL) or lifetime ECL allowance and, in the latter case, whether they were credit impaired.

Bank balances
The significant portion of Bank balances are held with bank and financial institution counterparties, which are rated A+ to AAA, based on Credit ratings.
Impairment on bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties.
The group uses a similar approach for assessment of ECLs for bank balances as used for investment in debt securities.

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(g) Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

Loans and advances at amortised cost (including loan commitments)

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses			
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**1,391.08**	**664.60**	**3,046.50**	**5,102.18**
Transfer to Stage 1	20.22	(18.81)	(1.41)	-
Transfer to Stage 2	(19.70)	22.14	(2.44)	-
Transfer to Stage 3	(23.04)	(234.45)	257.49	-
Net remeasurement of loss allowance	21.25	727.77	2,907.05	3,656.07
New financial assets originated or purchased	1,811.21	-	-	1,811.21
Movement of new originated	-	16.27	5.45	21.72
Financial assets that have been derecognised	(1,085.23)	(327.11)	(270.59)	(1,682.93)
Write offs	-	-	(3,128.66)	(3,128.66)
Loss allowance on 31 March 2024	**2,115.79**	**850.41**	**2,813.39**	**5,779.59**
Transfer to Stage 1	34.13	(26.09)	(8.04)	-
Transfer to Stage 2	(55.96)	71.40	(15.44)	-
Transfer to Stage 3	(154.08)	(235.76)	389.83	-
Net remeasurement of loss allowance	(35.57)	1,491.63	12,406.88	13,862.94
Movement of new originated	1,532.09	-	-	1,532.09
Transfer - financial assets originated or purchased	(83.25)	30.50	52.75	-
Financial assets that have been derecognised	(1,307.71)	(441.25)	(753.18)	(2,502.14)
Write offs	-	-	(2,461.66)	(2,461.66)
Loss allowance on 31 March 2025	**2,045.43**	**1,740.84**	**12,424.53**	**16,210.82**

The contractual amount outstanding on loans and advances measured at amortised cost that were written off during the year ended 31 March 2025 and are still subject to enforcement activity is INR 2,461.66 million (31 March 2024: INR 3,128.66 million) All restructured accounts has atleast shown 18 months of performance. Considering the same, it is classified as per actual DPD.

Investment at Amortised cost

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses			
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2024	**10.02**	-	-	**10.02**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	0 .86	-	-	0 .86
New financial assets originated or purchased	6.38	-	-	6.38
Financial assets that have been derecognised	(4.07)	-	-	(4.07)
Write offs	-	-	-	-
Loss allowance on 31 March 2025	**13.19**	-	-	**13.19**

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Investment in Debt securities at FVTOCI

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses			
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**11.91**	-	-	**11.91**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(3.77)	-	-	(3.77)
New financial assets originated or purchased	2.84	-	-	2.84
Financial assets that have been derecognised	(0.96)	-	-	(0.96)
Write offs	-	-	-	-
Loss allowance on 31 March 2024	**10.02**	-	-	**10.02**

Other financial assets at amortised cost

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses			
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**0.46**	-	-	**0.46**
New financial assets originated or purchased	0.29	-	-	0.29
Financial assets that have been derecognised	(0.46)	-	-	(0.46)
Write offs	-	-	-	-
Loss allowance on 31 March 2024	**0.29**	-	-	**0.29**
New financial assets originated or purchased	0.83	-	-	0.83
Financial assets that have been derecognised	(0.29)	-	-	(0.29)
Write offs	-	-	-	-
Loss allowance on 31 March 2025	**0.83**	-	-	**0.83**

Bank balances

Reconciliation of loss allowance	Loss allowance measured at life-time expected losses			
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**2.13**	-	-	**2.13**
Net remeasurement of loss allowance	0.42	-	-	0.42
Loss allowance on 31 March 2024	**2.55**	-	-	**2.55**
Net remeasurement of loss allowance	0.55	-	-	0.55
Loss allowance on 31 March 2025	**3.10**	-	-	**3.10**

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(h) Collateral held and other credit enhancements

As of 31 March 2025, 56.64% (31 March 2024: 61.72%) of the group's retail loans (inclusive of corporate loans) were unsecured. The Bank's retail loans are generally secured by a charge on the asset financed (vehicle loans, property loans and gold loans). Retail business banking loans (inclusive of corporate loans) are secured with current assets as well as immovable property and fixed assets in some cases.

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Group's internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Group holds other types of collateral such as second charges and floating charges for which specific values are generally not available.

The following table sets out the principal types of collateral held against different types of financial assets.

As at 31 March 2025	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Cash and cash equivalents	33,319.98	-	-	-	-	-	33,319.98	(2.76)
Other bank balances	1,091.42	-	-	-	-	-	1,091.42	(0.34)
Loans and advances	196,604.75	71,906.50	13,372.70	1,188.13	3,015.04	89,482.37	1,07,122.38	(16,200.13)
Other financial assets	2,332.89	-	-	-	-	-	2,332.89	(0.83)
Investments in government securities	37,512.06	-	-	-	-	-	37,512.06	(13.18)
Total financial assets at amortised cost	**233,349.04**	**71,906.50**	**13,372.70**	**1,188.13**	**3,015.04**	**89,482.37**	**1,81,378.73**	(16,217.24)
Investments at FVTOCI	-	-	-	-	-	-	-	-
Total financial assets at FVTOCI	-	-	-	-	-	-	-	-
Investments at FVTPL	12,725.79	-	-	-	-	-	12,725.79	-
Total financial assets at FVTPL	**12,725.79**	-	-	-	-	-	**12,725.79**	-

As at 31 March 2024	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Cash and cash equivalents	28,466.62	-	-	-	-	-	28,466.62	(1.96)
Other bank balances	1,826.45	-	-	-	-	-	1,826.45	(0.59)
Loans and advances	1,82,251.10	62,988.93	12,858.10	-	1,688.12	77,535.15	1,04,715.95	(5,751.05)
Other financial assets	2,774.43	-	-	-	-	-	2,774.43	(0.29)
Total financial assets at amortised cost	**2,12,544.17**	**62,988.93**	**12,858.10**	**-**	**1,688.12**	**77,535.15**	**1,37,783.45**	**(5,753.90)**
Investments in debt securities	36,511.59	-	-	-	-	-	36,511.59	(10.02)
Total financial assets at FVTOCI	**36,511.59**	-	-	-	-	-	**36,511.59**	**(10.02)**

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The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure show below when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

As at 31 March 2025	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Loans and advances	20,382.54	1,077.24	240.12	709.45	1.60	2,028.41	18,354.13	12,424.53
Total financial assets at amortised cost	**20,382.54**	**1,077.24**	**240.12**	**709.45**	**1.60**	**2,028.41**	**18,354.13**	**12,424.53**

As at 31 March 2024	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Loans and advances	4,158.87	756.93	-	-	-	756.93	3,401.94	2,813.39
Total financial assets at amortised cost	**4,158.87**	**756.93**	**-**	**-**	**-**	**756.93**	**3,401.94**	**2,813.39**

(i) Concentration of risk

The group monitors credit risk by sector and by geographic location. An analysis of grouping of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below.

Loans and advances to customers	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
Carrying amount	180,404.62	1,82,251.10	1,40,572.75
Concentration by sector			
Corporate:			
Wholesale Lending	21,956.74	18,713.44	15,703.51
Retail:		-	-
Mortgages	46,152.71	43,933.03	27,525.03
Unsecured lending	112,295.17	1,19,604.63	97,344.21
Total	**180,404.62**	**1,82,251.10**	**1,40,572.75**
Concentration by location			
India	180,404.62	1,82,251.10	1,40,572.75

Investments	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
Carrying amount	50,224.66	36,511.59	27,974.40
Concentration by sector			
Corporate/ NBFC	7,364.59	3,479.28	2 ,991.95
Government	42,860.07	33,032.30	24,982.45
Banks	-	-	-
Mutual funds	-	-	-
Total	**50,224.66**	**36,511.58**	27,974.40
Concentration by location			
India	50,224.66	36,511.58	27,974.40

Concentration by location for loans and advances, loan commitments and financial guarantees, is based on the customer's country of domicile.
Concentration by location for investment securities is based on the country of domicile of the issuer of the security."

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C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Group also monitors the level of expected cash inflows on asset on finance, trade receivables and loans together with expected cash outflows on borrowings, payables and other financial liabilities.
Currently the Group is not having any lines of credit.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial labilities at the reporting date. The amount are gross and undiscounted, and excludes contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Total contractual cash flows	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Trade Payables	407.46	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	18,454.23	18,454.23	3,875.11	4,377.04	10,078.16	123.92	(0.00)
Lease liability	3,453.41	4,291.40	437.39	427.29	1,403.59	1,085.19	937.94
Deposits	222,352.97	222,885.67	44,587.69	51,196.73	109,347.55	17,349.20	404.50
Subordinated Liabilities	5,158.86	5,166.77	166.77	-	1,950.00	-	3,050.00
Other financial liabilities	3,306.61	3,714.81	2,876.30	725.34	96.62	-	16.55
Non-derivative financial assets							
Cash and cash equivalents*	33,317.37	33,319.97	27,935.29	1,495.85	3,324.44	468.31	96.08
Bank balances other than cash and cash equivalents	1,091.08	1,091.42	524.66	524.18	42.58	-	-
Loans	180,404.62	188,449.52	45,002.07	34,771.18	51,213.71	19,896.20	37,566.36
Investments	50,224.67	50,237.85	19,245.08	8,614.87	19,060.35	2,695.40	622.15
Other Financial assets	2,333.15	2,201.14	1,878.23	187.61	83.16	15.39	36.75

Carrying amount includes CRR requirement of INR 6,684.44 million in March 2025

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As at 31 March 2024	Contractual cash flows						
	Carrying amount	Total contractual cash flows	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Trade Payables	494.51	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	34,904.54	34,904.54	21,461.21	6,402.97	6,818.16	148.16	74.04
Lease liability	2,716.73	3,422.44	347.63	346.71	1,245.06	848.00	635.04
Deposits	1,79,975.81	1,80,460.62	43,099.69	62,855.24	69,981.49	4,078.54	445.66
Subordinated Liabilities	2,098.12	2,104.00	4.00	-	150.00	1,950.00	-
Other financial liabilities	3,825.92	4,441.56	3,288.44	1,024.67	112.94	-	15.51
Issued financial guarantee contracts	-	-	-	-	-	-	-
Issued loan commitments	-	-	-	-	-	-	-
Non-derivative financial assets							
Cash and cash equivalents*	28,464.66	28,463.39	22,491.66	3,481.92	2,295.89	178.87	15.05
Bank balances other than cash and cash equivalents	1,825.86	1,826.45	1,790.29	29.41	2.42	4.33	-
Loans	1,76,500.05	1,81,593.60	57,943.67	34,893.08	54,311.52	9,405.54	25,039.79
Investments	36,501.58	36,794.65	13,095.80	10,651.35	12,005.35	961.27	80.89
Other Financial assets	2,774.43	2,952.83	1,643.79	519.10	375.67	74.85	339.41

Carrying amount includes CRR requirement of INR 5,780.67 million in March 2024

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows. The disclosure shows net cash flow amounts that are net cash settled and gross cash inflow and outflow amounts that have simultaneous gross settlement.

As disclosed in Note 12, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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Notes to consolidated financial statements for the year ended 31 March 2025
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D. Market risk

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses. All such transactions are carried out within the guidelines set by the Risk Management Committee.

The following table sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolios:

MARKET RISK MEASURE	As at 31 March 2025		
	Carrying amount	Trading portfolios	Non-trading portfolios
Financial assets:			
Cash and cash equivalents	33,317.37	-	33,317.37
Bank balance other than above	1,091.08	-	1,091.08
Loans	180,404.62	-	180,404.62
Investments	50,224.67	-	50,224.67
Other financial assets	2,333.15	-	2,333.15
	267,370.89	-	**267,370.89**
Financial liabilities:		-	
Trade Payables	407.46		407.46
Borrowings (other than debt securities)	18,454.23	-	18,454.23
Lease liability	3,453.41	-	3,453.41
Deposits	222,352.97	-	222,352.97
Subordinated liabilities	5,158.86	-	5,158.86
Other financial liabilities	3,306.61	-	3,306.61
	253,133.54	-	**253,133.54**

MARKET RISK MEASURE	As at 31 March 2024		
	Carrying amount	Trading portfolios	Non-trading portfolios
Financial assets:			
Cash and cash equivalents	28,464.66	-	28,464.66
Bank balance other than above	1,825.86	-	1,825.86
Loans	1,76,500.05	-	1,76,500.05
Investments	36,501.58	-	36,501.58
Other financial assets	2,774.43	-	2,774.43
	2,46,066.58	-	**2,46,066.58**
Financial liabilities:			
Trade Payables	494.51	-	494.51
Borrowings (other than debt securities)	34,904.54	-	34,904.54
Lease liability	2,716.73	-	2,716.73
Deposits	1,79,975.81	-	1,79,975.81
Subordinated liabilities	2,098.12	-	2,098.12
Other financial liabilities	3,825.92	-	3,825.92
	2,24,015.63	-	**2,24,015.63**

Market risk - Non-trading portfolios

(i) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Group. The functional currency for the Group is INR. The Foreign currency in which these transactions are primarily denominated is USD.

Currency risks related to the principal amounts of the Group's USD loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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(All amounts are in Rupees millions unless otherwise stated)

Exposure to currency risk
The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows:

Particulars	31 March 2025		31 March 2024	
	INR	USD	INR	USD
Subordinated liabilities	-	-	-	-
Swap Contract	-	-	-	-
Net exposure in respect of recognised assets and liabilities	-	-	-	-

Sensitivity analysis
A reasonably possible strengthening (weakening) of INR and USD against all currencies at 31 March would not have any affect on measurement of financial instruments denominated in foreign currency as the exposure is hedged.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (1% movement)	-	-	-	-
31 March 2024				
USD (1% movement)	-	-	-	-

(ii) Interest rate risk
The Groups maximum interest rate exposure is at a fixed rate. This is achieved mostly by entering into fixed rate instruments and partly by borrowing at a floating rate.

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments as reported to the management is as follows:

Particulars	31 March 2025	31 March 2024
Fixed rate instruments		
Financial assets	257,929.65	2,27,459.41
Financial liabilities	253,667.23	2,24,497.55
Variable rate instruments		
Financial assets	9,439.99	18,603.00
Financial liabilities	-	-

Fair value sensitivity analysis for fixed rate instruments
A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss before tax by INR 1493.10 million (31 March 2024: INR 516.23 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss before Tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2025				
Variable rate instruments	9,439.99	9,439.99	7,064.13	7,064.13
Cash flow sensitivity (net)	94.40	(94.40)	70.64	(70.64)
31 March 2024				
Variable rate instruments	18,603.00	18,603.00	13,921.00	13,921.00
Cash flow sensitivity (net)	186.03	(186.03)	139.21	(139.21)

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D. Legal and operational risk

(i) Legal risk

"Legal risk is the risk relating to losses due to legal or regulatory actionn that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.
The group had engaged the services of a Legal Consultant for addressing legal matters pertaining to the Bank", including vetting of agreements entered into by the group. The group also availed the services of Legal firms / Legal Counsels, wherever warranted. The group also has a system in place to respond to legal and statutory notices. There were 89 legal cases pending against the Bank aggregating INR 30.29 million (31 March 2024 : INR 10.18 million)

The group has since appointed Head – Legal in April 2019 and at present Legal Department is functioning with Head-Legal, one AVP (Legal) and three Senior Executive. The group also has a team of Officers with legal background in its Retail Assets Collection Team for filing of cheque bounce cases u/s 138 of N.I Act and initiating arbitration / civil proceedings wherever required."

(ii) Operational

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operation risk department under risk department operates independently from other units of the group and reports directly to the Risk Management Committee of the Board. It conducts regular reviews of all business areas of the group and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.

The group also has a contingency plan to take care of any failure of its computer systems. Regular backups are made for all important datasets, and stored outside the group's premises. This ensures that in case of any system failure, the group will be able to continue its operations without losing critical data or business transactions. As part of its disaster recovery plan, the group has established a back-up site which would and operate during an emergency.

The group has a specific Business Continuity Plan ("BCP") unit. The main objective of the BCP is to ensure that in the event of full or partial disaster which includes Pandemic, the group is well set to be able to continue providing essential services to customers, minimizing any adverse effects on the group's business, through business impact analysis, business restoration.

The Group is using various tools under operational risk for monitoring operational risk such as conducting risk & control self assessments, capturing operational loss data and monitoring of KRIs.

42 Capital management

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.
As per RBI guidelines, the Group is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. UCIL has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

I. The Group maintains minimum capital to risk weighted asset ratio entity wise for all the entities forming part of the group and accordingly manage the capital requirements among all the entities in the group.

ii. Capital allocation

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the Group's long term strategic objectives.

43 Details of financial assets sold to Asset Reconstruction Company

Particulars	As at 31 March 2025	As at 31 March 2024
No. of accounts *	1,24,728	-
Aggregate principal outstanding of loans transferred * (on the date of transfer)	3,545.40	-
Net book value of loans transferred (at the time of transfer)	666.59	-
Aggregate Consideration	520.00	-
Additional consideration realized in respect of accounts transferred in earlier years	-	

* includes transfer of 56433 accounts having principal outstanding as on September 30, 2024 Rs. 1,304.03 millions which are previously written off as at September 30, 2024

The group has received Security Receipts (SRs) amounting to Rs. 339 millions as part of the consideration for transfer of stress loans to ARC. Investment in SR has been fully provided and the resultant fair value loss has been recognised in Note 24 - Net loss on fair value changes.

Utkarsh CoreInvest Limited
Consolidated Balance Sheet As at 31 March 2025
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44 In the year ended 31 March 2023, the impact of disruptions resulting from COVID -19 has eased substantially, however the Group continues to monitor the developments/ ongoing impact resulting from COVID-19 Pandemic and any action to contain its spread or mitigate its impact.

45 The composite scheme of arrangement (Scheme) between the Utkarsh Small Finance Bank (Bank) and Utkarsh CoreInvest Limited (UCL), its holding company, and their respective shareholders under Section 230 and other applicable provisions of the Companies Act, 2013, was filed with the National Company Law Tribunal, bench at Allahabad (NCLT) on 25 October 2019 for the reduction in the face value of equity share capital of the Bank and for the issuance and allotment of fully paid-up equity shares of the Bank to the shareholders of UCL (on account of their invested capital) from the reserves created from such reduction of share capital. The objective of the Scheme was, amongst others, to achieve dilution in shareholding of UCL in the Bank in line with the small finance bank's licensing guidelines.

In relation to the Scheme, the Bank had approached RBI seeking a certificate u/s 44B (1) of the Banking Regulation Act, 1949 and RBI had vide its letter dated 21 July, 2020 communicated to the Bank that the mode of dilution of promoter shareholding proposed under the Scheme militates against the spirit of the licensing guidelines for Small Finance Banks. Further, RBI had advised that it may consider issuing the required certificate u/s Section 44(1) in the event the board of both the Bank and UCL agree and approve that the combined shareholding of UCL and shareholders of UCL, who would be allotted the equity shares of the Bank, will be diluted to 40% of the voting shares in the Bank by 22 January, 2022 and till that time together they will exercise only 26% voting rights in the Bank. Basis deliberations, the respective boards of UCL and the Bank decided to withdraw the application for approval of Scheme. Subsequently, the Bank withdrew the petition and the NCLT by its order dated August 27, 2020 dismissed the petition as withdrawn. The Bank vide its letter dated September 03, 2020 addressed to RBI to withdraw its application seeking certificate from RBI.

46 Amounts payable to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 that came into force from 02 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the years ended 31 March 2025 and 31 March 2024. The above is based on the information available with the Group, which has been relied upon by the statutory auditors.

Particulars	As at 31 March 2025	As at 31 March 2024
a. Principal amount due to suppliers under MSMED Act, 2006	101.38	107.12
b. Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c. Payment made to suppliers (other than interest) beyond the appointed day during the year	183.86	1,098.59
d. Interest paid to suppliers under MSMED Act (Section 16)	-	-
e. Interest due and payable towards suppliers under MSMED Act for payments already made	2.05	15.37
f. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	2.05	15.37

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
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47 Details of corporate social responsibility expenditure

Particulars	As at 31 March 2025	As at 31 March 2024
Corporate Social Responsibility expenses for the period*	85.50	51.60
Various Head of expenses included in above:		
Note 29: Other expenses: Contribution towards Corporate Social Responsibilities	76.28	51.60
Gross amount required to be spent by the Group during the year.	9.22	51.20
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	76.28	32.80
Details of related party transactions (Utkarsh Welfare Foundation)	85.50	-
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the period	85.50	51.60
Less: Provision utilised during the period	76.28	32.80
Closing Balance	**9.22**	**18.80**
The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	9.22	-
	1.59	
The total of previous years' shortfall amounts		-
	-	
The reason for above shortfalls by way of a note	-	-
The nature of CSR activities undertaken by the Group	CSR activities undertaken as per scheduleVII under section 135 on thematic areas of Health, Education and Livelihoods and Entrepreneurship development.	CSR activities undertaken as per scheduleVII under section 135 on thematic areas of Health, Education and Livelihoods and Entrepreneurship development.

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.

48 Interest in other entities

a) Interest in subsidiaries

i. The group's subsidiaries at 31 March 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		31 March 2025	31 March 2024	31 March 2025	31 March 2024	
Subsidiaries						
Utkarsh small finance bank	India	68.92%	69.06%	31.08%	30.94%	Small finance bank
Utkarsh welfare foundation*	India	-	-	-	-	Section 8 company for CSR activities

* The Group has disposed of its stake in Utkarsh Welfare Foundation on 24 Februrary 2022.

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ii. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	Utkarsh Small Finance Bank Ltd.	
	As at 31 March 2025	As at 31 March 2024
Total Assets	278,354.41	2,53,344.09
Total Liabilities	253,893.84	2,24,801.18
Net Assets	**24,460.57**	**28,542.91**

Summarised statement of profit and loss

Particulars	Utkarsh Small Finance Bank Ltd.	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operation	38,894.06	31,403.65
Profit for the year	(4,145.99)	3,283.94
Other Comprehensive income	25.41	243.16
Total Comprehensive income attributable to non controlling interest	(4,120.58)	3,527.10

b) Additional disclosure under Schedule III of Companies Act 2013.

Name of the Entity	Net assets		Share in profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	% of Consolidated net assets	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)
Parent Company								
31-Mar-25	34.15%	8,565.39	-7.17%	302.7	-0.43%	(0.11)	-7.21%	302.59
31-Mar-24	29.25%	8,514.69	0.44%	14.45	-0.13%	(0.32)	0.40%	14.13
31-Mar-23	40.64%	8,438.17	0.24%	13.28	0.00%	0.00	0.26%	13.28
Utkarsh small finance bank	97.52%	24,460.57	98.18%	(4,145.99)	100.45%	25.41	98.16%	(4,120.58)
31-Mar-25	98.05%	28,542.91	99.56%	3,283.94	100.13%	243.16	99.60%	3,527.10
31-Mar-24	97.58%	20,262.03	99.76%	5,524.75	100.00%	(364.30)	99.74%	5,160.44
31-Mar-23								
Non-controlling interest								
31-Mar-25	31.11%	7,803.12	25.97%	(1,096.78)	26.57%	6.72	25.97%	(1,090.06)
31-Mar-24	30.51%	8,881.78	26.10%	860.77	26.25%	63.74	26.11%	924.50
31-Mar-23	15.38%	3,194.50	15.19%	841.11	15.22%	(55.46)	15.19%	785.64
Consolidation/other adjustments								
31-Mar-25	-62.78%	(15,746.82)	-16.98%	717.12	-26.59%	(6.73)	-16.92%	710.40
31-Mar-24	-57.81%	(16,828.52)	-26.10%	(860.81)	-26.24%	(63.73)	-26.11%	(924.54)
31-Mar-23	-53.60%	(11,130.07)	-15.19%	(841.09)	-15.23%	55.47	-15.18%	(785.62)
Total								
31-Mar-25	100.00%	25,082.26	100.00%	(4,222.95)	100.00%	25.3	100.00%	(4,197.65)
31-Mar-24	100.00%	29,110.86	100.00%	3,298.35	100.00%	242.84	100.00%	3,541.19
31-Mar-23	100.00%	20,764.63	100.00%	5,538.04	100.00%	(364.29)	100.00%	5,173.75

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49 Lease as lessee

The group has taken various premises on lease for undertaking its banking and allied business.

Following are the changes in the carrying values of right of use assets:

Particulars	Category of ROU Assets		
	Premises	ATM Machines	Core Banking Software
Balance as at 31 March 2023	**2,416.81**	**53.18**	**23.67**
Additions	261.82	10.57	-
Disposals	-	-	-
Depreciation	**437.31**	**12.66**	**23.68**
Balance as at 31 March 2024	**2,241.32**	**51.09**	**(0.01)**
Additions	1,275.13	17.00	-
Disposals	-	1.06	-
Depreciation	**588.44**	**14.53**	-
Balance as at 31 March 2025	**2,928.01**	**52.51**	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

The following is the movement in lease liabilities:

Particulars	Lease liabilities
Balance as at 31 March 2023	**2,910.98**
Additions	263.18
Adjustment on account on rent concession	
Finance cost accrued during the period	252.63
Payment of lease liabilities	(710.06)
Balance as at 31 March 2024	**2,716.73**
Additions	1,275.61
Adjustment on account on rent concession	
Finance cost accrued during the period	289.62
Payment of lease liabilities	(828.55)
Balance as at 31 March 2025	**3,453.41**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 and 31 March 2024 on an undiscounted basis:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	864.67	694.35
One to five years	2,488.78	2,093.07
More than five years	937.94	635.04

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 11.76 million for the year ended 31 March 2025 (31 March 2024: INR 9.57 million).

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50 Expected credit loss (ECL) impairment provision - Loans

2024-25

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing Assets						
Standard	**Stage 1**	168,545.30	2,035.17	166,510.13	780.92	1,254.25
	Stage 2	7,743.00	1,740.85	6,002.15	-	1,740.85
	Stage 3	-	-		-	-
Subtotal		**176,288.30**	**3,776.02**	**172,512.28**	**780.92**	**2,995.10**
		-	-		-	-
Non-Performing Assets (NPA)		-	-		-	-
Substandard	**Stage 3**	19,594.46	11,979.46	7,615.01	8,927.00	3,052.46
		-	-		-	-
Doubtful - upto 1 year	**Stage 3**	350.59	214.34	136.25	226.00	(11.66)
1 - 3 years	**Stage 3**	371.40	230.32	141.08	338.00	(107.68)
more than 3 years	**Stage 3**	-	-	-	-	-
Subtotal for Doubtful		**721.99**	**444.65**	**277.33**	**564.00**	**(119.35)**
	Stage 3	-	-		-	-
Loss		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	**Stage 1**	1,075.19	10.26	1,064.93	-	10.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Subtotal		**1,075.19**	**10.26**	**1,064.93**	**-**	**10.26**
Total	**Stage 1**	**169,620.49**	**2,045.43**	**167,575.06**	**780.92**	**1,264.51**
	Stage 2	**7,743.00**	**1,740.85**	**6,002.15**	**-**	**1,740.85**
	Stage 3	**20,316.45**	**12,424.11**	**7,892.34**	**9,491.00**	**2,933.11**
	Total	**197,679.94**	**16,210.39**	**181,469.55**	**10,271.92**	**5,938.47**

2023-24

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing Assets						
Standard	**Stage 1**	174,106.68	2,087.68	172,018.99	2,364.38	(276.70)
	Stage 2	3,490.85	850.42	2,640.44	-	850.42
	Stage 3					
Subtotal		**177,597.53**	**2,938.10**	**174,659.43**	**2,364.38**	**573.72**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	3,803.30	2,299.00	1,504.31	1,922.00	377.00
					-	
Doubtful - upto 1 year	**Stage 3**	678.64	410.22	268.42	569.00	(158.78)
1 - 3 years	**Stage 3**	171.61	103.73	67.88	154.00	(50.27)
more than 3 years	**Stage 3**			-		-
Subtotal for Doubtful		**850.26**	**513.96**	**336.30**	**723.00**	**(209.04)**
	Stage 3					
Loss		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	**Stage 1**	3,665.90	28.55	3,637.35		
	Stage 2	-	-	-	-	28.55
	Stage 3	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Subtotal		**3,665.90**	**28.55**	**3,637.35**	**-**	**28.55**
Total	**Stage 1**	**177,772.58**	**2,116.23**	**175,656.35**	**2,364.38**	**(248.15)**
	Stage 2	**3,490.85**	**850.42**	**2,640.44**	**-**	**850.42**
	Stage 3	**4,653.56**	**2,812.96**	**1,840.60**	**2,645.00**	**167.96**
	Total	**185,916.99**	**5,779.61**	**180,137.39**	**5,009.38**	**770.23**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

51 The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

52 The title deeds of immovable properties included in property, plant and equipment (other than properties where the Group is the lessee and the lease agreements are duly executed in favor of the lessee) and intangible assets are held in the name of the Group.

53 No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

54 The Group has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

55 The Group has obtained various borrowings from banks/ FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/ FI are in agreement with the books. The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The Group is not declared as willful defaulter by any bank or financial Institution or other lender as at 31 March 2025. The group has secured borrowings. All secured term loans were secured by way of exclusive charge on the standard assets portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements. The borrowing of the group comprised of Tier II and Refinance as on 31st March 2025 (Tier II INR 5,158.86 million & Refinance INR 18,454.23 million). Tier II is towards mostly for capital augmentation while refinance is to obtain longer term funds at competitive pricing for asset growth.

56 a) The Group has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries)
(II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(b) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall:
(I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries")
(II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

58 There are no charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

59 The Group does not have any number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. There are no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at 31 March 2025.

60 There is no income surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

61 No crypto / virtual currency was traded/ invested during the current year. No deposits / advances were received from any person for the purpose of trading / investing in crypto currency during the current year or previous year.

62 The Group has reported 105 frauds amounting to Rs. 44.2 million (previous year: Rs.325.83 million) based on management reporting to Risk Committee and to RBI through prescribed returns. The nature of fraud involved is misappropriation of funds, fraudulent encashment/manipulation of books of accounts.

The above includes 115 cases of HL fraud (considered as 1 case in 87 cases) amounting to Rs.299.54 million in the previous year (current year: nil).

63 Previous years figures have been regrouped, reclassified wherever considered necessary to conform to the classification/disclosure requirements adopted in the current year

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

1. Reporting entity

Utkarsh Coreinvest Limited ("the Company' or 'Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh CoreInvest Limited w.e.f. 11 October 2018.

The Company together with its subsidiary Utkarsh Small Finance Bank Limited ('the Bank or 'SFB') are collectively referred to as "the Group". The Group has been engaged in the business of micro finance and banking operations as further explained below.

The holding company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income group of below poverty line ('BPL') in urban and rural areas. The tenure of these loans was generally spread over a period of up to 2 years. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the RBI has granted its approval to the Holding Company for carrying on the business of a Non-Deposit taking-Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

Material accounting policies

2. Basis of preparation of consolidated financial statements

a. i. Statement of compliance

The Consolidated financial statements of the Company have been prepared in accordance with the Ind AS 110-'Consolidated Financial Statements' as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements of the Subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2025 and are prepared based on the accounting policies consistent with those used by the Company.

These consolidated financial statements were authorised for issue by the Group's Board of directors on August 29 2025.

Subsidiary considered in the consolidated financial statements

Name of the Subsidiary	Country of incorporation	Percentage of Holding	
		31 March 2025	31 March 2024
Utkarsh Small Finance Bank Limited	India	68.92%	69.06%

The Group has consistently applied accounting policies to all periods.

ii. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following material items:

- Financial assets at FVTOCI that is measured at fair value.
- Financial instruments at FVTPL that is measured at fair value.
- Financial instruments measured at amortised cost
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation.

iii. Principles of Consolidation

Subsidiary are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary are fully consolidated from the date on which control is transferred to the group.

The group combines the consolidated financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

v. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated financial statements have been given below:

- Note 49 – Measurement of lease liabilities and right of use assets
- Note 40 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements for the every period ended is included below:

- Note 34 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 7- Recognition of deferred tax assets: availability of future taxable profit against which carryforward tax losses can be used;
- Note 8-9- Useful life and residual value of property, plant and equipment and intangible assets
- Note 31- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 40 – Fair value measurement of financial instruments
- Note 41– Impairment of financial assets: key assumptions in determining the average loss rate

b. Revenue Recognition

i. Interest income from financial assets is recognised on an accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

ii. The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired). However, for the financial assets that have become credit impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iii. For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

iv. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

v. Income from interest on deposits and interest bearing securities is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

vi. Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

vii. All other fees are accounted for as and when they become due.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

Financial assets

Initial recognition and measurement

The Group initially recognises loans and advances on the date on which they are originated. All other financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's key management personnel.

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from ECL impairment are recognised in the profit or loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

Financial assets at fair value through Other Comprehensive Income (FVTOCI)
A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from ECL impairment are recognised in the profit or loss.

Financial assets measured at fair value through profit and loss (FVTPL)
Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Reclassification of financial assets
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Group evaluates that substantial risk and reward have not been transferred, the Group continues to recognise the transferred asset. If the Group evaluates that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Classification and subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities designated at FVTPL
When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

- the embedded derivative(s) do(es) not significantly modify the cash flows that otherwise would be required by the contract; or

- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortised cost.

The fair valuation change on the liabilities subsequently measured at fair value through profit and loss account is recognised in profit and loss account except the changes in the liablity's credit risk which is recognised in 'Other Comprehensive Income'

Derecognition of financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities
Financial assets
If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities
The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognised in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects it non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument.

d. Impairment of Financial Assets

Impairment of financial instruments
The Group recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Loan commitment issued

No impairment loss is recognised on equity investments
ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows
- Undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive

With respect to trade receivables and other financial assets, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in statement of profit and loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

e. Foreign Currency Transactions and Balances

Holding Company

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

Banking Company in the Group

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date based on exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the statement of Profit and Loss.

f. Property, Plant and Equipment(PPE)

Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in statement of Profit and loss.

Leasehold improvements are amortised on straight line basis over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Impairment

Carrying amounts of cash generating assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognised in the statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount.

Depreciation

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The Group has carried out a technical assessment of the useful life of its assets taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use. If the management's estimate of the useful life of a property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

Assets	Estimated useful life (in Years)
Vehicles	8 years
Computers	3 years
Leasehold improvement	As per the lease term.
Office equipment	5 years
Electrical equipment	10 years
Furniture and fixtures	10 years
Generator	10 years
Land	-
Building	60 years

Improvements and installations of capital nature on the leasehold property are depreciated over the primary lease term. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

De-recognition
Property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is de-recognised. Depreciation on assets sold during the year is recognised on a pro-rata basis to the statement of profit and loss upto the date of sale.

Capital Work in Progress
Capital work in progress includes cost of fixed assets that are not ready for their intended use.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

g. Intangible assets

Initial Measurement

Intangible assets that are acquired by the Group are measured initially at cost and are stated at cost less accumulated depreciation as adjusted for impairment, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Impairment

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Amortisation

Intangible assets are amortised in the statement of profit and loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are amortised on straight line basis. Computer software are amortised on straight line basis over their estimated useful life of three years.

Amortisation methods and useful lives are reviewed in each financial year end and changes, if any, are accounted for prospectively.

De-recognition

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income / expense in the statement of profit and loss in the year the asset is de-recognised. Amortisation on assets sold during the year is recognised on a pro-rata basis to the statement of profit and loss upto the date of sale.

h. Leases

The Group's lease asset classes primarily consist of leases for ATMs, Software and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 01 April 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

i. Employee benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Share-based payment arrangements**

Utkarsh CoreInvest Ltd. has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the Group, the employees are granted an option to acquire equity shares of the Holding Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Parent Company is the grantor of its equity instrument for all share options provided to the employee of the Bank. The Bank reimburses the parent company for the equity-settled share-based payment arrangements granted to the employees of the Bank

iii. **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has following defined contribution plans:

Provident Fund

The Group contributes to mandatory government administered provident funds which are defined contribution schemes as the Group does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and recognised in the statement of Profit and Loss

iv. **Defined benefit plans**

The Group's net obligation in respect of gratuity is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. **Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

j. Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

l. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group has been identified as the chief operating decision maker for the Group.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

m. Earnings Per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

n. Provision, Contingent Liabilities and Contingent Assets

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognised in the consolidated financial statements but disclosed, where an inflow of economic benefit is probable.

o. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Manish Kankani
Partner
Membership No: 158020

Suman Saurabh
Managing Director and CEO
DIN: 07132387

CEO & CFO CERTIFICATE

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Suman Saurabh, Managing Director & Chief Executive Officer and Harshit Agrawal, Chief Financial Officer of Utkarsh CoreInvest Ltd. (erstwhile Utkarsh Micro Finance Limited), "the Company", hereby certify to the Board that:

a) We have reviewed financial statements and the cash flow statement of the Financial Year ended March 31, 2025 and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware of and the steps we have taken or proposed to be taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year and the same have been disclosed in the Notes of the financial statements; and

   (iii) Instances of significant fraud of which we have become aware of and involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any).

Sd/-
Suman Saurabh
Managing Director & CEO

Sd/-
Harshit Agrawal
Chief Financial Officer

ANNUAL CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT OF FINANCIAL YEAR 2024-25

1 Brief outline on CSR Policy of the Company

Policy Statement

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited), through its CSR projects, will enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate Citizen. The ultimate aim of the CSR projects will be to benefit the communities at large and over a period of time enhance the quality of life and economic well-being of the local populace.

CSR Philosophy and Guiding Principles

The Company shall continue its efforts to impact the society positively, particularly to underserved and unsecured communities, including in the area of its and its subsidiaries operations. The Company has formulated policies for social development based on the following guiding principles:

i. Serving households through a range of socially oriented products and services.
ii. Adopting an approach that aims at achieving a greater balance between social development and economic development.
iii. Adopting new measures to accelerate and ensure the basic needs of deprived sections of the society.
iv. Work towards elimination of barriers for the social inclusion of disadvantaged groups such as the poor and the disabled.
v. Enabling ways for enhancing skills for better livelihood opportunities.
vi. Support underprivileged and underserved segments by providing financial and non-financial services through a socially responsible, sustainable and scalable institution.

Management Structure: CSR Committee

Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors of the Company ("Board") shall be responsible for framing and approving the Policy and for the overall governance of CSR activities. The CSR Committee shall consist of three (03) or more Directors including at least one (01) Independent Director and it shall meet at least once a year and as and when required.

The activities of CSR Committee will be in accordance with Schedule VII of the Companies Act, 2013 (as amended from time to time) and as per approved terms and reference (CSR Charters) by the Board of the Company.

Roles and Responsibility of the Board and its Committee

The CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of the CSR Policy of the Company, which shall include the following:

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Act;
iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
iv. monitoring and reporting mechanism for the projects or programmes;
v. details of need and impact assessment, if any, for the projects undertaken by the company; and
vi. the mechanism and adherence of necessary compliance under the applicable CSR Act and Rules, including for the unspent CSR Amount, if any.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

1. Scope of Activities during the Financial Year 2024-25

The Board of the Company had approved for a CSR Expenditure of ₹5,00,000 (Rupees Five Lakh only) for FY2024-25, to be expended towards Health Initiatives and such incidental or related activities being taken up through Utkarsh Welfare Foundation (UWF), the regular CSR Implementing Agency of the Company.

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FY 2024-25

2 Brief outline on CSR policy of the Company: Forming Part of Agenda Item No. VIII.

3 Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the Year
1	Mr. G. S Sundararajan	Independent Director, Chairperson	1	1
2	Mr. Atul	Independent Director, Chairperson	1	-
3	Mr. Aditya Deepak Parekh	Nominee Director	1	1

4 Web-link to refer about the Composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

http://www.utkarshcoreinvest.com/index.php/CSR/Activities

5 Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

N.A.

6 Average net profit

(a) Average net profit of the company as per sub-section (5) of section 135: **₹2,09,87,389**
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **₹4,19,748**
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**
(d) Amount required to be set-off for the financial year, if any: **Nil**
(e) Total CSR obligation for the financial year [(b)+(c) -(d)]: **₹4,19,748**

7 Amount Spent

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹4,83,484**
(b) Amount spent in Administrative Overheads: **₹24,899**
(c) Amount spent on Impact Assessment, if applicable: **N.A.**
(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: **₹5,08,383**
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the FY 2024-25 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
5,00,000/-	-	-	-	-	-

(f) Excess amount for set-off, if any.

#	Particulars	Amount (in ₹)
(1)	(2)	(3)
I.	Two percent of average net profit of the company as per sub-section (5) of section 135	4,19,748
ii.	Total amount spent for financial year	5,00,000
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	80,252
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous FY 2023-24	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

The Board had approved CSR contribution of **₹5,00,000 (upper rounded off) against the CSR obligation of ₹4,19,748 for FY25 and hence, the company does not intend to set-off the excess CSR contribution spent during FY25 in future.*

8 Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl.	Proceeding financial years(s)	Amount transferred Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY-1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY-2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY-3	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created / acquired: **N.A**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
NA							

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

10 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

N.A.

For and on behalf of the Board of Directors

Sd/-
Managing Director & CEO

Sd/-
Chairperson, CSR Committee

INVESTORS PROFILE FY 2025

AVISHKAAR BHARAT FUND

Aavishkaar Bharat Fund, an alternative investment fund registered with the Securities and Exchange Board of India, is an India-focused equity oriented fund with an objective to invest in enterprises serving large market segments with a special emphasis on the under-served demographic segments.

AAVISHKAAR GOODWELL INDIA MICROFINANCE DEVELOPMENT COMPANY II LIMITED

Aavishkaar Goodwell India Microfinance Development Company II Limited, a private company limited by shares under Mauritius law has objectives to (A) provide commercial long-term risk capital and active support directly to MFIs in India and (B) to facilitate the setting up and accelerate the growth of these MFIs, in order to build value and integrate them into the mainstream financial sector.

AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED

Aavishkaar Venture Management Services Private Limited ("Aavishkaar Capital") is a Company registered under the laws of India. Aavishkaar Capital pioneered the venture capital approach of investing in early-growth stage enterprises in India, with a focus on geographies and sectors that were often overlooked and challenging. Aavishkaar Capital currently manages/advises funds with geographical focus on India and South & South East Asia and Africa.

BRITISH INTERNATIONAL INVESTMENT(BII)

British International Investment (BII), erstwhile CDC Group Plc, is the UK's development finance institution and impact investor with a mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. BII invests to create more productive, sustainable and inclusive economies in Africa, Asia and the Caribbean, enabling people in those countries to build better lives for themselves and their communities.

FAERING CAPITAL INDIA EVOLVING FUND II & III

Faering Capital is a leading Indian private equity firm with an entrepreneurial vision. The firm adopts a disciplined, sector-focused investment approach to develop proprietary investment themes and partners with exceptional companies to navigate sustainable growth. Faering Capital has a proven track record and long-term approach to build trusted partnerships with investors and exceptional companies and built expertise, teams, and networks across its focus sectors of Financial Services, Consumer & Retail, Healthcare, and Business Services.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

ICICI Prudential Life Insurance Company Limited (ICICI Prudential Life) is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited. ICICI Prudential Life began its operations in fiscal year 2001 and has consistently been amongst the top players in the Indian life insurance sector. ICICI Prudential Life is also the first insurance company in India to be listed on NSE and BSE.

NORWEGIAN MICROFINANCE INITIATIVE (NMI FRONTIER FUND KS)

NMI invests in and builds up MFIs in developing countries through equity and loan investments. NMI primarily targets poor women in SubSahara Africa, South Asia and Southeast Asia. NMI targets double bottom line results and thereby contributes to the empowerment of poor people in developing countries and to the creation of jobs and wealth on a sustainable basis.

TRIODOS MICROFINANCE FUND (TMF)

Triodos SICAV II - Triodos Microfinance Fund (Triodos - TMF) aims to support an accessible, well-functioning and inclusive financial sector across the globe by providing loans and equity to microfinance institutions that demonstrate a sustainable approach, including small and medium-sized enterprises; hereby offering investors a financially and socially sound investment in Financial Inclusion. The fund is established in Luxembourg. Triodos Investment Management acts as investment manager of the fund.

INTERNATIONAL FINANCE CORPORATION (IFC)

"IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets"

RESPONSABILITY PARTICIPATIONS MAURITIUS (RAPM)

responsAbility Participations AG is a company limited by shares with its registered office in Zurich, Switzerland. The company targets long term participations in established and primarily unlisted companies in emerging and transitioning economies, with a particular focus on institutions that provide financial services to micro, small and medium-sized enterprises and/or low-income clients. responsAbility Participations AG is managed by responsAbility Investments AG, a sustainable investment house with a track record of more than two decades of specializing in impact investing.

HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

HDFC ERGO General Insurance Company Limited ("HDFC ERGO" or the "Company") was promoted by erstwhile Housing Development Finance Corporation Ltd. (HDFC), India's premier Housing Finance Institution and ERGO International AG, the primary insurance entity of Munich Re Group. Consequent to the implementation of the Scheme of Amalgamation of HDFC with and into HDFC Bank Limited, one of India's leading private sector bank (Bank), the Company has become a subsidiary of the Bank. The Company offers complete range of general insurance products ranging from motor, health, travel, home and personal accident in the retail space and products like property, marine and liability insurance in the corporate space. With a network of branches spread across wide distribution network and a 24x7 support team, the Company has been offering seamless customer service and innovative products to its customers.

HDFC LIFE INSURANCE COMPANY LIMITED

Founded in 2000, HDFC Life Insurance Company Limited ('HDFC Life' or the 'Company') is a leading provider of long-term life insurance solutions in India. It offers a broad range of individual and group plans across the Protection, Pension, Savings, Investment, Annuity, and Health categories, with a portfolio of products and optional riders designed to meet the diverse needs of its customers.

HDFC Life is a subsidiary of HDFC Bank Limited, one of India's leading private banks. The Company has a nationwide presence, operating through its own branches and a network of over 300 distribution partners, including banks, NBFCs, MFIs, SFBs, brokers, and emerging ecosystem partners. HDFC Life also maintains a strong base of financial consultants.

Recognised as a great place to work, HDFC Life is deeply committed to governance and sustainability, ensuring responsible business practices that align with its long-term objectives.

SHRIRAM LIFE INSURANCE COMPANY LIMITED

Shriram Life Insurance Company Ltd.; jointly promoted by Shriram Capital Ltd. and South Africa-based financial services group Sanlam Ltd.; is a leading insurer having built its operations over 18 years by catering to a wide demographic and providing the average Indian with a bouquet of life insurance products catering to their financial needs. The company works with the purpose of ensuring that all families in the community are provided with adequate financial protection especially in the vulnerable segment. Shriram Life Insurance offers comprehensive protection and long-term savings life insurance solutions, focused on people at the bottom of the socio-economic pyramid, with close to 40% of insurance beneficiaries being from rural markets. It has a network of 478 branch offices across India. Shriram Life Insurance underwrote gross premium of over INR 4200 crore in FY24, recording Assets Under Management (AUM) exceeding INR 13208 crore. The average ticket size of the company for individual policies stands at around ₹20,000. The company's protection and long-term savings plans help it give working-class families comprehensive life cover besides offering stable investment solutions for their key life goals. The company has an in-force policyholder base of over 10 lakhs. With a claims settlement ratio crossing 98% in FY 24; the company has been true to its purpose of providing security to the community.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

"Small Industries Development Bank of India (SIDBI), set up on April 02, 1990, under an Act of Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for coordination of the functions of the institutions engaged in similar activities. The role of SIDBI is to facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system."

PATNI FAMILY TRUST

"Patni Family trusts are part of Patni Family office. The Patni Family Office invests in a wide range of asset classes such as equity, debt, real estate, commodities, joint ventures and other financial structures. The Patni Group is a pioneer in computer hardware and software in India. The flagship company, Patni Computers, was founded in 1978 and went public in the year 2004. It was sold in the year 2011."

RBL BANK LIMITED

RBL Bank is one of India's leading private sector banks with an expanding presence across the country. The Bank offers specialized services under five business verticals namely: Corporate Banking, Commercial Banking, Branch & Business Banking, Retail Assets and Treasury & Financial Markets Operations. It currently services over 15.48 million customers through a network of 561 branches; 1,472 business correspondent branches (of which 296 banking outlets) and 412 ATMs spread across 28 Indian states and Union Territories. RBL Bank is listed on both NSE and BSE (RBLBANK).

REGISTERED & CORPORATE OFFICE

S-24/1-2, Fourth Floor, Mahavir Nagar,
Orderly Bazar, Near Mahavir Mandir,
Varanasi, Uttar Pradesh, PIN - 221002

communication@utkarshcoreinvest.com

www.utkarshcoreinvest.com

DMKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Utkarsh CoreInvest Limited
(Formerly known as Utkarsh Micro Finance Limited)

Report on the Audit of the Standalone Financial Statements
Opinion

We have audited the accompanying Standalone Financial Statements of UTKARSH COREINVEST LIMITED (the "Company"), for the half year ended September 30,2025, (the "Statement"), which comprise the Standalone Balance Sheet as at September 30,2025, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone statement of changes in equity and Standalone statement of cash flows for the half year ended September 30,2025 and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the Statement gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income, and other financial information of the Company for the half year ended September 30,2025.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the half year ended September 30,2025 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to Note 57 of the financial statements, which describes that subsequent to the reporting date of 30 September 2025, the Banking Subsidiary, Utkarsh Small Finance Bank Limited ("USFBL"), has raised funds amounting to ₹9,490.8 million through a Rights Issue. As the Company did not participate in the Rights Issue and renounced all its Rights Entitlement to the Specified Investors, its shareholding in Utkarsh Small Finance Bank has reduced from 68.92% to 42.67% as at November 04, 2025. The Company is in the process of evaluating the impact of

this change in shareholding on its financial statements. Since this event occurred after the reporting date, no adjustments have been made to the accompanying financial statements. Our opinion on the financial statements is not modified in respect of this matter..

Other Matter

We draw attention to the Note No. 35 of Financial Statements- Scheme of Amalgamation (the "Scheme") involving [UCL/Transferor Company] and [USFBL/Transferee Company], as approved by the respective Boards of Directors on February 13, 2024, and March 14-16, 2024, with the final approval provided on September 20, 2024. The Scheme has been formulated in compliance with the dilution requirements stipulated under the guidelines issued by the Reserve Bank of India (RBI) for Small Finance Banks (SFB Guidelines) and the RBI (Acquisition Directions), which require the promoter's equity stake in the Transferee Company to be reduced to 40% within five years, and further to 26% within 15 years, from the commencement of business operations.

Pursuant to the Scheme, the equity shareholding of the Transferor Company in the Transferee Company would be reduced to nil upon the dissolution of the Transferor Company, and no shareholders of the Transferor Company will qualify as promoters of the Transferee Company. Consequently, this reverse merger is intended to ensure compliance with the above-stated regulatory requirements.

The scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority.

The RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements.

Further to the above, the Company has received 'No Objection' from the stock exchanges i.e. BSE and NSE on July 04, 2025 and July 07, 2025 respectively to the proposal and to proceed with amalgamation of "Utkarsh CoreInvest Limited (UCL) with Utkarsh Small Finance Bank Limited (USFBL)" in accordance with compliance to all applicable statutory and regulatory requirements. Our opinion on the financial statements is not modified in respect of this matter

Management's Responsibilities for the Standalone Financial Results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited interim standalone financial statements for the half year ended September 30,2025. This responsibility includes the preparation and presentation of the standalone financial results for the half year ended September 30,2025 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the standalone financial results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial results of the Company to express an opinion on the standalone financial results.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the standalone financial results. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For D M K H & Co.,
Chartered Accountants
FRN: 116886W

MANISH KANKANI
Digitally signed by MANISH KANKANI
Date: 2025.12.12 19:40:31 +05'30'

Manish Kankani
Partner
Membership No.: 158020
UDIN: 25158020BMJACS6731

Place: Mumbai
Date: December 12, 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Balance Sheet as at 30 September 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 30 September 2025	As at 31 March 2025
Assets			
Financial assets			
Cash and cash equivalents	3	19.72	1.25
Bank balance other than above	4	530.75	531.85
Investments in subsidiaries	6	7,902.66	7,899.58
Other financial assets	5	2.59	6.86
Non-financial assets			
Current tax assets (net)	-	119.58	122.55
Property, plant and equipment	7	2.90	3.11
Other non-financial assets	8	1.79	0.19
Total assets		**8,579.99**	**8,565.39**
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises	9	0.41	0.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.33	0.94
Other financial liabilities	10	3.05	3.41
Non-financial liabilities			
Provisions	11	0.67	0.43
Other non-financial liabilities	12	0.40	0.59
Equity			
Equity share capital	13	993.78	993.72
Other equity	14	7,581.35	7,565.73
Total liabilities and equity		**8,579.99**	**8,565.39**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for B M K H & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/W66580

MANISH KANKANI Digitally signed by MANISH KANKANI Date: 2025.12.12 21:07:14 +05'30'

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: December 12, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh Digitally signed by Suman Saurabh Date: 2025.12.12 19:21:42 +05'30'

Suman Saurabh
Managing Director and CEO
DIN: 07132387

Neeraj Kumar Tiwari Digitally signed by Neeraj Kumar Tiwari Date: 2025.12.12 [illegible]

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

G S SUNDARA RAJAN Digitally signed by G S SUNDARARAJAN Date: 2025.12.12 19:51:13 +05'30'

G.S. Sundararajan*
Chairperson
DIN: 00361030

Harshit Agrawal Digitally signed by Harshit Agrawal Date: 2025.12.12 19:27:34 +05'30'

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: December 12, 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Statement of Profit and Loss for the half-year ended 30 September 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the half-year ended 30 September 2025	For the year ended 31 March 2025
Other income	15	39.85	434.54
Total income		**39.85**	**434.54**
Expenses			
Employee benefits expenses	16	7.82	15.63
Depreciation	17	0.21	0.19
Others expenses	18	7.69	13.04
Total expenses		**15.72**	**28.86**
Profit/(Loss) before tax		**24.13**	**405.68**
Tax Expense:			
Current tax	56	7.20	102.98
Profit/(Loss) for the year		**16.93**	**302.70**
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
-Actuarial gain/(loss) on defined benefit obligation		(0.07)	(0.11)
Total		**(0.07)**	**(0.11)**
Total Comprehensive Income for the year		**16.86**	**302.59**
Earnings per equity share			
Basic earnings per share of INR 10 each	29	0.17	3.06
Diluted earnings per share of INR 10 each	29	0.17	3.05
Summary of material accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for D M K H & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

MANISH KANKANI
Digitally signed by MANISH KANKANI
Date: 2025.12.12 21:07:38 +05'30'

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: December 12, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Digitally signed by Suman Saurabh
Date: 2025.12.12 19:22:28 +05'30'

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G S SUNDARA RAJAN
Digitally signed by G S SUNDARARAJAN
Date: 2025.12.12 19:52:42 +05'30'

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Digitally signed by Neeraj Kumar Tiwari
Date: 2025.12.12 19:20:10 +05'30'

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Digitally signed by Harshit Agrawal
Date: 2025.12.12 19:26:19 +05'30'

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: December 12, 2025

Utkarsh Coreinvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Cash flow statement for the half-year ended 30 September 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the half-year ended 30 September 2025	For the year ended 31 March 2025
A. CASH FLOW FROM OPERATING ACTIVITES			
Net Profit/(loss) before Tax		**24.13**	**405.68**
Adjustments for:			
Depreciation and amortisation		0.21	0.19
Dividend income		0.00	(379.64)
Interest income		(22.87)	(40.59)
Sharebased payment adjustment		(4.77)	(0.36)
Actuarial gain/(loss) on defined benefit obligation		(0.07)	(0.11)
Operating (Loss)/profit before Working Capital Changes		**(3.37)**	**(14.83)**
Adjustments for:			
(Increase) in bank balance other than above		6.05	(68.25)
Decrease/(Increase) in other financial assets		4.27	(3.74)
Decrease in other non financial asset		(1.60)	0.00
(Decrease)/Increase in trade payables		(0.77)	(1.26)
(Decrease)/Increase in other financial liability		(0.36)	0.77
(Decrease)/Increase in other non financial liability		(0.19)	(3.42)
Increase/(Decrease) in provision		0.24	0.07
Cash Flow before taxation		7.64	(79.83)
Income Tax (paid)/ refund - Net		(4.23)	(101.37)
Net cash flow from operating activities		**0.04**	**(192.03)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		0.00	379.64
Interest income		17.92	40.47
Purchase of property, plant and equipments		0.00	(3.30)
Net cash used in Investing Activities		**17.92**	**416.81**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Shares including Securities premium		0.51	51.51
Payment to shareholder under Shareholder agreement		0.00	(300.00)
Net cash flow from Financing Activities		**0.51**	**(248.49)**
Net (Decrease)/Increase in Cash and Cash Equivalent Flow (A+B+C)		**18.47**	**(23.71)**
Opening Cash and Cash Equivalent	3	1.25	24.96
Closing Cash and Cash Equivalent	3	19.72	1.25
Summary of material accounting policies	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

for D M K H & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/W666580

MANISH KANKANI
Digitally signed by MANISH KANKANI
Date: 2025.12.12 21:58:25 +05'30'

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: December 12, 2025

for and on behalf of Board of Directors of
Utkarsh Coreinvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Digitally signed by Suman Saurabh
Date: 2025.12.12 19:23:07 +05'30'

Suman Saurabh
Managing Director and CEO
DIN: 07132367

G S SUNDAR ARAJAN
Digitally signed by G S SUNDARARAJAN
Date: 2025.12.12 19:44:59 +05'30'

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Digitally signed by Neeraj Kumar Tiwari
Date: 2025.12.12 19:32:07 +05'30'

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Digitally signed by Harshit Agrawal
Date: 2025.12.12 19:49:08 +05'30'

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: December 12, 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone statement of changes in equity Balance as at 30 September 2025
(Amount in millions unless otherwise stated)

A Equity Share Capital

	Balance as at 1st April 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025	Changes during the year	Balance as at 30 September 2025
Paid up share capital	984.21	3.23	987.44	6.28	993.72	0.06	993.78
	984.21	3.23	987.44	6.28	993.72	0.06	993.78

B

Other Equity	Reserves and Surplus									Other comprehensive income		Total
	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Other Equity – Fair valuation change	Capital redemption reserve	Securities premium	ESOP reserve	Treasury shares	Retained Earnings	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Actuarial gain / loss on post employment defined benefit plan	Total
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	303.70	-	(0.11)	303.59
Share options exercised	-	-	-	-	-	32.16	(32.16)		-	-	-	-
Transfer to / from retained earnings	-	-	60.60	-	-	-	(8.75)	-	(51.85)	-	-	-
Equity settled share based plan	-	-	-	-	-	-	9.44	-	-	-	-	9.44
Shares issued	(21.54)	-	-	-	-	66.54	-		-	-	-	45.00
Payment to shareholders under shareholder agreement	-	-	-	-	-	-	-	-	(300.00)	-	-	(300.00)
Share application money received	0.23	-	-	-	-	-	-	-	-	-	-	0.23
Balance as at 31 March 2025	**0.23**	**(188.61)**	**278.75**	**4,131.67**	**98.88**	**6,638.39**	**42.24**	**(2.45)**	**(3,384.91)**	**(180.62)**	**(8.36)**	**7,969.73**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	16.99	-	(0.07)	16.86
Share options exercised	-	-	-	-	-	0.41	(0.41)		-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-	-	(21.60)	-	21.60	-	-	-
Equity settled share based plan	-	-	-	-	-	-	(1.69)	-	-	-	-	(1.69)
Shares issued	(0.23)	-	-	-	-	0.68	-		-	-	-	0.45
Payment to shareholders under shareholder agreement	-	-	-	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2025	**-**	**(188.61)**	**278.75**	**4,131.67**	**98.88**	**6,639.48**	**18.54**	**(2.45)**	**(3,346.32)**	**(180.62)**	**(8.43)**	**7,981.29**

Summary of material accounting policies 2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

for B M K H & Co.
Chartered Accountants
ICAI Firm Registration No. 116288W/W665S8

MANISH KANKANI

Manish Kankani
Partner
Membership No: 119020

Place: Mumbai
Date: December 12, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC049659

Suman Saurabh

Suman Saurabh
Managing Director and CEO
DIN: 07132587

G S SUNDARA RAJAN

G.S. Sundararajan*
Chairperson
DIN: 00961050

Neeraj Kumar Tiwari

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal

Harshit Agrawal
Chief Financial Officer
ACA: 417413

Place: Varanasi & Chennai*
Date: December 12, 2025

		As at 30 September 2025	As at 31 March 2025
3	**Cash and Bank Balances**		
	Cash and cash equivalents		
	Balances with Banks		
	- On current accounts	19.72	1.25
	Total	**19.72**	**1.25**
4	**Bank balance other than above**		
	In Bank deposits	530.75	531.85
	Total	**530.75**	**531.85**
5	**Other financial assets**		
	Receivable from Utkarsh Small Finance Bank Limited	1.80	5.77
	Other recoverable	0.03	0.02
	Plan assets receivable for leave encashment provision	0.76	1.07
	Total	**2.59**	**6.86**
6	**Investments in subsidiaries**		
	Investment in -		
	- 759,272,222 (31 March 2025: 759,272,222) Equity shares of Utkarsh Small Finance Bank Limited	7,902.66	7,899.58
	Total	**7,902.66**	**7,899.58**

7 Property, Plant and Equipment

	Gross value				Depreciation				Net value
Particulars	**As at 1 April 2025**	**Additions**	**Disposals**	**As at 30 September 2025**	**As at 1 April 2025**	**For the year**	**Disposals**	**As at 30 September 2025**	**As at 30 September 2025**
Owned Assets									
Computers	0.10	-	-	0.10	0.10	-	-	0.10	-
Vehicles	6.28	-	-	6.28	3.18	0.21	-	3.38	2.90
Total	**6.38**	**-**	**-**	**6.38**	**3.27**	**0.21**	**-**	**3.48**	**2.90**

	Gross value				Depreciation				Net value
Particulars	**As at 1 April 2024**	**Additions**	**Disposals**	**As at 31 March 2025**	**As at 1 April 2024**	**For the year**	**Disposals**	**As at 31 March 2025**	**As at 31 March 2025**
Owned Assets									
Computers	0.10	-	-	0.10	0.10	-	-	0.10	-
Vehicles	2.98	3.30	-	6.28	2.98	0.19	-	3.18	3.11
Total	**3.08**	**3.30**	**-**	**6.38**	**3.08**	**0.19**	**-**	**3.27**	**3.11**

	As at 30 September 2025	As at 31 March 2025
8 Other non-financial assets		
Balance with tax authorities	0.39	-
Staff advances	1.21	-
Pre-paid expenses	0.19	0.19
Total	**1.79**	**0.19**
9 Trade payables		
Total outstanding due to micro and small enterprises (Refer Note 21)	0.41	0.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.33	0.94
Total	**0.74**	**1.51**

Trade payables ageing schedule:

As on 30 September 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	0.41		-	-	-	0.41
(II) Others	-	0.33		-	-	-	0.33
(III) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	-	0.74	-	-	-	-	0.74

As on 31 March 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	0.57		-	-	-	0.57
(ii) Others	0.43	0.51		-	-	-	0.94
(III) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	0.43	1.08	-	-	-	-	1.51

10 Other financial liabilities		
Employee benefits payable	3.05	3.41
	3.05	**3.41**

Information about the Company's exposure to liquidity risk is included in Note 31

11 Provisions		
Provision for employee benefits		
Provision for gratuity	0.24	0.12
Provision for other employee benefits	0.43	0.31
Total	**0.67**	**0.43**
12 Other non-financial liabilities		
Statutory dues payable:		
TDS payable	0.26	0.36
GST payable	0.05	0.15
PF payable	0.10	0.08
	0.40	**0.59**

	As at 30 September 2025	As at 31 March 2025
13 Share capital		
Authorised		
Equity shares		
10,00,00,000 (31 March 2025: 10,00,00,000) Equity shares of INR 10 each	1,000.00	1,000.00
Issued, subscribed and paid-up		
Equity shares		
9,93,78,215 (Previous year 9,93,71,965) equity shares of Rs. 10 each, fully paid up	993.78	993.72
	993.78	**993.72**

(a) Reconciliation of the number of shares outstanding is set out below:

	30 September 2025		31 March 2025	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	9,93,71,965	993.72	9,87,44,490	987.44
Issued during the year	6,250	0.06	6,27,475	6.28
Outstanding at the end of the year	**9,93,78,215**	**993.78**	**9,93,71,965**	**993.72**

(b) Details of shareholder holding more than 5% shares is set below:

Equity shares	As at 30 September 2025		As at 31 March 2025	
Name of the shareholder	Number of shares (in units)	% of Holding	Number of shares (in units)	% of Holding
British International Investment PLC (Formerly known as CDC Group PLC)	1,37,26,978	13.81%	1,37,26,978	13.81%
RBL Bank Limited	85,81,150	8.63%	85,81,150	8.64%
NMI Frontier Fund KS, Norway	77,02,602	7.75%	77,02,602	7.75%
Faering Capital India Evolving FUND II	76,60,082	7.71%	76,60,082	7.71%
	3,76,70,812	**37.91%**	**3,76,70,812**	**37.91%**

		As at 30 September 2025	As at 31 March 2025
14	**Other equity**		
	Capital redemption reserve		
	Balance as at the beginning of the year	90.00	90.00
	Add: Transfer from surplus in Statement of Profit and Loss		
	Balance as at the end of the year	**90.00**	**90.00**
	Securities premium		
	Balance as at the beginning of the year	6,630.39	6,531.69
	Add: Transfer from stock option outstanding	0.41	32.16
	Add: On issue of shares during the year	0.68	66.54
	Balance as at the end of the year	**6,631.48**	**6,630.39**
	Employees stock options outstanding		
	Balance as at the beginning of the year	42.24	82.71
	Add: Compensation for options granted	(1.69)	0.44
	Less: Transfer to Retained Earnings	(21.60)	(8.75)
	Exercise of stock options	(0.41)	(32.16)
	Balance as at the end of the year	**18.54**	**42.24**
	Equity component of financial instruments		
	Balance as at the beginning of the year	(109.01)	(109.01)
	Balance as at the end of the year	**(109.01)**	**(109.01)**
	Remeasurement of defined benefit plans		
	Balance as at the beginning of the year	(0.56)	(0.45)
	Other comprehensive income	(0.07)	(0.11)
	Balance as at the end of the year	**(0.63)**	**(0.56)**
	Statutory reserve		
	Balance as at the beginning of the year	278.75	218.15
	Add: Transferred from surplus	-	60.60
	Balance as at the end of the year	**278.75**	**278.75**
	Other Equity - Fair valuation changes		
	Balance as at the beginning of the year	4,121.67	4,121.67
	Add: Fair valuation of equity share capital	-	-
	Less: Loss on extinguishment	-	-
	Balance as at the end of the year	**4,121.67**	**4,121.67**
	Retained earnings		
	Balance as at the beginning of the year	(3,324.91)	(3,275.76)
	Add: Profit/(loss) for the year	16.93	302.70
	Add: Amount transferred to statutory reserve (created under Section 45-1C of RBI Act, 1934)	-	-
	Add: ESOP Reserve Adjustment	21.60	(51.85)
	Less: Payment to shareholder under shareholder agreement	-	(300.00)
	Balance as at the end of the year	**(3,286.38)**	**(3,324.91)**
	Share Application money pending allotment		
	Balance as at the beginning of the year	0.23	21.54
	Shares issued during the year	(0.23)	(21.54)
	Share application money received during the year	-	0.23
		-	**0.23**
	Treasury shares		
	Balance as at the beginning of the year	(2.45)	(2.45)
	Treasury shares exercised during the year	-	-
	Balance as at the end of the year	**(2.45)**	**(2.45)**
	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		
	Balance as at the beginning of the year	(160.62)	(160.62)
	Total Comprehensive Income for the year	-	-
		(160.62)	**(160.62)**
	Total	**7,581.35**	**7,565.73**

Nature and purpose of other reserve :

Capital Redemption Reserve
Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP Reserve
The said amount is used to recognise the grant date fair value of options issued to employees under Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.

Equity component of financial instruments
This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.

Remeasurement of defined benefit plans
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Statutory reserve
The said reserve has been created under Section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Company shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.

Other Equity - Fair valuation changes
The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities. During the year ended 31 March 2019, due to substantial modification of the shareholder agreement, the Company has reclassified the equity share capital from financial liability to equity. Accordingly, the amount debited to said reserve in the previous periods was credited. Further, on the date of said reclassification, the Company has recorded the equity at the fair valuation on the date of reclassification and accordingly, the impact of the same has been booked in other equity. Loss on extinguishment of financial liability has been recorded in the said reserve.

Retained Earnings
The said amount represents accumulated surplus/(deficit) of the profits earned by the Company.

The company has provided for INR 30 million to RAAG trust in lieu of issuing 3% of share capital on fully diluted basis as per share holder agreement and article of association

Share Application money pending allotment
This amount represents amount received from share holders against which shares are yet to be allotted.

Treasury shares
The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Company.

Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss
The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.

		For the half-year ended 30 September 2025	For the year ended 31 March 2025
15	**Other Income**		
	Dividend Income	-	379.64
	Interest on financial assets at amortised cost	22.87	40.59
	Recovery from written off portfolio	16.14	12.70
	Miscellaneous income	0.84	1.61
	Total	**39.85**	**434.54**
16	**Employee benefit expenses**		
	Salaries and bonus	6.47	12.91
	Contribution to provident and other funds	0.75	0.51
	Share based payment to employees	0.53	1.98
	Staff welfare expenses	0.07	0.23
	Total	**7.82**	**15.63**
17	**Depreciation**		
	Depreciation of property, plant and equipment	0.21	0.19
	Total	**0.21**	**0.19**
18	**Other expenses**		
	Repairs and maintenance	0.01	0.02
	Contribution towards Corporate Social Responsibilities	3.00	0.50
	Legal and professional charges	2.03	6.58
	Director sitting fees	1.07	3.67
	Communication expenses	0.05	0.07
	Miscellaneous expenses	1.12	1.32
	Lease rent*	0.43	0.88
	Total	**7.69**	**13.04**

* Represents lease rentals for short term leases in the current year

19	**Details of corporate social responsibility expenditure**		
	Average net profit of the Company for last three financial years	148.32	20.99
	Gross amount required to be spent by the company during the year	Nil	Nil
	Corporate Social Responsibility expenses for the year	3.00	0.50
	Various Head of expenses included in above:		
	Other expenses (Contribution towards Corporate Social Responsibilities)	3.00	0.50
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	3.00	0.50
	Details of related party transactions	3.00	0.50
	Provision for CSR Expenses		
	Opening Balance	-	-
	Add: Provision created during the year	3.00	0.50
	Less: Provision utilised during the year	3.00	0.50
	Closing Balance	-	-
	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
	The total of previous years' shortfall amounts	Nil	Nil
	The reason for above shortfalls by way of a note	-	-
	The nature of CSR activities undertaken by the Company	Contribution made towards CSR activities	Contribution made towards CSR activities

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.

20	**Auditors remuneration (Included in legal and professional charges, excluding taxes)**		
	Payments to auditor (excluding tax):	**September 30, 2025**	**March 31, 2025**
	- Statutory auditor	0.50	0.90
	- Other services	-	0.03
	- Reimbursement of expenses	-	-
	Total	**0.50**	**0.93**

21 Amounts payable to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 September 2025 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 30 September 2025	As at 31 March 2025
Principal amount remaining unpaid to any supplier as at the end of the year.	0.41	0.58
Interest due thereon remaining outstanding as at the end of the year.	Nil	Nil
The amount of interest paid by the buyer as per Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22 A. Contingent liabilities

Claims against the company not acknowledged as debts in respect of Income Tax is INR 10.39 (31 March 2025: INR 10.39).

B. Commitments

There are no commitments as at 30 September 2025 and 31 March 2025.

C. Contingent assets

There are no contingent assets as at 30 September 2025 and 31 March 2025.

23 Details of pending litigations

	As at 30 September 2025	As at 31 March 2025
Proceedings by Company against theft*	2.51	2.51
Income Tax CIT (A) - Refund	114.30	114.30
Income-tax Appellate Tribunal (ITAT) - Demand	10.39	10.39

*An amount of INR 0.14 (31 March 2025: 0.14) has been recovered in earlier years and INR 2.37 (31 March 2025 : 2.37) is yet to be recovered. The total unrecovered amount (against theft) is written off in the previous years.

24 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 30 September 2025			As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(I) Assets									
A Financial assets									
Cash and cash equivalents	19.72	-	19.72	1.25	-	1.25	24.96	-	24.96
Bank balance other than above	-	530.75	530.75	-	531.65	531.65	-	463.48	463.48
Investment in subsidiary	-	7,902.66	7,902.66	-	7,899.58	7,899.58	-	7,898.78	7,898.78
Other financial assets	2.59	-	2.59	6.86	-	6.86	3.12	-	3.12
Total financial assets	**22.31**	**8,433.41**	**8,455.72**	**8.11**	**8,431.43**	**8,439.54**	**28.08**	**8,362.26**	**8,390.34**
B Non-financial assets									
Current tax assets (net)	-	119.58	119.58	-	123.55	123.55	-	124.16	124.16
Property, plant and equipment	-	2.90	2.90	-	3.11	3.11	-	-	-
Other non-financial assets	1.79	-	1.79	0.19	-	0.19	0.19	-	0.19
Total non-financial assets	**1.79**	**122.48**	**124.27**	**0.19**	**126.66**	**126.85**	**0.19**	**124.16**	**124.35**
Total Assets	**24.10**	**8,555.89**	**8,579.99**	**8.30**	**8,557.09**	**8,565.39**	**28.27**	**8,486.42**	**8,514.69**
(II) Liabilities									
A Financial liabilities									
Trade Payable	0.74	-	0.74	1.51	-	1.52	2.77		
Other financial liabilities	3.05	-	3.05	3.41	-	3.41	2.64	-	2.64
B Non-financial liabilities									
Provisions	0.67	-	0.67	0.43	-	0.43	0.36	-	0.36
Other non-financial liabilities	0.40	-	0.40	0.59	-	0.59	4.01	-	4.01
Total financial liabilities	**4.86**	**-**	**4.86**	**5.94**	**-**	**5.95**	**9.78**	**-**	**7.01**
Total Liabilities	**4.86**	**-**	**4.86**	**5.94**	**-**	**5.94**	**9.78**	**-**	**9.78**
Net	**19.24**	**8,555.89**	**8,575.13**	**2.36**	**8,557.09**	**8,559.45**	**18.49**	**8,486.42**	**8,504.91**

25 Segment reporting

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' As the Company is not having any commercial operations, hence there are no separate reportable segments as per Ind AS 108.

Information about products and services:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about geographical areas:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about major customers (from external customers):
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

26 Employee benefits

The Company operates the following post-employment plans -

I. Defined Benefit plan

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 30 September 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	30 September 2025	31 March 2025
Net defined benefit liability	0.25	0.12

A) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section D below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the year ending 31 March 2026 is INR 0.43

B) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at 30 September 2025			As at 31 March 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	1.04	0.92	0.12	0.70	0.68	0.01
Included in profit or loss						
Current service cost	0.05	-	0.05	0.17	-	0.17
Past Service cost	-	-	-	-	-	-
Interest cost (Investment Income)	0.03	0.03	0.00	0.05	0.05	0.00
Total (A)	**0.08**	**0.03**	**0.05**	**0.22**	**0.05**	**0.17**
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.01	-	0.01	0.01	-	0.01
- experience adjustment	0.06	-	0.06	0.11	-	0.11
– Return on plan assets excluding interest income	-	-	-	-	0.01	(0.01)
Total (B)	**0.07**	**-**	**0.07**	**0.13**	**0.01**	**0.11**
Other						
Contributions paid by the employer	-	-	-	-	0.18	(0.18)
Benefits Paid	-			-		
Total (C)	**-**	**-**	**-**	**-**	**0.18**	**(0.18)**
Balance at the end of the year	1.20	0.95	0.25	1.04	0.92	0.12

C. Plan assets

	30 September 2025	31 March 2025
Insurer managed funds	100%	100%

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

D. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	30 September 2025	31 March 2025
Discount rate	6.35%	6.50%
Future salary growth	8%	8%
Withdrawal rate:		
All ages	13.10% - 31.90%	13.10% - 31.90%
Retirement Age (in year)	60	60
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary escalation rate: Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	30 September 2025		31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.07)	0.08	(0.07)	0.07
Salary growth rate (1% movement)	0.08	(0.07)	0.07	(0.07)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

	30 September 2025	31 March 2025
0 to 1 Year	0.16	0.14
1 to 5 Year	0.60	0.50
5 Year onwards	1.21	1.12
Total	**1.97**	**1.76**

As at 30 September 2025, the weighted-average duration of the defined benefit obligation was 6 years (31 March 2025: 7 years)

G. Description of risk exposures

Investment risk
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)
Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year and the previous years, we have used Indian Assured Lives Mortality (2012-14) ultimate table.

A change in mortality rate will have a bearing on the plan's liability.

Salary risk
The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

H. Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	Year ended 30 September 2025	Year ended 31 March 2025
Provident fund	0.26	0.50

III. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	Year ended 30 September 2025	Year ended 31 March 2025
Amount recognised in Statement of Profit and Loss		
Provision for leave encashment and gratuity	0.55	0.11

37 Employee stock options

A Description of share-based payment arrangements

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Company and its subsidiary Companies ('Group'). The scheme provides that subject to continued employment with the company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The Company formed Utkarsh ESOP Welfare Trust ("Trust") to issue ESOPs to employees of the Company as per Employee Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme.

The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.

The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Company and gets consolidated with the standalone books of the Company.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Company in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective September 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

	30 September 2025		31 March 2025	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	6,48,731	120.68	13,09,227	119.40
Add: Granted during the year	-	-	17,300	123.00
Add: Adjustment of previous year (negative impact)	-	-	2,43,354	110.61
Less: Lapsed/forfeited during the year	3,71,340	117.56	3,93,875	116.63
Less: Exercised during the year	6,250	118.74	6,27,475	116.11
Less: Adjustment of current year	2,350	125.00	-	-
Outstanding options at the end of the year	2,68,791	128.68	6,48,731	128.68
Options vested and exercisable at the end of the year	2,46,298	125.00	6,13,888	120.44

The weighted average share price at the date of exercise for share options exercised for the period ended 30 September 2025 was 118.74 (31 March 2025 INR 116.11).

C Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 30 September 2025	As at 31 March 2025
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	1,79,094	1,79,094
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125	12,500	12,500
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	4,16,669	4,16,669
1 April 2021	1 April 2023 - 1 April 2026	125.00	3,750	3,750
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,091	7,091
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	12,187
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	17,500
Weighted average remaining contractual life of options outstanding at the end of the year			1.33 years	1.38 years

D Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60

The fair values of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.85%	21.6	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.6	45.31	7.74%	27.54 - 31.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.6	71.4	7.46%	33.13 - 37.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.48%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	133.19	7.09%	48.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.95%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	47.90%	125.00	166.70	7.10%	68.30 - 99.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.50 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Company has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 26

As the scheme is applicable to all the employees of the group, the Company has made a cross charge to Utkarsh Small Finance Bank for the ESOP expense incurred by the Company on behalf of Utkarsh Small Finance Bank.

28 Related party disclosure

1. Name of the related party and nature of relationship:-

A.	Name of the Related Party	Nature of Relationship
a.	**Key managerial personnel**	
i	Mr. Ashwani Kumar	– Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii	Mr. Suman Saurabh	– Managing Director & CEO (w.e.f. 19 December 2023)
iii	Mr. G.S. Sundararajan	– Independent Director
iv	Mr. Gaurav Malhotra	– Nominee Director (ceased to be director w.e.f. 25 August 2022)
v	Mr. Atul	– Independent Director
vi	Mr. T. K. Ramesh Ramanathan	– Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii	Mr. Harjeet Toor	– Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii	Mr. Aditya Deepak Parekh	– Nominee Director
b.	**Subsidiaries**	Utkarsh Small Finance Bank Limited

c. **Company in which Director / KMP / their Relatives are Member and have the Controlling Rights / Shareholding in that Company exceeding 50%**
Utkarsh Welfare Foundation (Ceased to be related party w.e.f. Dec 19, 2023)
Fearing Capital Private Limited (Mr. Aditya Deepak Parekh has the controlling right in the capacity of MD)
Fearing Capital LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)
AMP Fitness LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)

B. Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	For the period ended 30 September 2025	Year ended 31 March 2025
Utkarsh Small Finance Bank Limited	(i) ESOP cost cross charge	(5.30)	(2.34)
	(ii) Fixed deposits placed during the year	47.90	589.35
	(iii) Fixed deposits matured during the year	29.60	521.10
	(iv) Interest received	22.83	40.59
	(v) Service charge on collection	0.18	0.15
	(vi) Dividend received	-	379.64
	(vii) Rent Paid	0.43	0.88
	(viii) Deemed Investment in USFB (Basis IND AS Fair valuation)	3.08	0.80

C. Compensation of key managerial personnel

	For the period ended 30 September 2025	Year ended 31 March 2025
Short-term employee benefits		
Suman Saurabh	2.36	5.81
GS Sundararajan	-	1.25
Post-employment defined benefit plan		
Suman Saurabh	0.28	0.25
Other long term benefits		
Suman Saurabh	0.53	0.11
Share-based payments		
Suman Saurabh	0.21	0.82
Sitting fees		
GS Sundararajan	0.52	1.18
Atul	0.52	1.24
	4.44	**10.66**

Terms and conditions
All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D. Receivables (payable) as at balance sheet date:

Name of related party	For the period ended 30 September 2025	Year ended 31 March 2025
Utkarsh Small Finance Bank Ltd. - Investment in FDR	545.30	527.00
Utkarsh Small Finance Bank Ltd. - Current Account	0.17	1.11
Utkarsh Small Finance Bank Ltd. - Other Receivables	1.80	5.77

29 Earnings per share

Particulars	For the half-year ended 30 September 2025	For the year ended 31 March 2025
a) Basic earning per share		
Profit/(loss) after tax	16.93	302.70
Weighted average number of equity shares outstanding during the year – Basic	9,91,30,898	9,89,88,994
b) Diluted		
Profit/(loss) after tax	16.93	302.70
Weighted average number of equity shares outstanding during the year – Basic	9,91,30,898	9,89,88,994
Add: Weighted average number of potential equity shares on account of employee stock options	62,481	3,73,348
Weighted average number of equity shares outstanding during the year – Diluted	9,91,93,379	9,93,62,341
Earnings per share		
Basic – par value of INR 10 each	0.17	3.06
Diluted - par value of INR 10 each	0.17	3.05

30 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	As at 30 September 2025		
	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	19.72
Bank balance other than above	-	-	530.75
Other financial assets	-	-	2.59
	-	-	553.06
Financial liabilities:			
Other financial liabilities	-	-	3.05
	-	-	3.05

	As at 31 March 2025		
	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	1.25
Bank balance other than above	-	-	531.85
Other financial assets	-	-	6.86
	-	-	539.96
Financial liabilities:			
Other financial liabilities	-	-	3.41
	-	-	3.41

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 30 September 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	19.72	-	-	-	-
Bank balance other than above	530.75	-	-	-	-
Other financial assets	2.59	-	-	-	-
	553.06	-	-	-	-
Financial liabilities:					
Other financial liabilities	3.05			-	-
	3.05	-	-	-	-

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	1.25	-	-	-	-
Bank balance other than above	531.85	-	-	-	-
Other financial assets	6.86	-	-	-	-
	539.96	-	-	-	-
Financial liabilities:					
Other financial liabilities	3.41			-	-
	3.41	-	-	-	-

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial assets includes investment in subsidiary recorded at cost as per Ind AS 27 Separate Financial Statements

C. Valuation framework

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

31 Financial risk management

The Company's activities exposure is to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

(a) Risk management structure and Company's risk profile

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment in debentures, cash and cash equivalents, other bank balances, etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Cash and bank balances and other financial assets

Cash and bank balances of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted.

As at 30 September 2025	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	3.05	(3.05)	(3.05)	-	-	-	-

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	3.41	(3.41)	(3.41)	-	-	-	-

D. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to any currency risk as Company does not have any foreign currency transactions during the current year and comparative year.

(ii) Interest rate risk

The Company does not have any borrowings.

Exposure to interest rate risk
The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	30 September 2025	31 March 2025
Fixed rate instruments		
Financial assets	530.75	531.85
Financial liabilities	-	-

(iii) *Legal and operational risk*

a *Legal risk*
Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. The Company also has well established legal procedures to scrutinise product offerings and manage risks arising out of its transactions.

b *Operational*
Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operational risk department operates independently from other units of the Company and reports directly to the Audit Committee, which consists of members of the Board. It conducts regular reviews of all business areas of the Company and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.

32 Capital management

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, the Company is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. The Company has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines. Going forward, attempt shall be made to strengthen Capital allocation practices and enhance efficiency of capital.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premiums and retained earnings.
- The Company does not have any elements in Tier 2 capital.

	As at 30 September	As at 31 March 2025
Common equity Tier 1 (CET1) capital		
Paid up share capital	993.78	993.72
Capital redemption reserve	90.00	90.00
Securities premium account	6,631.48	6,630.39
(Deficit) in the statement of profit and loss account	(3,285.38)	(3,324.91)
Statutory reserve	278.75	278.75
ESOP outstanding account	16.09	39.79
Prepaid expenditure	(0.19)	(0.19)
	4,723.53	4,707.55
Tier 2 capital instruments		
Less: Investment in excess of 10% of Own fund		
	4,723.53	4,707.55
Total regulatory capital	4,723.53	4,707.55
Risk weighted assets	7,909.75	7909.55
CRAR (%) - Refer note 34 (a)	59.72%	59.52%
CRAR -Tier I Capital (%)	59.72%	59.52%
CRAR -Tier II Capital (%)	0.00%	0.00%

ii. Capital allocation

Management uses extant regulatory capital ratios to monitor its capital base. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements. Theoretically, maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities. Going forward, capital allocation for various lines of business and activities shall be attempted, as part of annual business plan based on synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives.

33 Liquidity coverage ratio

Numerator	Denominator	30-Sep-25	31-Mar-25	% of variance	Explanation for change in the ratio by more than 25%
550.47	2.97	18528%	22666%	-18%	-

34 The Company has elected not to recognise right of use assets and lease liabilities for short term lease of building that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on straight line basis.

Rent expense recognised in the statement of profit and loss on account of short term exemption is INR 0.43 (31 March 2025 : INR 0.66)

35 As per the SFB Guidelines and RBI Clarifications read with the RBI Acquisition Directions, the promoter (in this case, 'UCL' or 'Transferor Company') of a small finance bank (in this case 'USFBL' or 'Transferee Company') is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by Securities and Exchange Board of India ("SEBI"). In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Board of Directors of both the Transferor Company and the Transferee Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger on February 13, 2024 and March 14-15, 2024 respectively.

The Scheme has been formulated in view of the above, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines and the RBI Acquisition Directions.

Apropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority.

The RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements.

Further, this is to apprise that in the process of amalgamation, we have received 'No Objection' from the stock exchanges i.e. BSE and NSE on July 04, 2025 and July 07, 2025 respectively to our proposal and to proceed with amalgamation of "Utkarsh CoreInvest Limited (UCL) with Utkarsh Small Finance Bank Limited (USFBL)" in accordance with compliance to all applicable statutory and regulatory requirements.

[illegible] Limited. [Formerly known as Ellipsis Silicon Finance Limited]
Notes to standalone financial statements as at 30 September 2024
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34 Additional Disclosures as required by Reserve Bank of India (RBI)

a) Components of ASW and other related information

Particulars	As at 30 September 2024	As at 31 March 2024	As at 31 March 2023
i) ASW as a % of Risk Weighted Assets	93.75%	92.93%	88.01%
ii) Unrealised appreciation in the book value of quoted investments	-	-	-
iii) Diminution in the aggregate book value of quoted investments	-	-	-
iv) Leverage Ratio	0.68	0.88	0.86

Note:
The ASW as a % of RWA as at 30 September 2024 disclosed above is as per RBI circular "RBI/2019/[illegible]/DOR(NBFC)/[illegible]/FAQ/[illegible].1) 1 04/04-1-17 (Updated as on December 28, 2022)".
ASW as a % of RWA as at 30 September 2024 has been calculated without considering the fair value changes in other equity as part of Tier reserves. If the Company consider the fair value changes in other equity and equity component of financial instruments, the ASW as a % of RWA as at 30 September 2024 will be 1 04.41% (31 March 24: 1 3 0.93%).

b) The Company has the following direct exposure to real estate sector

Particulars	As at 30 September 2024	As at 31 March 2024	As at 31 March 2024
Residential Mortgages			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-	-

c) Maturity pattern of certain items of assets and liabilities

Particulars (30 September 2024)	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	2,571.43	2,571.43

Particulars (31 March 2024)	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	2,571.43	2,571.43

d) Investments

Particulars	30 September 2024	31 March 2023	31 March 2024
Value of Investments			
(i) Gross Value of Investments			
(a) In India	2,571.43	2,571.43	2,571.43
(b) outside India	-	-	-
(ii) Provisions for Depreciation			
(a) in India	-	-	-
(b) outside India	-	-	-
(iii) Net Value of Investments			
(a) in India	2,571.43	2,571.43	2,571.43
(b) outside India	-	-	-
Movement of provisions held towards depreciation on investments			
(i) Opening balance	-	-	-
(ii) Add : Provisions made during the year	-	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-	-
(iv) Closing balance	-	-	-

e) Business Ratios

Particular	30 September 2024	31 March 2023	31 March 2024
Return on Equity	0.38%	5.35%	0.77%
Return on Assets	0.38%	5.34%	0.77%
Net Profit per Employee	1.89	13.88	2.77

f) Provision and contingency

Particulars	For the Year ended 30 September 2024	For the Year ended 31 March 2023	For the year ended 31 March 2024
Provision for Depreciation on Investment	-	-	-
Provision towards NPA	-	-	-
Provision made towards Income tax	2.33	161.91	3.85
Provision for Standard Assets	-	-	-
Other Provision and Contingencies	-	-	-

g) Draw down from Reserves

There has been no draw down from reserves during the period ended 30 September 2024 (previous year: ₹200 million in FY 2023-24 on account of settlement of liability and thereby [illegible] / waiver / cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2021 and Articles of Association of the Company).

Utkarsh Coreinvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 30 September 2025
(Amount in million unless otherwise stated)

h) Concentration of Advances, Exposures and NPAs

Particulars	For the Year ended 30 September 2025	For the Year ended 31 March 2025	For the year ended 31 March 2024
Concentration of Advances			
Total advances to twenty largest borrowers	-	-	-
(%)of advances to twenty largest borrowers to total advances	-	-	-
Total exposure to top five NPA Accounts	-	-	-

i) Sector wise Non-Performing Assets (NPA)

Sector	Percentage of NPAs to total advances in that sector		
	For the Year ended 30 September 2025	For the Year ended 31 March 2025	For the year ended 31 March 2024
Agriculture & allied activities	-	-	-
MSME	-	-	-
Corporate borrower	-	-	-
Services	-	-	-
Unsecured personal loans	-	-	-
Auto loans	-	-	-
Other personal loans	-	-	-

j) Movement in Non-Performing Asset (NPA)

Particulars	For the Year ended 30 September 2025	For the Year ended 31 March 2025	For the year ended 31 March 2024
Net NPA to net advances percentage	-	-	-
Movement of NPAs (Gross)			
a) Opening balance	-	-	-
b) Additions during the year	-	-	-
c) Reduction during the year	-	-	-
d) Closing balance	-	-	-
Movement of net NPAs			
a) Opening balance	-	-	-
b) Additions during the year	-	-	-
c) Reduction during the year	-	-	-
d) Closing balance	-	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	-	-	-
b) Provisions made during the year	-	-	-
c) Write off/write back of excess provisions	-	-	-
d) Closing balance	-	-	-

k) Disclosure with respect to customer complaints

Particulars	Number of complaints		
	For the Year ended 30 September 2025	For the Year ended 31 March 2025	For the year ended 31 March 2024
No. of complaints pending at the beginning of the year	-	-	-
No. of complaints received during the year	-	-	-
No. of complaints redressed during the year	-	-	-
No. of complaints pending at the end of the year	-	-	-

l) Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded the prudential exposure limits during the financial year ended 30 September 2025 and financial year ended 31 March 2025.

m) Registrations obtained from other financial sector regulators

Regulator	Registration No.	Date of Registration
Ministry of Corporate Affairs	U93090UP1996PLC044929	29 June 2015

n) Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators on the Company during the half year ended 30 September 2025 and financial year ended 31 March 2025.

o) Unsecured Advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the half-year ended 30 September 2025 and financial year ended 31 March 2025.

p) Details of non-performing financial assets purchased / sold

The Company has not purchased/sold any non-performing financial assets during the half-year ended 30 September 2025 and financial year ended 31 March 2025.

q) Disclosure of frauds reported during the half-year ended September 30, 2025 vide RBI/DOS. FMI. CO No. 36/08.91.001/2011-12 dated 3 March 2012

During the half-year ended September 30, 2025:-

Particulars	Less than INR 1 Lakh		INR 1 Lakh to INR 1 Lakh		More than INR 1 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Person involved						
Staff	-	-	-	-	-	-
Outsource	-	-	-	-	-	-
Staff and Outsource	-	-	-	-	-	-
Total	-	-	-	-	-	-
B) Type of Fraud						
Misappropriation and criminal breach of trust	-	-	-	-	-	-
Fraudulent Encashment/manipulation of books of accounts or through forged instruments, manufacture of counterfeit currency.	-	-	-	-	-	-
Unauthorised credit facilities extended for reward or for illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-
Total	-	-	-	-	-	-

Utkarsh Coreinvest Limited (Formerly known as Ellanoir Silicon Finance Limited)
Notes to standalone financial statements as at 30 September 2025
(Amount in million unless otherwise stated)
During the year ended 31 March 2025:

Particulars	Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Person involved						
Staff	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Staff and Customer	-	-	-	-	-	-
Total	-	-	-	-	-	-
B) Type of Fraud						
Misappropriation and	-	-	-	-	-	-
Criminal Breach of Trust						
Fraudulent financial reporting/falsification of books of accounts or through fictitious accounts and conversion of property.	-	-	-	-	-	-
Unauthorized credit facilities extended for reward or for	-	-	-	-	-	-
Illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-
Total	-	-	-	-	-	-

a) The Company has no exposure or transactions regarding precious metals.

b) There are no derivatives as at 30 September 2025 and 31 March 2025. Accordingly disclosure pertaining to derivatives vide [illegible] (FII) [illegible] dated 21 July 2016 are not provided.

c) The Company has no investment in other CICs as at September 30, 2025 and March 31, 2025.

d) The Company has no Off Balance Sheet exposure as at September 30, 2025 and March 31, 2025.

37 Additional Disclosures as required by Reserve Bank of India (RBI) basis Scale Based Regulation (SBR)
(Refer Circular No- RBI/2022-23/25 DOR.ACC.REC.NO.23/21.04.018/2022-23 dated April 19, 2022)

a) Exposures

1 Exposure to real estate sector

Category	As at 30 September 2025	As at 31 March 2025
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
c) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures –		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector		

2 The Company does not have any exposure to capital market as at September 30, 2025 and March 31, 2025.

3 Sectoral exposure

Sectors	As at 30 September 2025			As at 31 March 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
i....	-	-	-	-	-	-
ii....	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Industry (i+ii+...+Others)	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i...	-	-	-	-	-	-
ii..	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Services (i+ii+...+Others)	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
i...	-	-	-	-	-	-
ii..	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Personal Loans (i+ii+...+Others)	-	-	-	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

4 Intra-group exposures

Particulars	As at 30 September 2025	As at 31 March 2025
i. Total amount of intra-group exposures	8,449.95	8,433.45
ii. Total amount of top 20 intra-group exposures	8,449.95	8,433.45
iii. Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	100%	100%

5 The Company does not have any unhedged foreign currency exposure as at September 30, 2025 and March 31, 2025.

6) **Related Party Disclosures**

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors		Key Management Personnel		Relatives of Key Management Personnel		Total	
Items	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025	As at 30 September 2025	As at 31 March 2025
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	543.30	527.00	-	-	0.30	0.31	0.63	0.60	0.22	0.73	544.44	528.66
Placement of deposits (Maximum Balance)	-	-	547.50	543.81	-	-	1.53	10.81	0.75	0.91	0.86	1.54	550.64	559.11
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	7,902.66	7,869.58	-	-	-	-	-	-	-	-	7,902.66	7,899.58
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	22.83	40.59	-	-	0.01	0.35	0.01	0.08	0.03	0.05	22.86	41.43
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C) **Disclosure of complaints**

1) **Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Particulars	For the period ended 30 September 2025	FY 2024-25
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	-	-
3. Number of complaints disposed during the year	-	-
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Since, no complaints have been received during the period ended September 30, 2025 (FY 2025-26) and March 31, 2025 (FY 2024-25), hence, the percent of complaints are Nil for both years.

D) The Company does not have any loan or have not issue any debt securities for the period ended September 30, 2025 (FY 2025-26) and March 31, 2025 (FY 2024-25)

E) Since, none of the conditions for divergence in asset classification and provisioning are met, hence, the same is not applicable to the Company for the period ended September 30, 2025 (FY 2025-26) and March 31, 2025 (FY 2024-25).

Additional Disclosures as per Schedule III Amendment by Ministry of Corporate Affairs (MCA) dated March 24, 2021:

38	There are no immovable properties in the name of Company included in property, plant and equipment and intangible assets.
39	The Company has not entered into a transaction where the fair value of investment property (as reviewed for disclosure purposes in the financial statements) is measured on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
40	The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
41	The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.
42	(a) The Company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (I) directly or indirectly lend / invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries) (II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries (b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall: (I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") (II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
43	No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
44	The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
45	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
46	There are no identified promoter of the Company as at September 30, 2025 and March 31, 2025.
47	No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
48	There are no charges / satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
49	There are no capital work in progress, investment property in progress and intangible assets as at September 30, 2025 and March 31, 2025. Hence, there are no projects in progress or temporarily suspended. Also, there are no projects whose completion is overdue or has exceeded its cost as per original plan.
50	The Company is in compliance with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
51	There are no approved Scheme of Arrangements by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at September 30, 2025 and March 31, 2025.
52	There are no Security deposits, loans liabilities and long-term borrowings of the Company as at September 30, 2025 and March 31, 2025.
53	There are no any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.
54	There have been no trading / investment in crypto / virtual currency during the year and previous year. Also, there have been no deposits and advances received from any person for the purpose of trading / investment in crypto currency during current year and previous year.

Additional Disclosures as required by Reserve Bank of India (RBI) basis Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 vide RBI / DoR / 2023-24 / 106 DoR.FIN.REC.No.45/03.10.119/2023-24 updated as on March 21, 2024

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Particulars				
Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**			
	(a)	**Debentures: Secured**	**Nil**	**Nil**
		: Unsecured	**Nil**	**Nil**
		(other than falling within the meaning of public deposits*)	**Nil**	**Nil**
	(b)	**Deferred Credits**	**Nil**	**Nil**
	(c)	**Term Loans**	**Nil**	**Nil**
	(d)	**Inter-corporate loans and borrowing**	**Nil**	**Nil**
	(e)	**Commercial Paper**	**Nil**	**Nil**
	(f)	**Public Deposits***	**Nil**	**Nil**
	(g)	**Other Loans (specify nature)**	**Nil**	**Nil**
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	**In the form of Unsecured debentures**	**Nil**	**Nil**
	(b)	**In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security**	**Nil**	**Nil**
	(c)	**Other public deposits**	**Nil**	**Nil**
Assets side			**Amount outstanding**	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	**Secured**	**Nil**	
	(b)	**Unsecured**	**Nil**	
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	**Lease assets including lease rentals under sundry debtors:**		
		(a) Financial lease	**Nil**	
		(b) Operating lease	**Nil**	
	(ii)	**Stock on hire including hire charges under sundry debtors:**		
		(a) Assets on hire	**Nil**	
		(b) Repossessed Assets	**Nil**	
	(iii)	**Other loans counting towards asset financing activities**		
		(a) Loans where assets have been repossessed	**Nil**	
		(b) Loans other than (a) above	**Nil**	
(5)	**Break-up of Investments**			
	Current Investments			
	1.	**Quoted**		
		(i) Shares	-	
		(a) Equity	**Nil**	
		(b) Preference	**Nil**	
		(ii) Debentures and Bonds	**Nil**	
		(iii) Units of mutual funds	**Nil**	
		(iv) Government Securities	**Nil**	
		(v) Others (please specify)	**Nil**	
	2.	**Unquoted**		
		(i) Shares		
		(a) Equity	**Nil**	
		(b) Preference	**Nil**	
		(ii) Debentures and Bonds	**Nil**	
		(iii) Units of mutual funds	**Nil**	
		(iv) Government Securities	**Nil**	
		(v) Others (please specify)	**Nil**	
	Long Term Investments			
	1.	**Quoted**		
		(i) Shares		
		(a) Equity		**7,902.66**
		(b) Preference	**Nil**	
		(ii) Debentures and Bonds	**Nil**	
		(iii) Units of mutual funds	**Nil**	
		(iv) Government Securities	**Nil**	
		(v) Others (please specify)	**Nil**	
	2.	**Unquoted**		
		(i) Shares		
		(a) Equity	**Nil**	
		(b) Preference	**Nil**	
		(ii) Debentures and Bonds	**Nil**	
		(iii) Units of mutual funds	**Nil**	
		(iv) Government Securities	**Nil**	
		(v) Others (please specify)	**Nil**	

(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above:** **Please see Note 2 below**				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1.	**Related Parties ****			
		(a) Subsidiaries	Nil	Nil	Nil
		(b) Companies in the same group	Nil	Nil	Nil
		(c) Other related parties	Nil	Nil	Nil
	2.	Other than related parties	Nil	Nil	Nil
		Total			
(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**				
	Category			**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	**Related Parties ****			
		(a) Subsidiaries		NA	7902.66
		(b) Companies in the same group		Nil	Nil
		(c) Other related parties		Nil	Nil
	2.	Other than related parties		Nil	Nil
		Total		Nil	7902.66
(8)	**Other information**				
		Particulars	**Amount**		
	(i)	Gross Non-Performing Assets			
		(a) Related parties	Nil		
		(b) Other than related parties	Nil		
	(ii)	Net Non-Performing Assets			
		(a) Related parties	Nil		
		(b) Other than related parties	Nil		
	(iii)	Assets acquired in satisfaction of debt	Nil		

36 Income tax

A. Amounts recognised in profit or loss

Particulars	For the half-year ended 30 September 2025	For the year ended 31 March 2025
Current tax expense	7.20	102.98
Tax for earlier years	-	-
Tax expense	**7.20**	**102.98**

B. Reconciliation of effective tax rate

Particulars	For the half-year ended 30 September 2025		For the year ended 31 March 2025	
	%	Amount	%	Amount
Profit before tax		24.13		405.68
Tax using the Company's domestic tax rate	25.17%	6.07	25.17%	102.10
Effect of:				
Permanent differences	0.00%	-	0.00%	-
Tax for earlier years	0.00%	-	0.00%	-
Tax exempt income	0.00%	-	0.00%	-
Change in unrecognised temporary differences	2.61%	0.63	0.15%	0.59
Others	2.06%	0.50	0.07%	0.28
Effective tax rate/tax expense	**29.84%**	**7.20**	**25.38%**	**102.98**

37 Subsequent to 30 September 2025, the Banking Subsidiary i.e. Utkarsh Small Finance Bank Limited (USFBL) raised funds amounting to Rs. 9490.8 mn. through Rights Issue. Since, the Company chose not to participate in the Rights Issue, hence, there has been a change in shareholding of UCL in USFBL from 68.92% to 42.67% as at November 04, 2025. The company is currently evaluating the impact of the change in shareholding on financial statements of the Company. Since, the change in the shareholding occurred after the reporting date, no adjustments are made to the current financial statements.

for D M K H & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/W666560

MANISH KANKANI — Digitally signed by MANISH KANKANI, Date: 2025.12.12 21:09:58 +05'30'

Manish Kankani
Partner
Membership No: 158020

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh — Digitally signed by Suman Saurabh, Date: 2025.12.12 19:58:01 +05'30'

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G S SUNDARA RAJAN — Digitally signed by G S SUNDARARAJAN, Date: 2025.12.12 19:59:53 +05'30'

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari — Digitally signed by Neeraj Kumar Tiwari, Date: 2025.12.12 19:58:39 +05'30'

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal — Digitally signed by Harshit Agrawal, Date: 2025.12.12 19:58:25 +05'30'

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Mumbai
Date: December 12, 2025

Place: Varanasi & Chennai*
Date: December 12, 2025

1. Reporting entity

Utkarsh Coreinvest Limited ("the Company' or 'Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh Coreinvest Limited w.e.f. 11 October 2018.

The company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income group of below poverty line ('BPL') in urban and rural areas. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the RBI has granted its approval to the Holding Company for carrying on the business of a Non-Deposit taking- Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

2. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Basis of preparation

i. Statement of compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

These financial statements were authorized for issue by the Company's Board of directors on 12 December 2025.

The Company is regulated by the Reserve Bank of India ('RBI'). The RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

ii. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:

i. Certain financial assets and liabilities that are measured at fair value or amortised value;
ii. Net defined benefit liability/ (asset): present value of defined benefit obligation less fair value of plan assets.

iii. Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

iv. Use of judgements and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements have been given below:

Note 30 - Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for every period ended is included below:

- Note 26 - Measurement of defined benefit obligations: The cost of the defined benefit gratuity plan, the present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

- Note 31 - Impairment of financial assets: key assumptions in determining the average loss rate

- Note 30 - Fair value measurement of financial instruments: When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques as per the valuation policy. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include

considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

b. Revenue Recognition

- Dividend income is accounted on an accrual basis when the right to receive the dividend is established. This is generally when the shareholders approve the dividend.

- Income from interest on deposits and interest bearing securities is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

- All other fees are accounted for as and when they become due.

c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The Company initially recognizes loans and advances on the date on which they are originated. All other financial assets are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

Financial instrument are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

Classification and subsequent measurement

Classifications

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.

- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (OCI). Interest income is recognized basis EIR method and the losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Instruments at fair value through profit and loss (FVTPL)

The Company classifies its investment in financial assets at fair value through profit and loss. The said classification depends upon the entity's business model for managing the financial assets and the contractual terms of the cash flow. The said assets are measured at fair value whose gains and losses shall be recorded in statement of profit or loss.

Financial assets not measured at fair value

The carrying value less expected credit loss provision of other financial assets are assumed to approximate their fair values due to their short-term nature.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Company evaluates that substantial risk and reward have not been transferred, the Company continues to recognize the transferred asset. If the Company evaluates

that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial liabilities designated at fair value through profit and loss

When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or

- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortized cost.

The fair valuation change on the liabilities subsequently measured at fair value through profit and loss account is recognized in profit and loss account except the changes in the liability's credit risk, which is recognized in 'Other Comprehensive Income'

Financial liabilities not measured at fair value

The carrying value less expected credit loss provision of other financial liabilities are assumed to approximate their fair values due to their short-term nature.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognized in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has classified the financial instruments based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instrument, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 financial instrument, if there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction like quoted price for identical instruments, interest rates and yields adjusted for condition and location of the asset or to the extent to which it relates.

Level 3 financial instrument, if adjustments are based on one or more unobservable inputs where there is no market activity for the asset or liability at the measurement date

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument.

d. Impairment of Financial Assets

Impairment of financial instruments

The Company recognizes impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Bank balance
- Other financial assets

No impairment loss is recognized on equity investments.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

With respect to other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognized in the Statement of Profit or Loss.

e. Investment in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f. Foreign Currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

g. Property, Plant and Equipment (PPE)

Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognized in statement of Profit and loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Impairment

Carrying amounts of cash generating assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognized in the statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount.

Depreciation

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

h. Employee benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Share-based payment arrangements**

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust and also issues options to employees which are not routed through trust. The scheme provides that subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

iii. **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

Provident Fund

The Company contributes to mandatory government administered provident funds which are defined contribution schemes as the Company does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and recognized in the statement of Profit and Loss

iv. **Defined benefit plans**

The Company's net obligation in respect of gratuity is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

i. Income Tax

Income tax expense comprises of current tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as the chief operating decision maker for the Company.

l. Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

m. Leases

The Company's lease asset class consists of lease for building taken on lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

n. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares on account of employee stock options, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

o. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Suman Saurabh

Digitally signed by Suman Saurabh
Date: 2025.12.13 19:26:09 +05'30'

REIMAGINE
REDEFINE
RISE

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annual Report, FY2024-25

Forward-Looking Statement

This Annual Report has been prepared in compliance with applicable laws, including the relevant regulations issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI). It may include forward-looking statements that reflect the Bank's current views and expectations based on the information available at the time. These statements are inherently subject to risks, uncertainties, and assumptions, and actual results may differ materially from those expressed or implied. The Bank assumes no obligation to revise or update any forward-looking statements, whether due to new information, future developments, or otherwise.

This Report is provided solely for general informational purposes and should not be regarded as financial, investment, legal, or professional advice. Readers are encouraged to consult the Bank's regulatory filings and seek advice from qualified professionals before making any decisions.

All content within this document—including text, articles, and other material, unless sourced from third parties—is the intellectual property of the Bank and may not be reproduced or distributed without prior written permission of the Bank. All rights reserved.

Performance at a glance, FY2024-25

23.70
Profit after tax (₹ Crore)

7%
YoY increase in loan portfolio

1092
Outlets across 27 States and Union Territories

4,364.76
Total revenue (₹ Crore)

869.75
Cash profit (₹ Crore)

23%
YoY increase in deposit portfolio

4.99
Million total customers

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Reimagine Redefine Rise

The theme 'Reimagine, Redefine, and Rise' encapsulates a transformative journey that encourages us to envision new possibilities, redefine existing paradigms, and ascend to unprecedented levels of achievement.

Reimagine: This phase involves challenging the status quo and envisioning innovative approaches. It requires a mindset to see beyond current limitations and conceptualise a future that aligns with our values. To steer through this period of change and transformation there needs to be a consistent and focused approach. It requires a conscious team effort to tide over this period of reimagination. At Utkarsh, we believe that the onus lies in each of us to take a step in that direction. Resilience is one thing, but adapting to changing environment is another. A reimagined approach helps in building an agile and nimble force.

Redefine: What brought us here needs a definitive action to take us to the next level. Building upon reimagined ideas will help to focus on reshaping and restructuring existing frameworks to accommodate new visions. It entails redefining goals, strategies, and processes to better reflect the reimagined possibilities, ensuring they are practical and attainable.

Rise: The culmination of reimagining and redefining leads to rising above previous benchmarks. This ascent signifies growth, success, and the realisation of potential that was once constrained by perceptions and methodologies. At Utkarsh, we brace ourselves to work towards this defining moment. To Rise above the rest, taking giant strides towards Excellence in all that we do. Let us Reimagine, Redefine and Rise!

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

5 principal messages of this Annual Report

1

Utkarsh Small Finance Bank navigated FY2024-25's regulatory changes with agility, reinforcing its growth trajectory.

5

The Bank is poised to capitalise on the sectorial recovery and generate controlled year-on-year growth.

2

The Bank responded with speed around a priority to 'Reimagine, Redefine, Rise'.

3

The Bank deepened its commitment to business process re-engineering, process automation, new product introduction, and superior customer service.

4

The Bank protected its fundamentals during the last financial year.

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Corporate **Snapshot**

Utkarsh Small Finance Bank is one of the most attractive long-term growth proxies in the small finance bank space in India.

Utkarsh Small Finance Bank was created around just two, yet significant, words: 'Financial Inclusion.'

The genesis of Utkarsh Small Finance Bank is rooted in its desire to serve the unserved and underserved communities by offering them the much-needed credit to grow and prosper.

The Bank has successfully balanced the need for responsible credit appraisal of unbanked borrowers and secure collateral, enhancing business sustainability. It provides a suite of financial products around small borrower needs directed to enhance the productivity of their livelihoods and businesses.

The Bank is enhancing its capability to recharge India from the grassroots through 1,092 outlets across 27 States and Union Territories.

The robustness of the business model is reflected in the Utkarsh Small Finance Bank's evolution from microfinance to small finance bank to a listed organisation in just 15 years.

Vision

To be the most trusted, digitised Bank that is financially and socially inclusive, and creates value across social strata through insightful and viable solutions.

Mission

Be the preferred financial institution across all customer segments through technology-enabled solutions that are sustainable, inclusive and scalable, supported by a work culture that centres on passion, values and corporate ethics to deliver best-in-class customer experience.

About Us

Utkarsh Small Finance Bank Limited (Utkarsh SFBL), incorporated on April 30, 2016, is a scheduled commercial bank licensed by the Reserve Bank of India as a Small Finance Bank on November 25, 2016. The Bank commenced operations on January 23, 2017. It provides a broad suite of financial products including microfinance loans under the Joint Liability Group (JLG) model, MSME loans, housing loans, personal loans, commercial vehicle loans, construction equipment loans, and wholesale lending. Utkarsh SFBL also offers digital banking solutions such as Internet banking, Mobile banking, WhatsApp banking, Unified Payment Interface (UPI), Aadhar Enabled Payment Systems (AePS), Interoperable Cardless Cash Withdrawal, Digital Deposits, Bharat Connect, ASBA (Application Supported by Blocked Amount), Digi onboarding, and online account opening, along with access to ATMs and micro-ATMs to support customer convenience.

Our Management

The Bank is stewarded by an experienced Board, and supported by a robust management team, each bringing rich professional expertise.

Our Rationale For Existence

We empower low-income individuals and micro-entrepreneurs by giving them access to formal financial services.

We bridge the gap between traditional banking and people at the bottom of the economic pyramid.

We support inclusive economic growth by offering savings, credit, insurance, and other financial products tailored to the needs of small borrowers.

Our Talent

As of March 31, 2025, the total headcount of employees stood at 19,779.
Of this workforce, 16,928 were male, representing 86% of the total employees, while 2,851 were female, making up the remaining 14%. The average age of employees was 28.60 years.

Our Presence

As of March 31, 2025, Utkarsh Small Finance Bank had a total of 1,092 banking outlets across 27 States and Union Territories, supported by 761 micro banking branches, 331 general banking branches, 293 Unbanked Rural Centers (URCs), 369 ATMs, and 760 micro-ATMs.

Our Credit Rating

As on March 31, 2025, the Bank's certificate of deposit programme enjoyed the highest short-term credit rating of A1+ from ICRA Limited. The Bank's long-term credit rating stood at A+ (Stable), reaffirmed by ICRA and CARE Ratings, underscoring the Bank's consistent financial performance and creditworthiness.

Our Competitive Advantages

Utkarsh Small Finance Bank has consistently leveraged its core strengths to offer a comprehensive range of financial services tailored to our target customers. We are committed to driving financial inclusion and enhancing physical and digital banking experiences, ensuring that we remain at the forefront of the industry.

Our Insurance Partners

We collaborate with our corporate agents to provide a range of insurance options for our customers and safeguard them from financial, health and material risks.

General insurance: HDFC Ergo General Insurance Co. Ltd ., Zurich Kotak General Insurance Company (India) Limited and Future Generali India Insurance Company Limited.

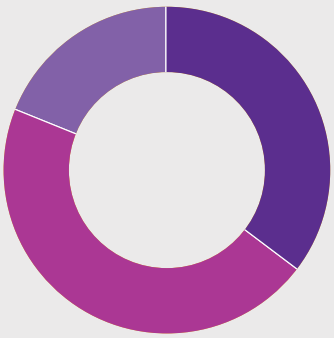
Health insurance: Aditya Birla Health Insurance Co. Ltd.

Life insurance: HDFC LIFE Insurance Co. Ltd., ICICI Prudential Life Insurance Co. Ltd. and Bharti AXA Life Insurance Co. Ltd.

We bridge the gap between traditional banking and people at the bottom of the economic pyramid.

Utkarsh CoreInvest Limited (Holding Company)
(as on March 31, 2025)

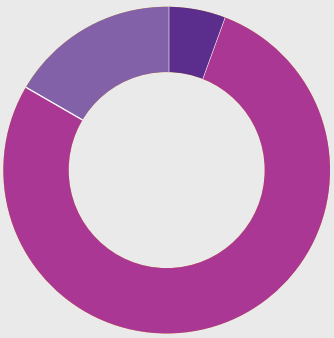
% of shares



Foreign Institutional Investors	35.49
Domestic Institutional Investors	45.69
Individuals & Others	18.82
Total share	**100%**

Utkarsh Small Finance Bank Limited
(as on March 31, 2025)

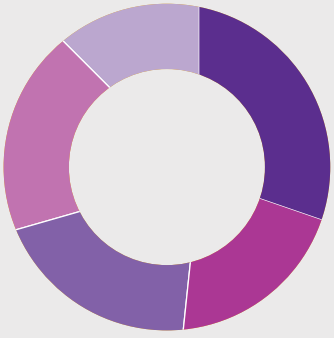
% of shares



Foreign Institutional Investors	5.68
Domestic Institutional Investors	77.81
Individuals & Others	16.51
Total share	**100%**

Top 5 investors/investor groups
(as on March 31, 2025)

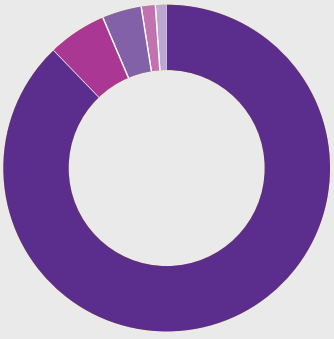
% of shares held



British International Investment PLC	13.81
Faering Capital India Evolving FUND II & III	9.76
RBL Bank Limited	8.64
NMI Frontier Fund KS	7.75
Aavishkaar Group	5.63

Top 5 investors/investor groups
(as on March 31, 2025)

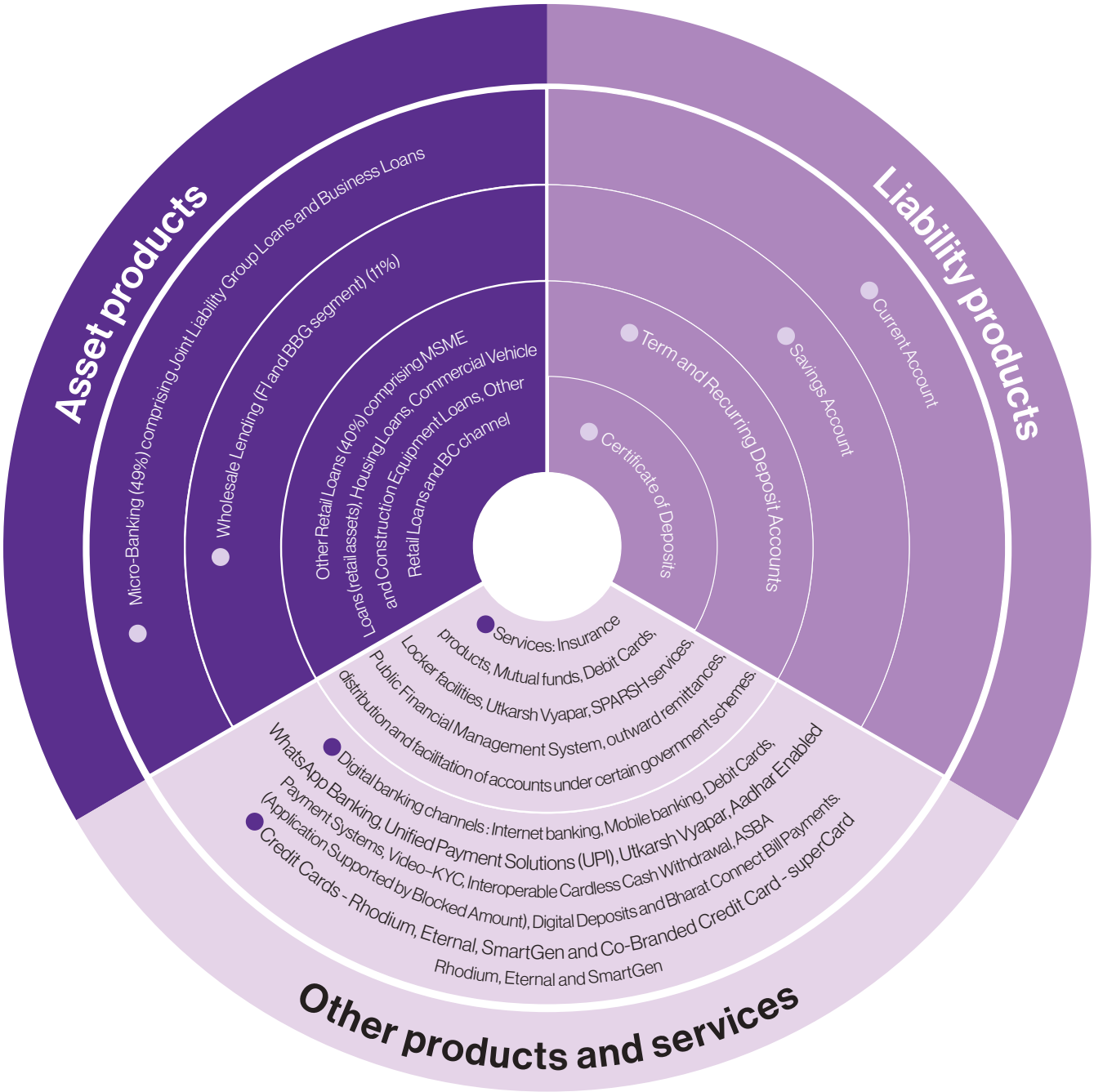
% of shares held



Utkarsh Coreinvest Limited	68.92
Mirae Asset Mutual Fund	4.55
Olympus Acf Pte Limited	3.10
Aavishkaar Bharat Fund	0.96
Responsability Participations Mauritius	0.86

Solution **provider**

Our products portfolio has been customised to address the one-stop banking needs of all our customers across India

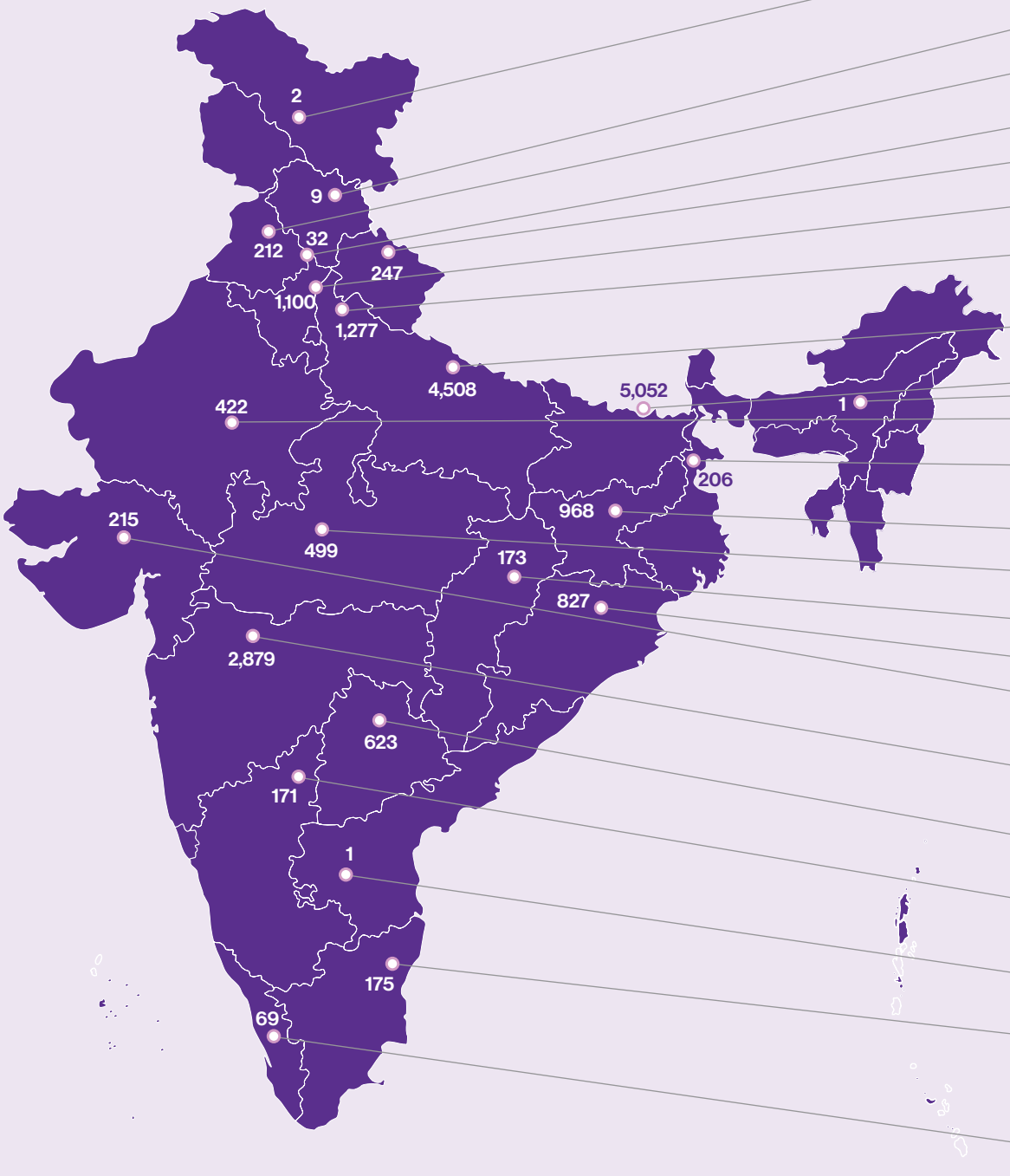


Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

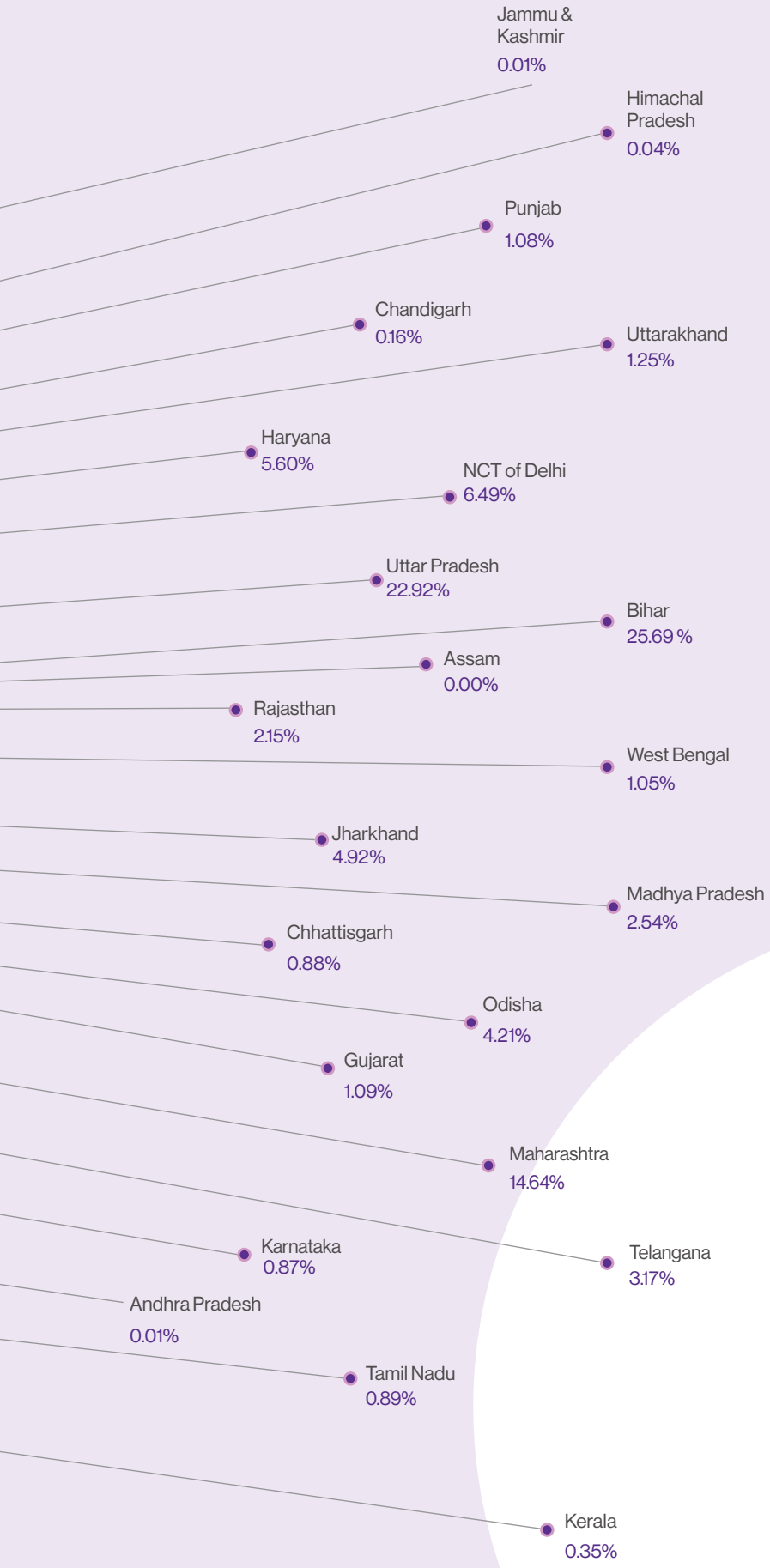
Geographical **Presence**

Empowering financial freedom through India's largest, well-entrenched network among all SFBs

We are committed to expanding our reach into rural and semi-urban areas, helping achieve our mission of inclusive and accessible banking for all.



*We have operations in 27 States and Union Territories including Goa, Meghalaya, Puducherry and Sikkim.



Extending our network

1,092
Banking outlets

761
Micro banking branches

331
General banking branches

293
Unbanked Rural Centers (URCs)

369
ATMs

760
Micro ATMs

27
States and Union Territories

Total ₹ 19,666 Crore

Loan book as on March 31, 2025

% distribution

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

How Utkarsh has **grown over the years**

Milestones

FY2016
- Utkarsh CoreInvest Limited (UCL) received an in-principle approval from the Reserve Bank of India (RBI) to establish a Small Finance Bank (SFB) on October 7, 2015.

FY2023
- Expanded digital offerings with UPI Lite via BHIM, UPI QR for JLG clients, and mobile-based personal loan disbursals; over 10 Lakh accounts digitally onboarded.
- Enabled seamless payments through NEFT/RTGS e-collections and registered with SEBI as bankers to an issue.
- Strengthened MSME support with CGTMSE-backed loans, Micro LAP, and gold loans to diversify retail credit.
- WSL–NBFC portfolio crossed ₹1,000 Crore; micro banking book exceeded ₹9,000 Crore.
- Enhanced physical presence with 287 ATMs, 546 micro-ATMs, and 830 banking outlets.

FY2024
- Achieved highest-ever annual profit of ₹498 Crore and launched an oversubscribed IPO in July 2023, raising ₹500 Crore in equity.
- Loan portfolio crossed ₹18,000 Crore; total deposits exceeded ₹17,000 Crore.
- Strengthened capital market presence with SEBI registration as SCSB, launch of ASBA (physical & UPI), and approval for collateral deposits with exchange members.
- Enhanced digital capabilities with e-Mandate/e-NACH, SmartPay for collections, and AD II services for outward remittances.
- Streamlined procurement with the rollout of a vendor management system in 2024.

FY2025
- Bank announced Ms. Mary Kom and Mr. Sunil Chhetri as Brand Ambassadors.
- Enabled ASBA application via Internet and Mobile Banking.
- Launched - RERA (Real Estate Regulation & Development) account.
- Tie up with LIC of India for Current Accounts
- Empanelled to act as SPARSH service centre.
- Empanelled under PFMS as a Sponsor Bank.
- Achieved a milestone by surpassing 1,000 banking outlets across the network.
- Loan portfolio grew 7% YoY.
- Total customers reached 4.99 Million.
- Achieved a significant milestone of crossing ₹ 20,000 Crore deposits

FY2017

- Utkarsh Small Finance Bank Ltd. was incorporated as a wholly owned subsidiary of Utkarsh CoreInvest Limited (UCL) on April 30, 2016.
- The Bank began its Small Finance Bank operations on January 23, 2017.

FY2018

- Entered the wholesale lending and personal loan segments, expanding our credit portfolio.
- Achieved a significant milestone with our deposit base surpassing ₹ 2,000 Crore.
- Gross loan portfolio exceeded ₹ 3,000 Crore, reflecting robust credit growth.

FY2019

- Advanced digital inclusion through cashless microfinance disbursements and upgraded branches into full-service outlets.
- Expanded footprint to six new regions, strengthening its national presence.
- Loan portfolio crossed ₹6,600 Crore, supported by improved financial strength and an upgraded ICRA A1+ rating.
- Launched our bancassurance business through strategic partnerships.
- Saw a sharp increase in customer engagement, with over 200,000 active savings accounts and more than 2 Million active loan clients.
- Introduced bill payment services to enhance digital convenience for customers.

FY2020

- Capital + Reserves crossed ₹ 1,000 Crore.
- Profit of ₹ 187 Crore in FY20

FY2021

- Launched the digital onboarding of Accounts.
- Raised equity capital of ₹240 Crore in March 2021.

FY2022

- Bank's loan portfolio and deposits crossed the milestone of ₹10,000 Crore.
- Raised equity capital of ₹150 Crore in Q2, FY 22.

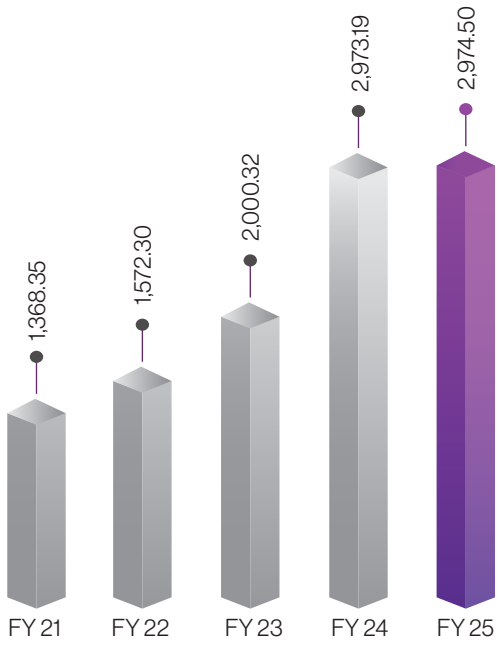
Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Financial **Outcomes**

Our Financials across the years

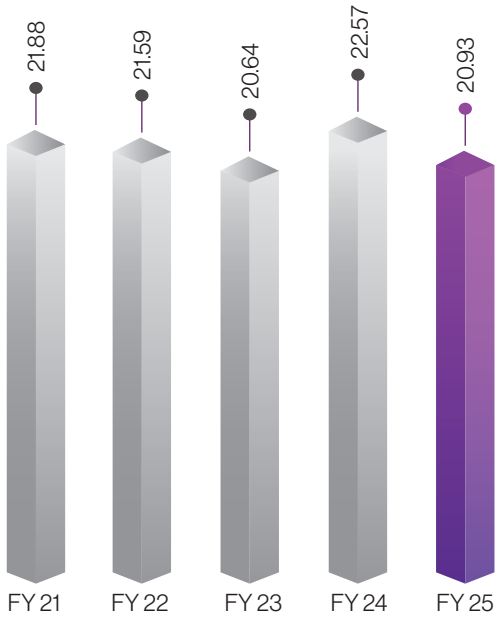
Balance Sheet indicators

Net worth (Capital + Reserves) (₹ Crores)



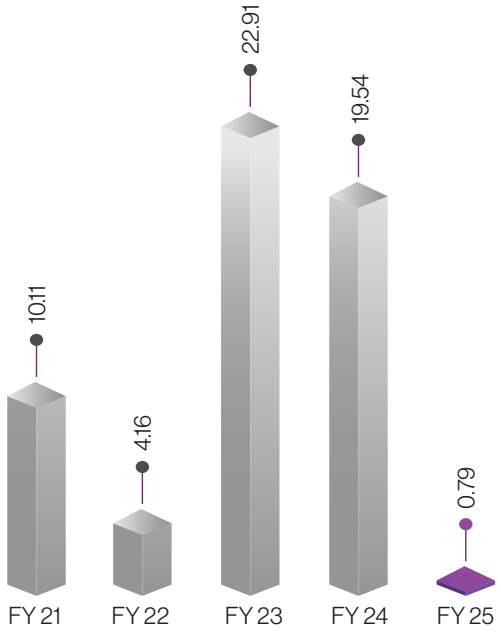
Balance Sheet indicators

Capital adequacy ratio (in %)



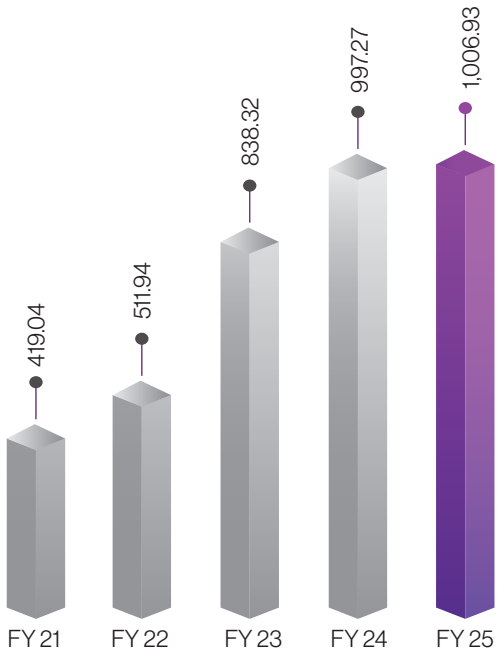
Balance Sheet indicators

Return on average equity (in %)



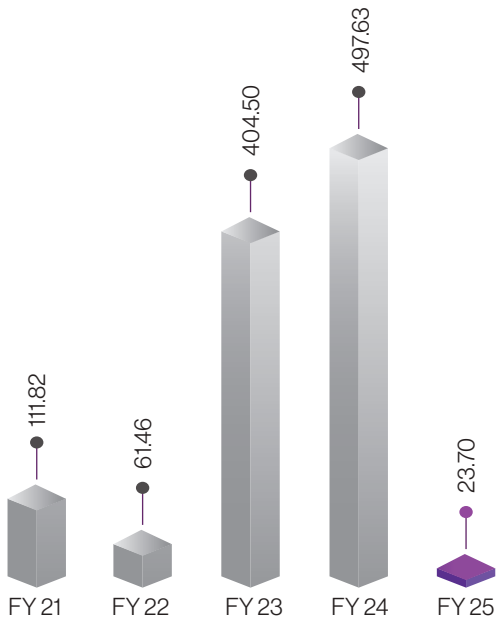
Profit and loss indicators

Pre-provisioning operating profit (₹ Crores)



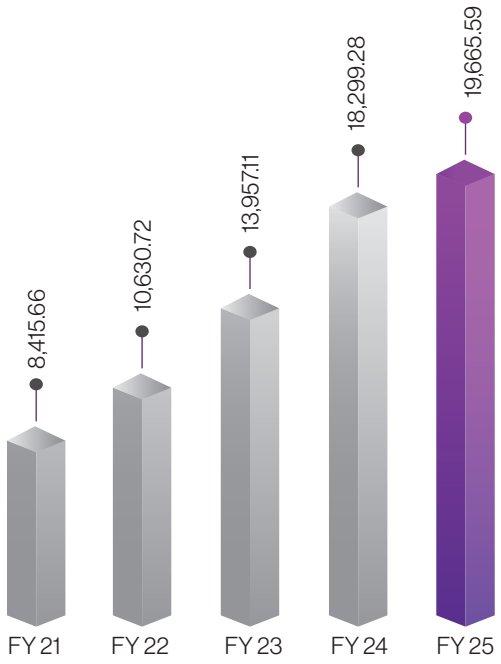
Profit and loss indicators

Profit after tax (₹ Crores)



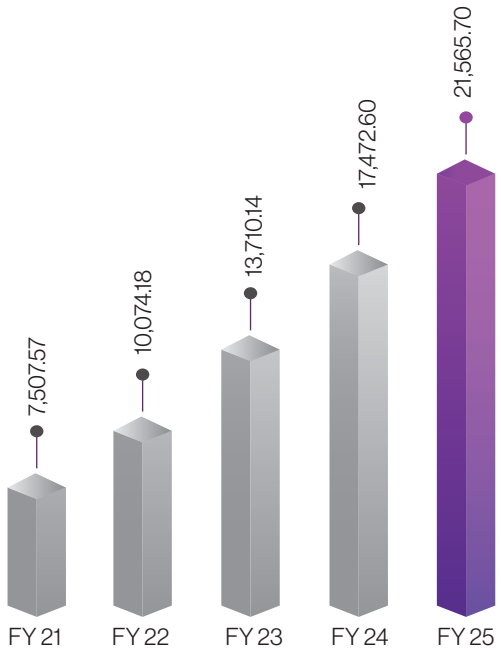
Operational indicators

Gross loan portfolio (₹ Crores)



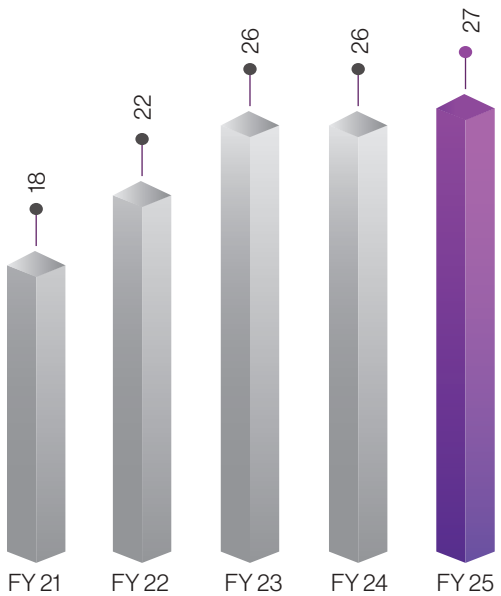
Operational indicators

Deposits (₹ Crores)



Operational indicators

Banking outlets (number of States and UTs)



We will continue to build a legacy that makes a difference. One relationship at a time.

Dear Shareholders, Customers, Partners, and Colleagues,

A number of events in FY2024–25 had a significant bearing on your Bank's performance given the background of adverse market conditions, coupled with a pronounced stress in the MFI segment.

During the course of the financial year, we witnessed a rapidly evolving regulatory landscape, significant shifts in the competitive and technological landscape, and heightened expectations from all stakeholders.

In this context, your Bank took significant steps to respond with agility, resilience, and purpose.

Navigating Through Change: A Year of Transformation

Amid uncertainties, India's economic fundamentals remain strong, with higher growth in consumption, resilient rural demand, and a renewed government thrust on inclusive financial services.

For Small Finance Banks like ours, this translated into challenges and opportunities.

As one of the youngest categories in India's banking system, we remain uniquely positioned to support the formalisation of financial services at the grassroots through our small finance bank.

Regulatory Developments: A Stronger Framework for Growth

FY2024–25 brought notable regulatory changes from the Reserve Bank of India (RBI), which significantly impacted the way we operate. The revised guidelines on

differential bank ownership structures, heightened expectations around governance and risk management, and increased attention on asset quality cum provisioning norms were initiatives designed to strengthen the sector's credibility and long-term viability.

The RBI's push toward greater regulatory convergence between Small Finance Banks and Universal Banks—especially in areas of capital adequacy, digital operations, and supervisory mechanisms—reflects the maturity and potential of our category. Your Bank welcomed these measures and proactively adapted to align with the revised framework.

In particular, we enhanced our credit underwriting standards, upgraded our technology platforms for regulatory reporting, and strengthened our internal controls and audit practices. These steps are investments in our future resilience and demonstrate our commitment to transparency and compliance.

USD 10 Trillion economy in the next decade. The one sector where the pass-through of India's economic growth will reflect more visibly than ever will be housing.

While the Joint Liability Group (JLG) segment presented its set of challenges during the year, due to the implementation of MFIN guardrails, the overall performance of the Bank reflects a story of strength, resilience, and balance. The growth in Fixed Deposits, healthy CASA levels, and a strong Capital Adequacy Ratio are testimony to our sound financial stewardship. The Bank maintained comfortable liquidity buffers, ensuring operational continuity and trust among depositors. These achievements highlight our commitment to long-term value creation and our ability to adapt and grow, even amid sectoral disruptions. It is this ability to hold firm to our fundamentals that will continue to guide us.

Our Performance: Resilience and Growth in Tandem

Against this backdrop, your Bank registered a 7.5% growth in our total loan portfolio, with an expansion in our deposit base, which grew by 23.4% and reported a 23.7 Crore profit for the year.

Our Secured Loan Portfolio share increase to 43% in comparison to 34% in FY2023-24. This is in line with our expectation in making our Balance Sheet stronger each year.

On the deposit side, we made notable progress in growing our retail deposit base, particularly in CASA (Current Account Savings Account), which improved our liability profile. We expanded our footprint with more than 200 new branches, enhanced our digital onboarding, and improved customer acquisition through simplified processes and digital engagement.

Digitisation and Financial Inclusion: Twin Pillars of Our Strategy

Digital transformation remains central to our long-term strategy. This year, we launched several initiatives including WhatsApp Banking to deepen digital adoption, internally and externally. Our mobile banking app, internet banking platform and Unified Payment Interface (UPI), equipped with enhanced user experience and security enables our customers to bank anywhere, anytime with ease and trust.

We believe that a hybrid approach – physical presence augmented by digital strength—will continue to define success in the financial inclusion space.

People and Culture: The Heart of Our Bank

At the core of our journey are our people. FY2024–25 saw us invest significantly in capability building, training, and employee engagement.

Our employees are our brand ambassadors who not only build a connect with customers but also build a culture of trust and empathy. We continue to focus on building a diverse and inclusive workplace that values integrity, collaboration, and customer-centricity.

Sustainability and Governance: Building for the Long Term

Our commitment to responsible banking extends beyond numbers. This year, we advanced our Environmental, Social, and Governance (ESG) agenda by initiating policies on sustainable lending, social impact, and ethical conduct. We began reporting on key ESG metrics and set internal benchmarks for improvement. We came out with our first Sustainability Report last year and look forward to adding more value to our agenda in making our planet cleaner, greener and sustainable.

The Road Ahead: Vision 2030

Looking forward, we continue to remain bullish on the opportunities that lie ahead. With the RBI now opening doors for SFBs to transition into Universal Banks, we are laying the foundation for our long-term aspiration.

Our strategy for the next phase is anchored around two themes:

Scale with Purpose: We aim to expand responsibly by deepening our presence in high-potential markets, especially in semi-urban and rural India.

Build a Future-Ready Bank: We will continue investing in digital capabilities, customer experience, and risk management to build a tech-enabled, resilient organisation.

In Gratitude

I would like to extend a heartfelt appreciation to our Board of Directors for their guidance, to our regulators for their trust, and to our employees for their dedication. Most importantly, I thank our customers and shareholders for their continued faith in our Bank.

Our Bank strives not only to be financially successful but also socially significant.

Let us continue to build a bank that truly makes a difference—one relationship at a time.

Warm regards,

Parveen Kumar Gupta
Chairman

Strategic Perspective

Reimagining Financial Frontiers

It gives me pleasure to present the Annual Report for FY2024–25. Despite a complex and evolving operating landscape, the year stood as a testament to our resilience, adaptability, and commitment to responsible growth. We navigated sectoral challenges with agility, continued to serve our customers with dedication, and laid the groundwork for long-term sustainability. Our focus on prudent lending, innovation, and customer-centricity helped strengthen our fundamentals and position ourselves for opportunities in the microfinance sector.

Despite these challenges, I am pleased to report that we saw a significant improvement towards the end of the year. The microfinance sector stress peaked towards the end of the year with the stabilisation of collection efficiency and reduction in new PAR accretion as well as some improvement in disbursements.

The year also highlighted the constructive and proactive role played by the regulator in shaping the microfinance ecosystem. Timely interventions, including the issuance of guardrail norms and enhanced supervision, helped reinforce sectoral stability, improve credit discipline, and safeguard borrower interests. The regulatory framework provided a much-needed clarity and direction, enabling institutions like Utkarsh Small Finance Bank to operate with greater confidence, transparency, and alignment with long-term sectoral goals.

We leveraged our diversified strengths to drive unstoppable growth. Headwinds in JLG strengthened our resolve. However, we continue to see good traction on our non-JLG and secured loan portfolio, healthy growth in deposits, led by retail term deposits and CASA. We also expanded our franchise and have more than 1,000 banking outlets.

In terms of business performance, our deposits grew by around 23% year-on-year to ₹21,566 Crores. Deposits growth was led by a growth in retail term deposits, which grew by 33% year-on-year; our CASA deposit grew 31% year-on-year. Our CASA deposits ratio also improved to 21.8% as of March 2025 from 19.7% as on December 2024. The share of CASA plus RTD ratio improved from 66% on March 2024 to 71% as on March 2025.

Our focus on sustaining a growth trajectory has taken on a new dimension. Rather than solely pursuing exponential growth, we are prioritising a strategy that involves, prudent risk management, mitigation of threats innovative solutions and sustainable practices.

Our Fixed Deposit book has grown steadily, underscoring a customer trust in the Bank's stability. CASA remained healthy, contributing to a balanced liability mix, while our Capital Adequacy Ratio and liquidity position continue to reflect prudent financial management.

Our 331 branches in the top 100 centers focus on deposit mobilisation and retail asset loan sourcing, with potential for scaling. Our strategy includes customer 360-degree perspective, product improvement, and digital enablement.

We launched NRI banking in the fourth quarter of FY2024-25. We reduced our CD ratio to 87% in March 2025 as against 94% in March 2024. If we net off refinance borrowings from advances, our CD ratio declined to 78% as on March 2025.

At Utkarsh, we are continuously integrating high-end technologies to enhance customer experience and efficiency.

India is ranked as the fourth largest economy in nominal terms, a little higher than Japan, with a nominal GDP of approximately $4.19 trillion. Projections suggest India could become the third largest economy by 2027, with a GDP of $5 trillion in the next three years and $7 trillion by 2030, driven by continued growth.

The impact of recent economic trends and monetary policy changes on the banking industry in India can be broken down into areas, interest rate changes and profitability, credit growth and asset quality, liquidity and capital adequacy. The key challenges comprise Interest rate risk, Credit risk and Liquidity risk. Overall, the banking industry in India is expected to navigate these challenges while benefitting from the country's strong economic growth prospects.

The number of potential clients for Small Finance Banks will increase based on an ongoing economic expansion, especially in semi-urban and rural regions. As the economy grows, more people and small businesses become financially stable, increasing their loans demand. Small and medium-sized banks are uniquely positioned to meet this demand, leading to higher savings.

Deposits at these banks have grown significantly, providing a steady funding source for lending operations. They can expand loan portfolios beyond microfinance to include secured products as the economy develops.

A robust GDP and the government's sustained focus on inclusive growth ensure that these banks will continue to get policy support and initiatives that help them, like programmes that facilitate loan access for vulnerable groups. This is the right time to adopt the right approach for growth and achievements.

The use of India's digital public infrastructure, especially UPI, has increased at an unprecedented rate. The number of UPI transactions has continuously increased. This digital momentum offers a low-cost, effective method of client outreach. On the other hand, utilising data analytics to provide bespoke banking products by comprehending consumer behavior can increase customer stickiness by facilitating upselling and cross-selling. The terminal learning is the integration of technology in all aspects of banking from concept to delivery to the customer at the last mile.

The Bank plans to counter the disruption of 2024-25 by reimagining, redefining, and rising. The Bank plans to combat 2024-25 disruptions by reimagining employee readiness, customer experience, and business processes.

Year in Review

- Total customers reached 4.99 Million, underscoring growing customer trust.
- Micro-Banking Lending stood at ₹8,761 Crore; 88% of our outlets are located in semi-urban and rural areas.
- MBBL portfolio grew 36% YoY to ₹910 Crore; collections are largely digital-first.
- MSME lending touched ₹3,875 Crore, with a strong secured portfolio and high yield optimisation.
- Housing Loans portfolio reached ₹918 Crore; 61% of loans are below ₹35 Lakh (affordable housing).
- Pre-Provision Operating Profit (PPOP) stood at ₹1,007 Crore; PAT was ₹24 Crore (impact from provisioning in micro-banking).
- Multiple first-time digital launches were showcased at Global Fintech Festival.
- Secured ISO 27001 certification for IT operations.

The Bank is focusing on improving asset quality, expanding financial services, and delivering long-term value, with a capital adequacy ratio well above regulatory norms. With a capital adequacy ratio of 20.93%, well above regulatory norms, and a robust plan to raise Tier I capital up to ₹750 Crore, the Bank is strategically positioned to navigate challenges and capitalise on opportunities.

Our theme for the year: 'Reimagine. Redefine. Rise!'

The Bank plans to counter the disruption of 2024-25 by reimagining, redefining, and rising. The Bank plans to combat 2024-25 disruptions by reimagining employee readiness, customer experience, and business processes, aiming to strengthen competitiveness, enhance quality, and preparing for the industry turnaround.

Deepening our employee preparedness

We are empowering our people for a brighter future. As we continue to navigate the complexities of a rapidly changing market, I believe that our people are our greatest assets. At the heart of our success lies the talent, dedication, and resilience of our employees.

Employees' treatment directly impacts our customers. To stay ahead of the curve, we must prioritise employee preparedness. This means investing in their growth, development and well-being. We are committed to creating a work environment that fosters innovation, collaboration, and continuous learning.

The key focus areas are upskilling and reskilling, leadership development, diversity, equity and inclusion as well as well-being and support.

Reimagining customer experience: 'Putting Our Customers First'

As we continue to evolve and grow, I believe that reimagining customer experience is essential to our success. Our customers are at the heart of everything we do, and it is our responsibility to deliver experiences that exceed their expectations.

'Aapki Ummeed ka Khaata', the Bank's customer communication strategy, focuses on product introduction, choice, and active involvement in customers' economic growth journeys, aiming to deepen customer trust and become the preferred banking partner.

We are putting our customers first, understanding their needs, and delivering solutions that meet those needs. By doing so we will build trust, loyalty, and long-term relationships with our customers. The key focus areas will be personalisation, digital transformation, omnichannel experience, feedback and insights.

Re-defining our business processes for Enhanced Efficiency

The Bank has committed to redefining its business processes to stay competitive in the fast-paced business landscape. The Bank aims to improve efficiency, enhance customer experience, and make data-driven strategy making. The Bank has explored alternative options, automated routines, invested in cutting-edge technologies, and strengthened audit discipline. This move was prompted by a downtrend in the last financial year.

Driving Transformation for Enhanced Experiences and Efficiency

The Transformation Management Office (TMO) spearheads initiatives aimed at improving internal and external customer experiences, boosting productivity, and ensuring regulatory compliance.

A new loan origination system was implemented for commercial equipment, vehicles, MSME, and housing loans, revamped business-facing systems, digital customer journeys. The Bank also worked on regulatory and risk management projects to streamline processes and ensure compliance.

Empowering Communities, Enriching Lives

At Utkarsh Small Finance Bank, we believe that our success is intertwined with the well-being of the communities we serve.

Our CSR initiatives aim to positively impact Millions through education, healthcare, financial inclusion, and environmental sustainability, contributing to the UN Sustainable Development Goals and demonstrating our commitment to corporate responsibility.

We are proud to share the positive impact of our initiatives in this Annual Report.

Gratitude and Appreciation

A heartfelt thanks is due to the respected Board of Directors for their guidance through these periods of significant regulatory changes and industry anomalies. Their valuable insights and timely interventions helped us steer through this period of unprecedented transformation.

I take this opportunity to thank our investors and promoters for believing in us. They stood by us, reposing their faith and helping us tide through challenges. We appreciate their trust and look forward to continuing our journey together.

To all my colleagues at Utkarsh Small Finance Bank, a heartfelt gratitude is also due for their unwavering commitment to excellence and in their resolve to Reimagine, Redefine and Rise.

My gratitude to our esteemed customers, who, through the years, have reposed their trust and faith in us since inception and continue to support us in the endeavour to provide service excellence in all that we do.

My heartfelt appreciation is also due to our regulators for helping the industry shape up and provide the requisite guidelines for optimal functioning and delivery of services to the unserved and underserved communities.

I take this opportunity to thank our partners and rating agencies for their support, trust and association.

I would like to reiterate that the consistency of our growth will translate into a compounding impact that enhances value for all our stakeholders. This is the perfect time to Reimagine, Redefine and Rise!

Govind Singh
Managing Director
and Chief Executive Officer

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Bank's Performance

Strategic perspective

In a challenging FY2024-25, **the Bank validated the robustness of its business model**

Overview

The holistic message from the Bank is that its business model continues to be robust despite the sectorial upheaval of the last financial year. Sensing its excessive dependence on the joint liability group business segment in the past, the Bank had embarked on a medium-term direction that would increase the non-joint liability group segment of the business when measured as a percentage of revenues. During the last financial year, this progress was underway when the entire microfinance sector in India was affected by a change in regulatory requirements. The upheaval validated the Bank's decisions to broad base revenues towards more stable and sustainable revenue streams. By the close of the last financial year, even as the overall sectorial crisis appeared to have moderated, the financial spill-over arising from that crisis continued into the financials of most such institutions (our Bank included). The Bank is optimistic that its financials will stabilise starting the current financial year, strengthening its prospects around predictability and sustainability. The management wishes to reiterate that its overall business direction continues to remain relevant and that the Bank expects to return to attractive profitability starting the current financial year.

Credit rating: This is the principal measure of our success because it reconciles a range of tangible and intangible competencies, condensed in a rating. At Utkarsh, our endeavour has been to consistently pitch at a higher credit rating (as appraised by the most demanding agencies). During the last financial year, the Bank's credit rating was maintained at (ICRA) A+ (Stable) despite a sectorial and corporate weakening. The reputable credit rating agency factored the long-term robustness of the business model, the vast appetite for credit across India's grassroots economy and the strength of the overall credit eco-system that strengthened timely repayments. Over the last few years, improved credit rating empowered the Bank to mobilise a lower borrowing cost from lenders and institutional lenders, which served as a hedge in a rising interest rate cycle (at that time).

		Credit Rating		
Rating agencies	**Facilities**	**FY2022-23**	**FY2023-24**	**FY2024-25**
ICRA Limited	Certificate of Deposits	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+
	Subordinated Debt Programme	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)*
CARE rating	Long Term Tier II Bonds	CARE A (Positive)	CARE A+ (Stable)	CARE A+ (Stable)**

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

** On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

Financial performance: The Small Finance Bank's total interest earned increased from ₹3,178 Crore in FY2023-24 to ₹3,765 Crore in FY2024-25. There was a decline in interest earnings following a decline in the total loans made (as a result of the sectorial upheaval during the last financial year). There was a sharp increase in Other Income in the last quarter of FY2024-25 on account of a focused approach and enhanced services.

As the Small Finance Bank implemented new guardrails related to limiting the number of lenders to borrowers, there was a decline in the lending book that had a cascading impact on the bottom-line reported for the year. There was a 95.2% decline in the profit after tax in FY2024-25 when compared with the previous year following provisions. This decline was precipitated by an extensive ₹423 Crore provision made during the third quarter (the highest in any quarter of the small finance bank's existence) of the last finance year. That the Bank could report a profit in what was easily the most challenging year in the sector (apart from the pandemic) indicates the robustness of the business model and responsiveness to transforming market conditions.

Year	**FY 23**	**FY 24**	**FY 25**
Total income (₹ Crore)	2,804.29	3,578.75	4,364.76
Other income as a % of total income	10.67	11.19	13.74
Operating profit before provisions and contingencies	838.32	997.27	1,006.93
Profit after tax (₹ Crore)	404.50	497.63	23.70

Business performance: Despite a shakeout in the microfinance sector in India, the Bank reported a creditable performance by growing deposits by 23.42% year-on-year to ₹21,566 Crore in FY2024-25. This growth was higher than 11% growth of deposits in India's universal banking sector. This growth was largely on account of the credibility of its brand and practices as well as the low base effect of the previous year. Retail term deposits increased 33% year-on-year. The Current Account and Savings Account (CASA) deposit ratio stood at 21.8% as of March 2025, when compared with 20.5% in March 2024. The CASA plus retail term deposit ratio improved from 66% in March 2024 to 71% in March 2025.

The implications of these improved numbers are as follows:

- Current account and savings account (CASA) deposit ratio is a measure of the proportion of a bank's total deposits that are in Current and Savings accounts. A higher CASA ratio indicates more profitability due to cheaper deposits.
- Retail Term Deposits (RTD) comprise fixed deposits held by individual customers, typically with a fixed tenure and interest rate. While costlier than CASA, they are cheaper and more stable than bulk deposits or institutional borrowings.
- A higher CASA + RTD ratio implies that our bank can provide loans at competitive interest costs, accelerating disbursements. A strong CASA + RTD base reflects a developed retail franchise, reflecting depositor trust, reach, and service quality; an improved CASA + Retail Term Deposit ratio signals maturity in retail operations and reduces vulnerability to external funding shocks. Higher CASA + RTD ratios help address the liquidity coverage ratio (LCR) and priority sector lending norms. They comprise a broader metric, indicating the proportion of total deposits that come from stable and low-cost sources—Current Accounts, Savings Accounts, and Retail Fixed Deposits.

Year	**FY 23**	**FY 24**	**FY 25**
Total deposits (₹ Crore)	13,710	17,473	21,566
CASA deposits (₹ Crore)	2,864	3,582	4,699
CASA + Retail term deposits as a % of total deposits	62	66	71

Loan portfolio: Our gross loan book growth moderated by 7.47 % year-on-year in FY2024-25. This decline was on account of conservative lending following the upheaval in the country's microfinance sector. The specific reasons for the decline in loan book growth comprised the following:

- To curb reckless borrowing, the Microfinance Institutions Network (MFIN), a self-regulatory organisation recognised by the Reserve Bank of India, introduced stricter lending norms. These comprised capping the total microfinance exposure per borrower at ₹2 Lakh and limiting the number of lenders to four per borrower. This translated into a significant reduction in loan disbursements as institutions adjusted to the new requirements.
- The sector witnessed a sharp increase in credit costs, attributed to higher delinquencies, with loans overdue by more than 30 days increasing nearly 80 bps and inspiring cautious lending. The field staff attrition caused by the general elections and extreme weather events affected loan origination, collection and lending viability.
- Adapting to rising delinquencies and increased regulatory scrutiny, the Bank optimised its net interest margin and operating expenses. These measures maintained profitability and guided loan disbursements. Most responsible small finance banks prioritised stable portfolios over aggressive growth, preferring to moderate their loan book growth and focus on cleaner Balance Sheets instead.

Utkarsh Small Finance Bank's approach was no different. Microfinance disbursements were lower in FY2024-25 due to a focus on collections that would help keep cash flows moving and the Bank liquid, which became a growing priority following the sectorial upheaval. The result was a decline of over ₹1,883 Crore in the micro-banking loan portfolio in March 2025 compared to March 2024.

Joint liability group (JLG) comprises a lending model where a small group of individuals (usually women) guarantee each other's loans. JLG loans (branch banking) represent the primary microfinance operations conducted directly through the Bank's branches. JLG via business correspondents refers to the Joint Liability Group lending model executed through a network of third-party agents or partner institutions. JLG (Joint Liability Group) portfolio extends to groups of individuals (typically women) under a joint liability model, often used in microfinance.

The Bank moderated its overall exposure to the Micro Banking portfolio from 88% in FY2019-20 to 49% at the close of the year under review. Around 45% of our loan portfolio was JLG in nature, attracting a moral commitment across members to ensure repayment. Correspondingly, the non-micro banking portfolio (primarily secured lending) grew 43% year-on-year and accounted for 51% of the Bank's total lending during the year under review (47% in the last quarter). In the non-micro lending segment, the small finance bank engaged in loans to the MSME sector, construction equipment, housing loans, commercial vehicles, micro loans against properties, personal needs and loans against gold as a collateral.

Year	FY 23	FY 24	FY 25
Total lending (₹ Crore)	13,957	18,299	19,666
JLG lending (₹ Crore)	9,131	11,090	9,207
Non-micro banking lending as a % of overall lending	34%	38%	51%

* JLG includes owned and BC JLG

Non-micro banking portfolio (secured lending)

Year	FY 23	FY 24	FY 25
Micro banking portfolio (₹ Crore)	9,216	11,313	9,679
Non-micro banking portfolio (₹ Crore)	4,742	6,986	9,987

Asset quality: At Utkarsh Small Finance Bank, success is derived from the ability to make safe loans as opposed to making the most loans. In view of this, there is always a commitment to achieve the sweet lending spot, marked by the largest quantum of safe loans that protects the Bank's lending book quality and keeps it in business for the future.

The Bank's asset quality was affected during the year under review, following changes in the regulatory environment, coupled with the effect of the general elections and heatwaves. Repayment stress was observed in micro banking, particularly in Jharkhand, Odisha, Uttar Pradesh, Rajasthan and Haryana. As a result of these extraneous realities, the Bank's gross non-performing assets increased from 2.51% in FY2023-24 to 9.43% in FY2024-25.

The Bank responded to this challenge with a stronger focus on timely and complete collections. Collection efficiency in the X-bucket improved to 99.1% by the last quarter of FY2024-25 following an increase in the collections team, stronger technology use, repeated customer engagement, improved collection processes, specialised collection teams focused on specific buckets and a centralised meeting discipline.

The Bank also made extensive provisions that were more stringent than the RBI requirement. The extensive provision drew down the Bank's surplus of the last financial year.

Credit costs remained high due to stress in the joint liability group lending book and higher interest income reversals. The Bank held floating provisions of ₹190 Crore during the year, pursuant to the approval from RBI. The Bank fully utilised the floating asset provision as per relevant RBI regulations.

Year	FY 23	FY 24	FY 25
Gross non-performing assets (₹ Crore)	431.50	417.58	1,854.38
Provisions made (₹ Crore)	288.34	264.47	949.11

FY 25	Q1	Q2	Q3	Q4
Gross non-performing assets (₹ Crore)	475.63	718.73	1,176.56	1,854.38
Provisions made (₹ Crore)	264.00	369.03	529.11	949.11

Debt cost: At Utkarsh Small Finance Bank, we capitalised on our credit rating to negotiate affordable funds. The Bank reported a net interest margin of 800 bps during the last financial year, which was under pressure during the last financial year. Net interest margins are a measure of profitability (difference between interest earned on loans and interest paid on deposits, expressed as a percentage of average earning assets).

Year	FY 23	FY 24	FY 25
Net interest margin %	9.7	9.4	8.0
Cost of funds %	7.1	7.8	8.2
Cost of borrowings %	8.1	8.4	8.7

Liquidity: At Utkarsh Small Finance Bank, we pride on the fact that even as we seek to maximise growth, we leave an adequate safety buffer within the system that prevents us from over-reaching or stretching our Balance Sheet. Given a choice between stretching our Balance Sheet in our attempt to report superior numbers and the option of reporting slightly lower (yet attractive) numbers without stretching our financials, we will always select the latter. This was reflected in our capital adequacy ratio of 20.93% by the close of the last financial year, which was higher than the RBI recommendation of 15%. Besides, our Bank had more than ₹791.72 Crore in undrawn funding lines in addition to a fixed deposit corpus of ₹16,867 Crore by the close of the last financial year. This indicates that should there be an unforeseen loan demand spike in our business, the Bank will be attractively positioned to seamlessly call on the growth resources at its disposal – and not miss a single case disbursement. Besides, this prudence in keeping some financial reserve in store provides rating agencies the confidence that the Bank is conservative in fiscal practices, an asset in a sector marked by unpredictability. During the year under review, the Bank enlisted new institutional lenders like Samvedna Microfinance Pvt. Ltd., Laxmi India Finance Ltd., IIFL SAMASTA Finance Ltd. and K.M. Global Credit Pvt. .Ltd, broad basing its resource mobilisation platform.

Year	FY 23	FY 24	FY 25
Capital adequacy ratio %	20.64	22.57	20.93
Undrawn funding, ₹ Crore	990.55	476.27	791.72

Investments: The Bank continued to broadbase its presence deeper in the regions of its choice. The Bank opened 204 branches in FY2024-25, increasing the total branch network to 1,092. Of the total branches added during the last financial year, 55 were general banking branches and 149 were micro-banking branches.

The Bank embarked on a business technology transformation project to enhance growth readiness, customer experience, and operational efficiency. There was a focus on improving core technology infrastructure and adopting futuristic technologies like AI.

Operating expenditure: At Utkarsh Small Finance Bank, our focus is to keep moderating the cost of staying in business. This cost usually comprises the cost of people to run the business, branches and brand. The lower the cost in relation to the quantum of lending indicates fiscal productivity. During the last couple of years, the Bank embarked on technology investments that were upfront but followed with a low incremental cost of customer acquisition or customer processing or customer service. By integrating technology deeper into our operating system, we will be able to moderate our operating expenditure as a percentage of revenues. The Bank increased branches from 888 to 1,092 at the close of FY2024-25 and was present in 27 States.

One of the most potent drivers of operating expenditure efficiency is the Bank's decision to invest in cutting-edge technologies. We believe that enhanced technology investment will enhance process simplicity, business ease, customer service, replace the manual with the automated and increase employee productivity.

We believe that some of the expenses incurred will only translate later into revenues, treated as a cost of staying in business. The Bank plugged all managerial positions; it created business verticals across different funding slabs and nature of customers (MSMEs, for instance), which will enhance lending focus, enhance specialisation, enhance accountability and growth.

Utkarsh Small Finance Bank is graduating to become a digital-first organisation, evolving from the physical to the 'phygitech' (physical plus digital). These technologies are being complemented by existing processes, creating the brand of a technology bank engaged in banking (as opposed to a bank that utilises technology).

Year	FY 23	FY 24	FY 25
Operating expenditure as a % of revenues	35.30	36.01	37.02

Outlook: The operating environment remained challenging for the microfinance sector by the close of the year under review due to higher borrower leverage and tightened credit supply. However, there was a feeling that the worst had passed and industry players could look forward to increase lending without compromising their loan book quality. The Bank was optimistic about a stabilization in collection efficiency and improved asset quality in the coming quarters.

The management of your small finance bank remains committed to broad base its risk and increase the proportion of non-micro banking loans and secured loans with a strategic shift towards individual loans and higher-yield products. The Bank introduced a secured credit card that is showing traction.

Our business model: A focused approach **translating into enhanced performance and prospects**

Overview

At Utkarsh Small Finance Bank, we have built our business around an approach that is transparent, relevant and sustainable. We are optimistic that this strategic direction will translate into enhanced stakeholder value.

Diversified Asset Portfolio

- Increase the share of secured loans in the portfolio mix
- Leverage the existing customer base in the unserved and underserved segments to widen lending opportunities
- Extend product offerings from JLG loans to individual loans, affordable housing and other products
- Offer working capital and term loans to MSMEs, small and medium sized corporate and institutional customers
- Cross-sell to existing clients on-boarded through the existing network in urban and metro locations

Leverage Cross-selling Opportunities

- Generate a fee income from proprietary products and cross-sell third-party products
- Engage with partners in offering third-party products; develop new partnerships
- Provide payment solutions and other relevant services to enhance fee incomes

Enhance Technology and Digital Offerings

- Enable cutting-edge technology investments to enhance customer experience
- Work on customised analytical decision models to enhance underwriting and collection processes

Expand the Retail Deposit Mix

- Enter new geographies including 100 leading cities (by deposits)
- Strengthen the liability franchise by focusing on CASA and retail deposit base
- Enhance digital offering at various touch points of the customer life cycle

Our Offerings

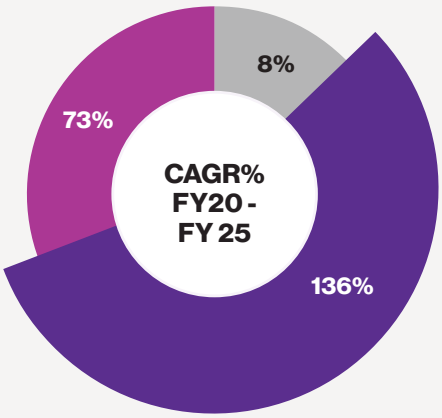
Strengthening our **Asset Portfolio**

Overview

At Utkarsh Small Finance Bank, we expanded our loan portfolio by 7% in FY2024–25. This was driven by our expertise in core geographies and micro-banking, which deepened our presence in rural and semi-urban markets. The segments such as MSME, housing, commercial vehicles and construction equipment (CV & CE) loans contributed to our portfolio expansion.

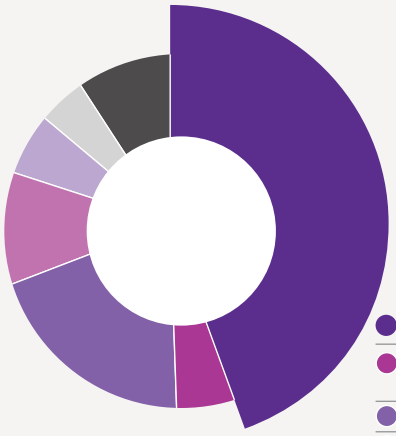
43
% of gross loan portfolio is comprised of secured loans

Our products



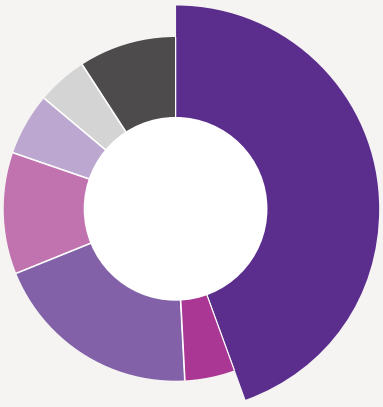
- Other retail loans
- Micro Banking Business Loans (MBBL)**
- Joint Liability Group Loans (JLG)#

Loan book share % as on 31st March 2025



Joint liability group loans (JLG)#	45%
Micro Banking Business Loans (MBBL)**	5%
MSME retail loans	20%
Wholesale lending	11%
CE & CV	6%
Housing loans	5%
Others*	9%
Gross loan portfolio	**100**

Loan book as on 31st March 2025 (in ₹ Crores)



Joint liability group loans (JLG)#	8,760.58
Micro Banking Business Loans (MBBL)**	918.44
MSME retail loans	3,874.53
Wholesale lending	2,239.73
CE & CV	1,188.13
Housing loans	918.29
Others *	1,765.88
Gross loan portfolio	**19,665.59**

*Others includes OD Against FD, Personal Loans, Gold loans & BC channel
** Includes PM SVANIDHI & PM Vishwakarma of ₹9 Crore.
# Excluding BC JLG portfolio; including BC JLG, JLG loan book is ₹9,207Crore (47% of total portfolio) as of March 2025.

Utkarsh Small Finance Bank
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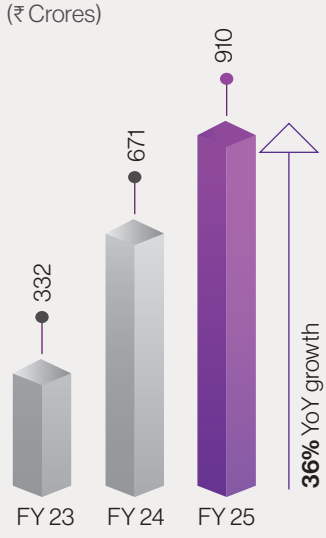
Micro Banking Business Loans

The Bank is focused on deepening its presence in rural and semi-urban regions, backed by a strong understanding of local lending cum borrowing patterns as well as challenges faced by these communities. Our micro-banking business loan book has demonstrated consistent growth, a trend we expect to continue, supported by strong asset quality and robust collections. Moving forward, we aim to accelerate this growth through product innovation and strategic cross-selling.

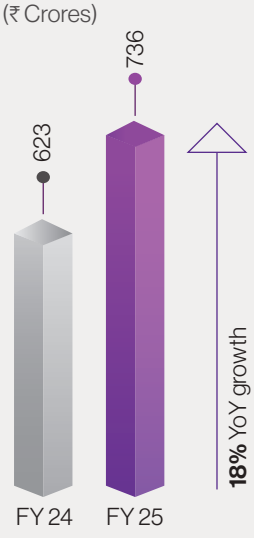
Loan book value

(₹ Crores)



Disbursements

(₹ Crores)

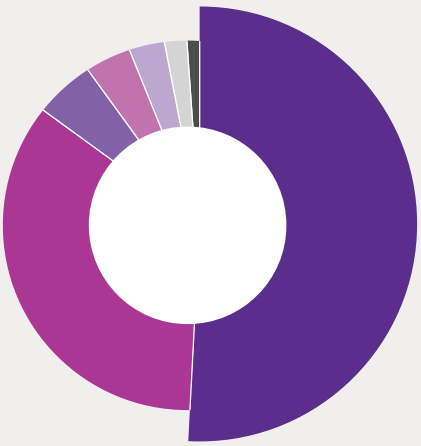


Robust growth

1+
Lakh large customer base franchise

36
% YoY growth in MBBL product portfolio

Our loan book by region



Bihar	51%
Uttar Pradesh	34%
Jharkhand	5%
Odisha	4%
Madhya Pradesh	3%
Maharashtra	2%
Uttarakhand	1%

Wholesale Lending

Launched in FY 21, our business banking group has witnessed substantial growth, contributing to an attractive proportion of our total portfolio. This growth has been driven by lending to small and medium-sized corporates through overdraft and dropline overdraft products. Meanwhile, our wholesale finance segment constitutes 70% of the wholesale lending book.

Robust Growth
~220
Customers in the SME segment

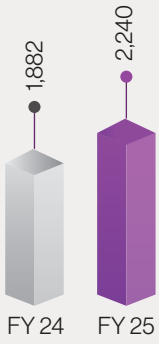
~4
₹ Crore, average ticket size in the SME segment

~70
% of wholesale financial lending portfolio credit-rated A or higher by rating agencies

~15-20
₹ Crore average ticket size of outstanding wholesale financial loans

Wholesale Lending

Portfolio outstanding (₹)

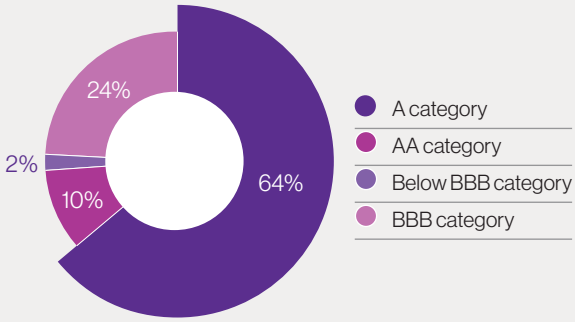


Share in gross loan portfolio

FY 24	FY 25
10%	11%

Ratingwise WSL FI portfolio break-up

The following table represents the distribution of WSL's Fixed Income (FI) portfolio based on credit ratings. A significant portion of the investments is held in instruments rated 'A', reflecting a focus on moderate credit quality. Exposure to high-risk (Below BBB) assets is minimal, indicating a conservative investment approach.in both sub-segments to zero.



Other Retail Loans

MSME (retail assets) lending: Our MSME lending portfolio recorded steady growth during the past financial year. With a strong presence in our core geographies, we are positioned to drive expansion. Moving forward, we endeavour to deepen our MSME offerings by leveraging potential across our existing branch network.

ATS
₹23-25
Lakh, average ticket size loan book

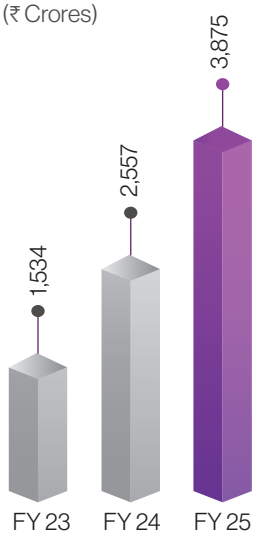
86
Branches catering to MSME retail asset lending

>95
% secured lending

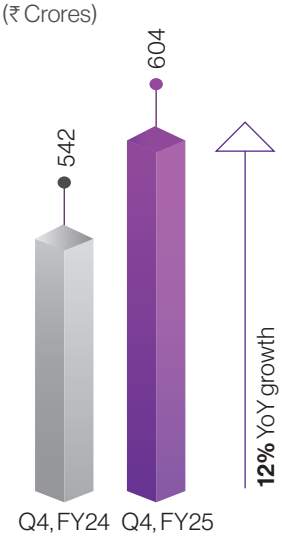
52
% YoY growth in outstanding MSME product portfolio

MSME Product Portfolio Outstanding (₹ Crores)

Loan Book Value
(₹ Crores)



Disbursement
(₹ Crores)



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Housing loans

We provide retail and affordable housing loans to address diverse needs. Our housing loans segment has established a foothold across key geographies, with ample opportunities for growth through our existing branch network. Notably, housing loans of up to ₹35 Lakh constituted approximately 61% of our housing loan portfolio.

Big numbers

₹20-25 Lakh average ticket size of the loan book

63 Locations in which housing loans are being offered

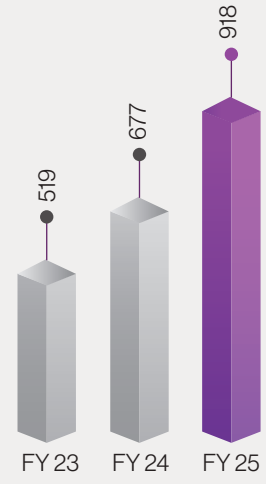
>3,900 Customer base

36 % YoY growth in outstanding housing loan product portfolio

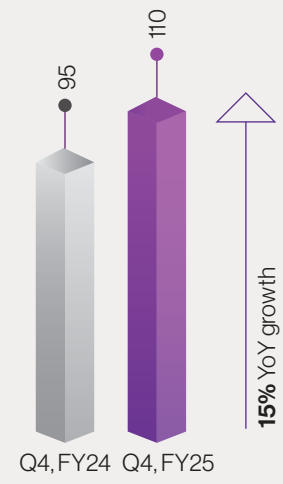
₹ 35 Lakh is approximately 61% of our housing loan portfolio.

Housing loan product portfolio outstanding (₹ Crores)

Loan book value
(₹ Crores)



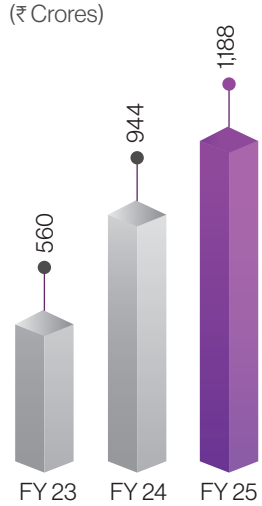
Disbursement
(₹ Crores)



Commercial Vehicles (CV) & Construction Equipment (CE) loans

In FY2024-25, our primary customers in the Commercial Vehicles (CV) & Construction Equipment (CE) loans segment were small fleet operators. The majority of our portfolio comprised new CV loans, while the share of new CE loans and used CV & CE loans remained in the single digits. The focus remained in expanding our presence in key geographies to penetrate the market deeper.

Loan book value
(₹ Crores)



₹30-35 Lakh, average ticket size of the loan book

47 Branches in which CV and CE loans are being offered

>4,000 Customer base

40% YoY growth in customer base

Expanding Our Liability Product Portfolio

Deposit growth in FY24–25 was driven by a surge in retail term deposits. Going forward, we aim to strengthen and diversify the liability side of our Balance Sheet.

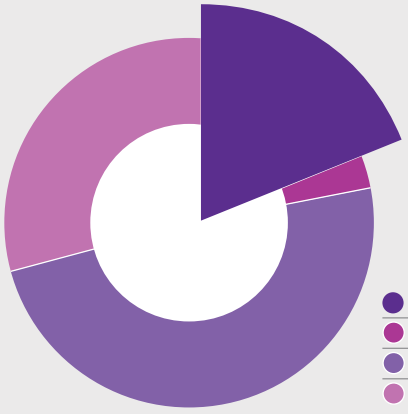
We diversified our funding mix in FY2024–25, ending the year with no short-term borrowings and maintaining healthy liquidity. Over the past five years, the share of deposits in our total funding increased. Despite a challenging environment, we remain optimistic about continued deposit growth, supported by our focused efforts. Our strategic partnerships to enhance our digital and fintech capabilities yielded positive results, contributing to a higher deposit mobilisation. The video KYC initiative for instant savings and term deposit accounts opening strengthened our digital presence and improved the quality of our deposit base.

Robust growth

Contribution to deposits (₹ Crores)

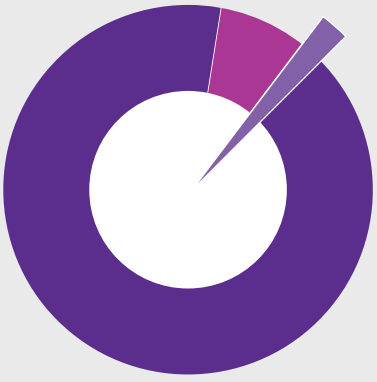
Savings account	4,054.89
Current account	644.27
Retail term deposits	10,635.01
Institutional term deposits	6,231.54
Total deposits	21,565.70

% share



Savings account	19%
Current account	3%
Retail term deposits	49%
Institutional term deposits	29%
Total share	**100%**

Funding mix (in %)



FY 20-FY 25

- Deposits - 90%
- Refinance - 8%
- Other borrowings - 2%

Utkarsh Small Finance Bank
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Business Driver

Our technology emphasis **is resulting in smarter banking and better journeys**

Big numbers

Internet and Mobile Banking

- **35.59 %** growth in Internet and Mobile Banking registered users
- **5 Lakh +** Customers registered on the Internet and Mobile Banking till March 2025
- **4.77 Million** Digital Transactions Volume* via Retail Internet & Mobile Banking
- **₹189.15 Billion** Value* of Digital Transactions processed via Retail Internet & Mobile Banking

*Data comprises of= Fund Transfer (NEFT +RTGS +IMPS + Internal Transfer) + Online FD created via IBMB

Unified Payments Interface (UPI)

- **₹5.78 Lakh** Total UPI Registration till 31st Mar'25 (Including BHIM Utkarsh UPI App + Other UPI PSP App)
- **156 + Million**** Total Volume of transactions
- **₹286+ Billion**** Total Value of transactions

**Data comprises of only successful transaction including (Remitter + Beneficiary + BHIM Utkarsh PSP + Other UPI PSP Data)

Overview

At Utkarsh, we acknowledge a fundamental shift in how companies are perceived towards technology orientation and how deeply it is entrenched in the identity of the organisation's core offerings. In this context, Utkarsh has consistently focused in enabling best-in-class technology experience for its customers. The Bank has a holistic approach in adopting cutting-edge technology in all its offerings and services.

Utkarsh initiated its digital journey in January 2017 by establishing a robust core technology infrastructure. This comprised the implementation of essential banking platforms such as a core banking solution, internet banking, mobile banking, and a suite of control and peripheral business applications, delivered through a single, integrated engagement with a leading Indian technology provider. To support ATM and POS transactions, the Bank collaborated with a prominent switch partner, while data center operations and network management were outsourced to a Core Banking System vendor, ensuring centralised control and operational efficiency.

Digital transformation roadmap

Utkarsh launched its business transformation journey in FY2022–23 with a forward-looking, strategic roadmap to reimagine products, processes, and the technology landscape. The initiative commenced with a comprehensive diagnostic phase to assess operational effectiveness and digital maturity, forming the foundation for a structured, high-impact transformation. The Bank is aligning technology investments with business objectives, empowering itself to scale sustainably and deliver inclusive, efficient, and future-ready experiences.

Current: The Bank is at the design and implementation stage of its transformation programme that is centred around three priorities:

1. Reengineering core business processes: Digitising and optimising workflows to drive operational efficiency, reduce turnaround times, and enhance the customer experience.

2. Establishing strategic technology partnerships: Collaborating with leading technology providers to co-develop secure, scalable, and future-proof solutions.

3. Modernising the technology stack: Transitioning from legacy infrastructure to a modular, cloud-native, and API-first architecture that supports speed, agility, and innovation.

Vision: The Bank's technology roadmap will deliver long-term strategic value across four key dimensions:

Scalable growth: The Bank will build a resilient and flexible digital foundation that supports rapid expansion in response to evolving market needs.

Customer-centric innovation: The Bank will redesign product journeys with an emphasis on personalisation, digital accessibility, and seamless omnichannel engagement.

Intelligent services: The Bank will harness the power of data analytics, artificial intelligence, and automation to deliver proactive, insights-driven customer solutions.

Resilience and regulatory readiness: The Bank will continue to strengthen cybersecurity frameworks, enhance data governance, and ensure compliance through advanced infrastructure and robust internal controls.

Highlights, FY2024–25

Utkarsh strengthened its digital capabilities through operational and customer-facing technology deployments aimed at improving service delivery, streamlining internal processes, and enhancing customer engagement. The key achievements were as follows:

Retail and Customer innovation

Credit Card Launch: Introduced secured and unsecured credit cards in partnership with prominent fintechs

Digital lending: Deployed a fully digital personal loan platform and began the rollout of a new loan origination system in collaboration with TCS.

Onboarding enhancements: Enabled Aadhaar-based VKYC, biometric, and facial recognition for secure and seamless account opening.

Customer engagement: Launched WhatsApp banking and Aadhaar-enabled payment system (AEPS) for round-the-clock support.

Service and channel enhancements

- Introduced cardless ATM withdrawals, eMandate for NACH, and ASBA functionality in digital channels.
- Automated key workflows such as digital cashback processing and disbursement approvals.

Operational efficiency and automation

- Implemented system-driven EMI calculations, geographic-specific ROI structures, and automated JLG collection improvements.
- Enhanced data validation with PAN verification APIs, client liveliness checks, and location data updates.

API and integration improvements

- Strengthened system connectivity through integrations with platforms such as Fino, NSDL, and Karza, enabling better internal coordination and third-party inter-operability.

Strengths

Vision-driven digital transformation: Utkarsh placed technology at the core of its strategic roadmap for enhanced scalability, customer-centricity, and future readiness, particularly in expanding its microfinance and retail banking presence.

Scalable and secure digital infrastructure: By investing in cloud-native platforms, API banking, low-code development, and a zero trust security framework, the Bank has built a resilient and agile digital backbone that supports rapid innovation and long-term scalability.

Industry-leading automation and efficiency: A five-fold increase in process automation has streamlined operations across micro banking, liabilities, and asset groups, significantly improving turnaround times, accuracy, and compliance.

Customer-centric digital solutions: Innovations like tablet-based onboarding, UPI Lite, WhatsApp banking, and cashless microfinance repayments have made banking more inclusive and accessible, enhancing customer experience and brand visibility.

Strong risk and cybersecurity governance: With real-time fraud detection systems, a dedicated security operations centre and SIEM tools, the Bank ensures robust risk management and compliance with RBI's cybersecurity guidelines.

Strategic fintech partnerships for innovation: Collaborations with fintech and tech leaders (e.g., Infosys, TCS, Microsoft, Mindgate) accelerated product launches, reduced costs, and strengthened the Bank's reputation as a digital-first, innovation-led financial institution.

Transforming products and services through digital innovation

Utkarsh embedded digital innovation across its product and service landscapes. These initiatives have not only strengthened operational efficiency and customer engagement but also reinforced the Bank's positioning as a forward-thinking, technology-led institution.

Seamless digital onboarding with e-KYC and eSignature: A fully digital, tablet-enabled onboarding solution was rolled out for savings, current, and term deposit accounts. Leveraging Aadhaar-based e-KYC and eSignature, the process eliminated paperwork and manual intervention.	***Transformative Outcomes:*** Reduced onboarding time and branch-level processing costs; real-time account activation became a reality; there was enhanced user experience, particularly in rural and semi-urban markets; cementing the Bank's image as a digital-first institution.
First-mover in UPI lite implementation: Utkarsh became the first Small Finance Bank to introduce UPI Lite, allowing PIN-less, small-value transactions for faster and simpler digital payments.	***Transformative Outcomes:*** Delivered frictionless micro-transactions for improved convenience; increased financial accessibility for customers using basic mobile devices; strengthened the Bank's reputation as a digital trailblazer in the small finance bank space.
Launch of credit cards via fintech collaboration: The Bank expanded its retail offerings by introducing secured and unsecured credit cards in partnership with fintechs such as 42CS and Upswing.	***Transformative Outcomes:*** Enabled rapid, digital-first issuance of credit cards; lowered development and operational costs through shared fintech infrastructure; extended formal credit access to underserved segments; enhanced competitiveness in the retail banking space
Digitisation of microfinance collections: Utkarsh transformed its microfinance loan repayment model through strategic fintech integrations and digital channels, including QR code-based collections, BBPS-enabled UPI payments and CASA-linked repayments	***Transformative Outcomes:*** Enabled real-time, secure, and convenient repayment options; reduced cash handling and reconciliation efforts; improved customer flexibility and satisfaction; reinforced leadership in inclusive digital finance
API-first middleware and integration framework: To enable seamless connectivity and agility, the Bank implemented a robust middleware platform and API management framework.	***Transformative Outcomes:*** Accelerated integration with internal systems and external partners; reduced redundancy and improved scalability; enabled quicker rollout of customer-facing digital innovations; positioned the Bank as an open, API-first institution in the fintech ecosystem

Strategic Digital Transformation

As part of its long-term vision, Utkarsh is investing in foundational technology upgrades to build a resilient, scalable, and secure digital ecosystem. These initiatives focus on infrastructure modernisation, regulatory compliance, and enhanced risk management, laying the groundwork for sustainable growth.

Strategic projects

Core platform modernisation (Finacle): Migrating core banking, internet, and mobile banking to next-gen platforms to support performance, security, and future scalability.

Advanced risk and compliance systems: The anti money laundering will help strengthen liquidity management and regulatory accuracy; this platform will introduce real-time, AI-powered risk detection capabilities.

Treasury platform upgrade: Modernising treasury operations for efficient trade execution and analytics.

Switch infrastructure enhancement: Upgrading ATM and IMPS switch for improved uptime and transaction speed.

Data centre expansion: Scaling data infrastructure to support high availability and business continuity.

Data lake implementation: Consolidating structured and unstructured data for real-time insights, advanced analytics, and AI/ML applications.

Strategic partnership: Engaging with TCS to deliver a robust loan origination system, enabling faster credit processing across segments.

Impact of Our Technology Interventions

Over the past two years, Utkarsh continues to strengthened its digital transformation outcomes.

Customer Acquisition

Before	After
Manual onboarding with a high turnaround time (TAT)	Digital onboarding for CASA, providing Digital FD, superCard are reducing TAT significantly.
Limited outreach in rural/semi-urban areas	Assisted model banking and WhatsApp banking expanded reach and accessibility
Fragmented lead tracking	Lead management tool implemented for streamlined acquisition and improved conversion

Customer Retention

Before	After
Limited engagement channels	Multi-channel engagement via SMS, WhatsApp, UPI, mobile app, internet and mobile banking
Limited outreach in rural/semi-urban areas	CRM-based ticketing and workflow automation for faster grievance resolution
Lack of behavioural insights	Data analytics integration for deeper visibility into customer behaviour and preferences

Customer Satisfaction

Before	After
Paper-based processes and delays in service	eSign functionality reduced paperwork and interaction time, enabling faster disbursements and account openings
Manual internal processes causing delays	RPA implementations at CPC automated key workflows, improving internal response time and service delivery
Inconsistent service experience	Unified digital platforms delivering seamless and consistent customer journeys

Outlook

In FY2025–26, the Bank will advance its technology roadmap by delivering targeted enhancements and new customer-facing features. These short- to medium-term projects will drive innovation, system responsiveness, and customer engagement. The following rollouts and projects are in progress:

EMI collection via QR: Integration of QR-based payments within the Utkarsh Mitra app.

One-time JLG settlement module: Enabling simplified closure of group loan accounts.

iLOS mobile (MBIL Phase 2): Mobile-based extension of the LOS for on-the-go credit processing.

WhatsApp SMS integration: Enhancing communication touchpoints through automated messaging.

Floating ROI implementation: Launching regionally adaptive interest rate configurations.

EDMS and RCU enhancements: Upgrading document management and risk control systems for higher accuracy remove : and oversight.

CASE STUDY 01

Robotic Process Automation

Fact: The operations team was burdened with high-volume, repetitive, and rule-based tasks that were manually executed, leading to inefficiencies.

Challenge: Manual processes were time-consuming, error-prone, and limited the team's ability to focus on strategic or value-added work.

Solution: The Bank implemented RPA bots across various back-office functions to automate tasks such as data entry, reconciliation, and report generation.

Outcomes: 52 manual processes were automated with annual savings of ₹1+ Crore; there was a significant reduction in processing errors; turnaround time and team productivity improved; there was enhanced ability to scale operations without compromising accuracy and compliance

CASE STUDY 02

eSign Implementation in Microfinance

Fact: The loan disbursement process in microfinance relied heavily on physical documentation, leading to delays and operational inefficiencies.

Challenge: There was a need to streamline disbursement for borrowers especially in rural and semi-urban areas, while reducing paperwork and logistical hurdles.

Solution: The Bank implemented Aadhaar-based eSign, enabling borrowers and co-borrowers to authenticate disbursement requests through OTP verification.

Outcomes: Over 160,000 borrowers and co-applicants were onboarded; there was significant reduction in paperwork and logistical delays; disbursement cycles accelerated; customer satisfaction and accessibility increased

CASE STUDY 03

Secured Credit Card Launch via Fintech Partnerships

Fact: Many underserved segments, including new-to-credit and low-income customers, faced limited access to traditional credit products.

Challenge: The Bank aimed to expand its retail offerings and improve credit accessibility without incurring high development and operational costs.

Solution: Partnered with fintech's 42CS and Upswing to launch secured and unsecured credit cards, leveraging digital infrastructure for faster issuance.

Outcomes: Credit card issuance was faster via digital channels; development and operational costs declined; access to credit for the underserved segments increased; retail banking proposition and brand visibility in the digital credit space strengthened

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Business Driver

Our People, **Our Strength**

Big numbers

19,779
Number of employees as on 31st March 2025

86
% of employees are male

28.60
Average age of the employee

6.16
Training hours per person per year

Overview

Human capital represents the foundation of our organisation, embodying the collective knowledge, skills, and expertise of our people. This includes individual talent, creativity, and commitment that drives innovation, productivity, and sustainable growth.

At Utkarsh, employee-centricity is a core value, reflected in robust HR policies that promote inclusive growth, transparency, and equity. Our HR strategy is aligned with business goals, fostering a motivated, skilled, and engaged workforce.

Human resources is central to our operations, driving initiatives in recruitment, deployment, training, talent retention, and engagement to support the Bank's vision. Our HR framework includes dedicated verticals for recruitment, operations, training, and employee engagement, supported by a Zonal HR structure for localised outreach.

We adopted a technology-driven approach, providing real-time, mobile-enabled access to key HR services through our human resource management system. We nurture a collaborative, diverse, and growth-oriented work culture, committed to learning, teamwork, and inclusive representation.

Initiatives and programs at Utkarsh

At Utkarsh, learning and development is integral in managing the full employee lifecycle and fostering continuous growth. Our philosophy is rooted in providing structured learning opportunities that help employees excel in their roles and advance in their careers.

Programmes

Utkarsh Aarambh: A robust induction program was designed to align newcomers with the Bank's vision, values, and culture instilling a sense of purpose, belonging and alignment. This program provides essential information to get started, access to key resources and tools, ongoing support and guidance, assistance in adapting to the organisational culture, clarity on individual roles and responsibilities and a pathway to becoming productive and contributing team members.

Big numbers

28,722
Newcomers who participated in our learning programmes

Judiye Utkarsh ke Max Padonnanti Program 2.0 se – JUMPP 2.0: The Bank relaunched JUMPP 2.0 to fast-track career growth for top-performing sales executives. In partnership with the business team, this initiative offers accelerated promotion opportunities to those who have completed six months in their role or since their last promotion.

Fast Track

119
Qualifiers in various categories

Probationary officer's program (P.O.P): Partnering with Institute of Professional Banking and Baddi University, this program is tailored to meet the specific needs of the Bank and supports its objective of nurturing a steady pipeline of well-trained talent. Upon successful completion, the probationary officers are onboarded as first-level supervisors, ready to take on their roles with confidence and capability.

The P.O.P Achievement

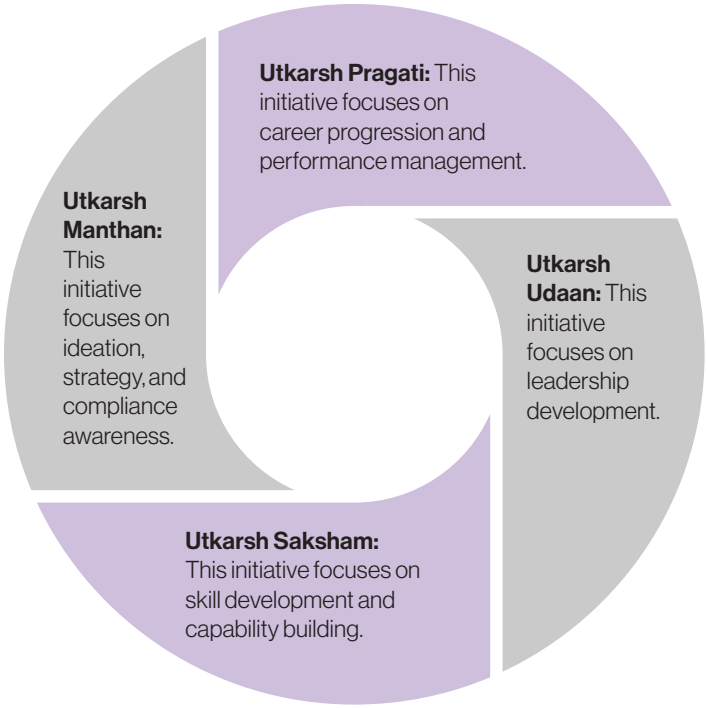
40
Probationary officers onboarded

2
Batches launched

73
Students under training

Prominent initiatives

7,618
Existing employees participated in below programmes



Prevention of sexual harassment (POSH): Utkarsh remains committed to maintain a safe, respectful, and inclusive workplace for all. We have a zero-tolerance policy towards sexual harassment and fully comply with The Prevention, Prohibition and Redressal (sexual harassment of women at workplace) Act, 2013.

POSH applies to: all permanent employees, contractual and fixed-term staff, third-party vendors working on Bank premises, stakeholders operating within Bank facilities and everyone covered is entitled to a safe and respectful workplace environment.

The policy is gender-inclusive, uniformly applicable across all grades and roles, and is regularly communicated to employees. It is also accessible on the Bank's website for reference and compliance. The Internal Complaints Committee (ICC) is responsible for handling and resolving complaints in accordance with defined procedures, ensuring fairness and confidentiality.

Schemes:

National Apprenticeship Promotion Scheme (NAPS): This scheme promotes apprenticeship training across industries by providing financial support to employers.

National Apprenticeship Training Scheme (NATS): This scheme provides practical training to graduates and diploma holders in engineering and technology.

58
Apprentices onboarded for NAPS and NATS programmes

These apprentices are undergoing a one-year on-the-job training (OJT) program across roles such as sales executive, micro banking executive, office operations executive, and HR executive. Upon successful completion of the training and subject to meeting the required eligibility criteria, they stand a chance to be considered for full-time employment.

Talent management

The Bank has built a talent pool of high-performing, fast-tracked employees and identified potential successors for critical roles. These individuals are being developed through focused initiatives, including the CEO mentoring club, where selected employees are groomed by the MD and CEO through strategic project involvement. Individual Development Plans (IDPs) are also being designed to support their growth.

We continue to advance digitisation by streamlining the employee lifecycle through digital recruitment, onboarding, and issuance of digital ID cards. As the Bank expands in scale and scope, we have also begun decentralising our HR processes while maintaining strong checks and balances to enhance efficiency and responsiveness.

Big numbers

360
Degree feedback

5
Number of days of management development program

100+
Employees at the top and senior management level

30+
Identified talent at the middle management level for company development

Building a future-ready workforce

At Utkarsh, we emphasise inclusive hiring by placing the right talent in the right roles to ensure optimal efficiency. We provide meaningful career opportunities for both fresh graduates and experienced bankers who have completed their training. A strong focus on enhancing productivity in micro banking, liabilities, and assets functions.

14,882+
Unique employees participated in training programme

644
Training sessions conducted during the year

Forward-looking initiatives

Focused capability building

- Capacity building in micro banking, liabilities and assets
- Virtual instructor-led training (VILT) sessions for staff with less than 6 months tenure
- Cross-functional training for customer service officers (liabilities and assets)
- Improving first -time- right experience in account opening and loan application logins.
- Dedicated product and process VILT sessions were conducted to continuously improve assets performance.

Leadership and supervisory excellence

- Targeted workshops for zonal and regional leaders
- Positive feedback and performance reaffirm development value

Career growth and learning pathways

- Induction, functional training, coaching, and mentoring
- Trainers include retired bankers and senior experts
- Scalable digital platforms power consistent learning
- Structured career plans and internal talent development

Performance and talent management

- Competency mapping
- Succession planning and internal job postings
- Fully digital performance management system (goal setting and appraisals)

Employee well-being and engagement

- Fitness programs and wellness support
- Promoting work-life balance for sustained motivation

Strength through strategic partnerships

- Recruitment, training, learning management system and HR services via trusted partners
- Policies regularly updated to align with regulatory and business needs

Employee engagement

At Utkarsh, we recognise the vital role of employee engagement in fostering a culture of excellence. We have established robust communication channels that encourage employees to share feedback and suggestions. Our online grievance redressal platform ensures transparency and timely resolution of concerns, while an online HR helpdesk provides seamless support for employee queries.

In an endeavour to engage and motivate employees, the HR and training department arranges theme-based employee engagement initiatives on a monthly basis.

Health and wellness

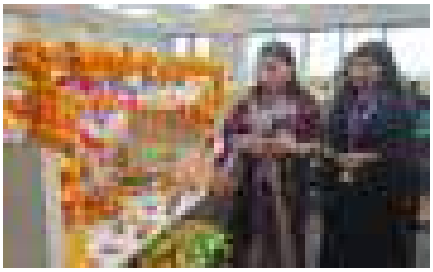
- International Yoga Day

Environmental awareness

- Tree plantation drive on World Environment Day

National and cultural celebrations

- Independence Day celebration
- Republic Day celebration
- Diwali celebration
- Women's Day celebration
- Foundation Day celebration
- Annual Day
- Sports Day
- Festivals



Employee recognition

At Utkarsh, we believe in acknowledging and rewarding performance fairly and consistently. Our performance-driven compensation is complemented by a range of employee benefits, including interest-free salary advances, loans for housing, bikes, mobiles and personal needs, and comprehensive insurance coverage.

To foster appreciation, we recognise excellence in innovation, risk mitigation, vigilance, customer service, and organisational citizenship through dedicated award programs.

In FY2024–25, we marked our 8th anniversary with enthusiastic participation across the organisation. Our continued focus on recognition, engagement, and well-being has strengthened employee retention and morale.

Pillars of Strength

836

Long service awardees
(working 5 years with the Bank)

Business Driver

Corporate Social **Responsibility**

Big numbers

8.50 Crore contribution, FY2024-25

5.12 Crore contribution, FY2023-24

Overview

Corporate social responsibility (CSR) reflects a company's commitment to contributing positively to society beyond business goals. At Utkarsh Welfare Foundation (UWF), (the CSR implementation agency of Utkarsh Small Finance Bank) our CSR activities are rooted in our core values and principles in providing a holistic approach towards the upliftment of unserved and underserved communities. Through collaborative efforts, we drive improvements across all relevant community needs. Our initiatives narrates the significance of our dedication to foster sustainable and positive change in society.

Our CSR initiatives

- Financial awareness (वित्तीय उन्नयन)
- Health initiatives (आरोग्य उन्नयन)
- Village development programme (VDP) - (ग्राम उन्नयन)
- Enterprise development program (EDP) - (युवा उन्नयन)
- Education initiatives (ज्ञान उन्नयन)

Our financial awareness programme

Financial literacy: At UWF, we view financial literacy as a catalyst for empowerment. Our financial awareness initiative equips rural communities with the knowledge and skills to manage their finances confidently and independently. We enjoy a strong presence across six States (Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, and Uttarakhand).

Highlights, FY2024-25

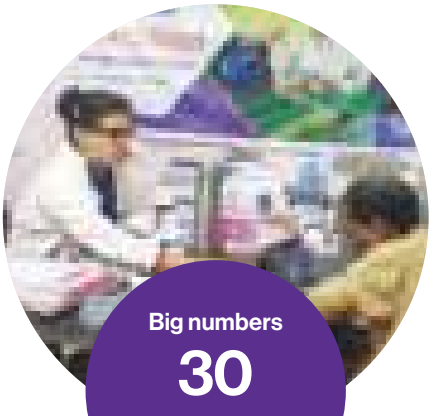
- **Multi-mode training delivery:** Sessions are conducted through digital platforms and flipchart-based methods, accommodating diverse learning styles and accessibility needs.
- **Post-training outcomes:** Beneficiaries gain improved access to government social protection schemes and a range of financial products.
- **Facilitated linkages:** Master trainers and community resource persons (CRPs) serve as vital connectors, guiding participants toward relevant services and support systems.
- **Demonstrated impact:** These effective linkages underscore the on-ground success and practical value of the training interventions.

Our Health Initiatives

Health awareness: Our health awareness training covers crucial topics such as the prevention of seasonal and communicable diseases, menstrual health management, malnutrition, and mother and child health. Supported by our funding partners, this programme has been implemented across five States: Bihar, Jharkhand, Madhya Pradesh, Uttar Pradesh, and Uttarakhand.

Big number
31,499
Beneficiaries were trained in preventive healthcare measures

E-clinics: We established centers across. Six in Bihar, seventeen in Uttar Pradesh and seven in Uttarakhand to provide free, accessible healthcare services to rural communities.
These centers maintain electronic health records (EHR) to track health vitals and manage prescribed medications efficiently. To promote menstrual hygiene, sanitary pad vending machines have been installed in all e-clinic centers. These machines offer rural women and girls a convenient, discreet, and affordable option to purchase sanitary pads at just ₹1, ensuring dignity and health in rural areas.



Big numbers
30
ICT-enabled e-clinic

3,77,807
Individuals benefited through E-Clinics in FY2024-25

Swasthya Mitra: The Swasthya Mitra programme assigns healthcare workers to regularly visit villages on a rotation basis, providing primary healthcare services and medicines based on patient diagnosis. Patients with severe illnesses are referred to nearby government health facilities. In the hilly and sparsely populated Almora region, this customised model ensures easier access to healthcare.

Big numbers

60
Villages covered across Sult and Bhikiyasain blocks

10
Swasthya Mitras operating in Almora district

73,275
Beneficiaries treated through the Swasthya Mitra initiative in FY2024-25.

Health camps (polyclinic, multi-speciality and special camps): To bridge gaps where primary healthcare services are limited, Utkarsh Welfare Foundation organises periodic health camps in remote rural areas, offering free consultations and medicines. These camps are staffed by qualified doctors and medical professionals to meet the healthcare needs of local communities.

The camps comprised regular health camps, special health camps focusing on specific health issues (eye flu, women & child health, and geriatric care), and multi-speciality health camps with specialised doctors and tailored medicines.

100%
Consultations and treatments provided free of cost by qualified M.B.B.S doctors

1,05,869
Beneficiaries served through health camps in FY2024-25

Utkarsh Small Finance Bank
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Our enterprise development program

Mahila udyami sashaktikaran programme (MUSP): As part of the enterprise development program, MUSP focuses on strengthening the entrepreneurial skills of women micro-entrepreneurs. Selected rural women entrepreneurs in Bihar and Uttar Pradesh are onboarded and receive continuous handholding and capacity-building support to enhance their business acumen, diversify, upscale, or establish new micro-enterprises. The program provides training in techno-managerial skills, entrepreneurship development, business development support services, and assistance with business formalisation.

Weavers support program: This initiative engages with weaver communities through regular meetings, collaborations, and partnerships with key stakeholders and exhibitors, aimed at fostering sustainable growth. As a result of market linkages and exposure gained from participation in exhibitions, the APC has begun receiving direct work orders, strengthening the weavers' market presence and economic opportunities.

Big number

792
Women entrepreneurs onboarded

Our education initiatives

Digital smart class initiative: To improve the quality of education in rural areas, Utkarsh Welfare Foundation (UWF) has introduced smart classes that promote experiential learning. By leveraging audio-visual tools and interactive digital methods, the initiative enhances student engagement and makes learning more effective and enjoyable.

Big numbers

31
Smart classes established across rural schools in Uttar Pradesh and Uttarakhand

11
Primary schools covered

15
Government inter-colleges equipped

5
Junior high schools included

15,113
Rural children benefiting from innovative, digital learning methods

Learning enhancement program (LEP): The LEP focuses on strengthening foundational literacy and numeracy (FLN) among students in grades 3 to 5, supporting their academic development and long-term success.

20
LEP centres currently operational

5
Centres in Ara, Bihar

15
Centres in Varanasi, Uttar Pradesh

Skill development for youth: UWF's skill development initiative empowers youth with vocational training to boost employability.

125
Youth trained in BFSI and mobile and computer repairing as of March 31, 2025

3
Candidates placed as executive-CPC in the BFSI sector

Our village development programme

Women entrepreneurship initiatives: UWF continues to empower rural women by nurturing their entrepreneurial potential under its enterprise development programs. Women engaged in backyard poultry, mushroom cultivation, and sustainable agriculture practices are receiving ongoing technical assistance, enabling them to effectively launch and manage their enterprises.

The States covered comprised: Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttarakhand and Uttar Pradesh.

643
Women who received backyard poultry input support

321
Women who were provided mushroom cultivation kits

Supporting vegetable cultivation among farmers: To enhance livelihood opportunities and promote income generation, UWF distributed high-yield and hybrid vegetable seeds to small and marginal farmers across six States (Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and Uttarakhand).

5,004
Farmers benefitted.

Promoting sustainable agricultural practices: UWF is actively promoting environmentally responsible farming by reducing dependence on chemical pesticides. This is achieved through the implementation of best agricultural practices and awareness-building at the grassroots level. Around 14 village-level Samiti meetings were conducted to discuss progress, explore innovative farming techniques, and promote sustainable and resource-efficient methodologies aimed at boosting productivity.

Recognition

Awards and **accolades**

Most Trusted BFSI brands by Team Marksmen Daily

Employee Excellence 2023 by the Times Group ET Edge

Most Preferred Workplace 2023-24 (BFSI Edition) by Marksmen Daily

Best Customer Experience Strategy by India Customer Excellence (CX) Summit & Awards 2023

Best Customer Experience at 18th Annual Summit and Awards by Assocham

Recognised for Epitomising Excellence in the BFSI Industry at the 5th NBFC & Fintech Excellence Awards 2024

Best Technology Talent (Runner Up) by 19th Annual Banking Technology Conference, Expo & Citations 2023

Credit Modelling and Risk Team of The Year Award at The India Credit Risk Summit & Awards 2024

Exemplary Performance Award for Integrated Water Management by GRIHA Council

APY Excellence Award

Best Emerging Business Partner by Volvo Eicher Commercial Vehicles for Bihar

Brand of the Year 2022 by Marksmen Daily in association with India Today Television

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Board of **Directors**

Guided by diverse and experienced leadership

Mr. Parveen Kumar Gupta

Independent Director and Part Time Non-Executive Chairman

Mr. Parveen Kumar Gupta is the Part Time Non – Executive Chairman and Independent Director of our Bank. He holds a Bachelor's degree of Commerce from Guru Nanak Dev University. He has been an associate member of The Institute of Company Secretaries of India since 1986. He is also a certified associate of the Indian Institute of Bankers. He superannuated as a Managing Director of State Bank of India, after working for 38 years in India and abroad. He was also associated with Bank of Baroda as a Senior Advisor.

Mr. Ajay Kumar Kapur

Independent Director

Mr. Ajay Kumar Kapur is an Independent Director of our Bank. He holds a bachelor's degree in engineering (industrial engineering) from University of Roorkee (now known as Indian Institute of Technology, Roorkee). He previously associated with Punjab Tractors Limited, Industrial Development Bank of India, India SME Technology Services Limited and SIDBI. He is currently engaged as an advisor to the United Nations Industrial Development Organisation.

Ms. Kalpana Prakash Pandey

Independent Director

Ms. Kalpana Prakash Pandey is an Independent Director of our Bank. She holds a bachelor's degree in science (chemistry, physics and mathematics) and master's degree in science (physics) from Garhwal University and a master's degree in technology (computer science and technology) from the University of Roorkee (now known as Indian Institute of Technology, Roorkee). She holds a post-graduate diploma in electronics and communication engineering from the University of Roorkee (now known as Indian Institute of Technology, Roorkee). She has previously served as the managing director and chief executive officer of CRIF High Mark Credit Information Services Private Limited, an RBI licensed credit bureau. Additionally, she has also been associated with IDBI Principal Asset Management Company, State Bank of India and HDFC Bank Limited.

Mr. Muralidharan Rajamani

Non-Executive Non- Independent Director

Mr. Muralidharan Rajamani is a non – executive Director of our Bank. He holds a bachelor's degree in science (mathematics) from the University of Madras and a master's degree in arts (branch III - economics) from the University of Madras. He has completed the management of managers program from Stephen M. Ross School of Business, University of Michigan and is a certified associate of the Indian Institute of Bankers. He was previously associated with Edelweiss Tokio Life Insurance Company Limited, Leadership Centre Private Limited, ICICI Bank Limited, Dhanlaxmi Bank Limited and L&T Finance Limited.

Mr. Nagesh Dinkar Pinge

Independent Director

Mr. Nagesh Dinkar Pinge is an Independent Director of our Bank. He holds a bachelor's degree in law from the University of Mumbai and is a qualified chartered accountant registered with the ICAI. He was previously associated with Tata Motors Limited, JSW Energy Limited, Reliance Retail Limited, ICICI Bank Limited and NKGSB Co-op Bank Limited.

Ms. Gauri Rushabh Shah

Additional Director

Ms. Gauri Rushabh Shah has more than 20 years of experience in accountancy, corporate finance, mergers and acquisitions, valuations, succession planning, corporate laws and strategy. Ms. Shah began her career with Deloitte, one of the Big 4 Audit Firms worldwide. Ms. Shah has been a key management team resource in her previous stints, and with C.C. Chokshi Advisors Private Limited, supported it in setting up the family office and succession planning vertical, corporate advisory solutions and endeavoured to make it a widely respected player in consulting. Ms. Shah has served on the Board of Fedfina Financial Services Limited, an NBFC and subsidiary of Federal Bank Limited from 2015 to early 2025 and was the Chairperson of Audit Committee, Nomination & Remuneration Committee and CSR Committee.

Mr. Govind Singh

Managing Director & CEO

Mr. Govind Singh is the Managing Director and Chief Executive Officer of our Bank. He holds a bachelor's degree in commerce from Delhi University. He is a certified associate of the Indian Institute of Bankers. He was previously the Assistant General Manager at ICICI Bank Limited. He has received an award of excellence for Apy Big Believers (ABB) 4.0 by Pension Fund Regulatory and Development Authority in Fiscal 2022. He was the Managing Director and Chief Executive Officer of our Promoter- Utkarsh Core Invest. He has also been associated with Surya Fincap Limited, UTI Bank Limited, Allahabad Bank, State Bank of Patiala and Bank Internasional Indonesia.

He also serves as Director on the Board of Utkarsh Welfare Foundation.

Mr. Pramod Kumar Dubey

Whole-time Director

Mr. Pramod Kumar Dubey is a seasoned professional with more than 26 years of experience in banking industry and has worked in Federal Bank and ICICI Bank. He holds Master of International Business Administration (MIBA) from Faculty of Management Studies, Banaras Hindu University and CAIIB from Indian Institute of Bankers. Before joining the Bank, Pramod was with ICICI Bank for 24 years, where he last served as the Head of Operations. His tenure at ICICI Bank saw him lead various initiatives in business development for retail liability and assets, including rural assets. He has extensive experience in branch banking, P&L management as Group Product Head of Rural Assets and spearheaded several transformation projects. Additionally, Pramod has served as an observer on the Board of Midland Microfin Limited, showcasing his broad expertise and leadership in the financial sector.

Key Management **Personnel**

Mr. Govind Singh

Managing Director & CEO

Mr. Govind Singh is the Managing Director and Chief Executive Officer at our Bank. He holds a bachelor's degree in commerce from Delhi University, and is a certified associate of the Indian Institute of Bankers. He was the Assistant General Manager at ICICI Bank Limited previously. He was the Managing Director and Chief Executive Officer of our Promoter Group. He has also been associated with Surya Fincap Limited, UTI Bank Limited, Allahabad Bank, State Bank of Patiala, and Bank International Indonesia.

Mr. Pramod Kumar Dubey

Whote-time Director

Mr. Pramod Kumar Dubey is a seasoned professional with more than 26 years of experience in banking industry and has worked in Federal Bank and ICICI Bank. He holds Master of International Business Administration (MIBA) from Faculty of Management Studies, Banaras Hindu University and CAIIB from Indian Institute of Bankers. Before joining the Bank, Pramod was with ICICI Bank for 24 years, where he last served as the Head of Operations. His tenure at ICICI Bank saw him lead various initiatives in business development for retail liability and assets, including rural assets. He has extensive experience in branch banking, P&L management as Group Product Head of Rural Assets and spearheaded several transformation projects. Additionally, Pramod has served as an observer on the Board of Midland Microfin Limited, showcasing his broad expertise and leadership in the financial sector.

Mr. Sarjukumar Pravin Simaria

Chief Financial Officer

Mr. Sarju Simaria is the Chief Financial Officer of our Bank with effect from October 31, 2022. He is responsible for the financial affairs of our Bank. He holds a bachelor's degree in commerce from the University of Bombay and is an associate of the ICAI. He received the 'CA CFO- for Large Corporates BFSI Award' from the Committee for Members in Industry of Business (CMI&B), ICAI in the year 2022 and 'CFO Lifetime Achievement Award' at the CFO Vision & Innovation Summit & Awards in the year 2022. He has experience in the field of financial management and has previously worked at SUN F&C Asset Management (I) Pvt. Ltd., Edelweiss Tokio Life Insurance Company Limited, Fino Payments Bank Limited, ECL Finance Limited and Edelweiss Financial Services Limited as their chief financial officer and at Canbank Investment Management Services Ltd., HDFC Asset Management Company Limited, AIG Global Asset Management Company (India) Private Limited and American International Group, Inc.

Mr. Muthiah Ganapathi

Company Secretary

Mr. Muthiah Ganapathy is the company secretary of our Bank. He is also the compliance officer of our Bank. He has experienced in the field of in Corporate Secretarial Matters, Statutory Records & Agenda, Compliance, Corporate Governance, Due Diligence, IPO & Pvt. Placement Documentations, Merger & Acquisition, Legal Affairs, Liaison-Regulators & External Agencies, and Internal Audits. Muthiah is a Company Secretary from The Institute of Company Secretaries of India, Mumbai, LL.B. from University of Mumbai and MFM (Finance) from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has experience with NeoGrowth Credit Private Limited as Company Secretary – Vice President Legal, Secretarial and Compliance and Aditya Birla Finance/ Aditya Birla Housing Finance Ltd. As Company Secretary. He has been recognised as Compliance Champion of the year 2019 by UBS Forums Compliance Leadership Summit & Awards and ACE award by Aditya Birla Finance Ltd

Utkarsh Small Finance Bank
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Leadership **Team**

Mr. Abhijeet Bhattacharjee

Chief Information Officer

Mr. Abhijeet Bhattacharjee, is the Chief Information Officer (CIO) at our Bank. He holds a B.Sc. in economics and mathematics from University of Kolkata, post graduate diploma in information management, and a master's in information management from Mumbai University. He has 24 years of rich experience in the IT space, managing entire technology stack, including preparation of technology strategy, infrastructure setup, and technology operations to application rollout and support. He also has a successful track record of spearheading several digital transformation programs. He has worked with RBL Bank Ltd., Royal Bank of Scotland, ABN AMRO Bank, and UTI Bank. He held the post of Senior Vice President – Technology in his last assignment with RBL Bank Ltd.

Mr. Amit Acharya

Chief Risk Officer

Amit Acharya is a postgraduate in Physics from Barkatullah University, Bhopal, and holds an Honours Diploma in Systems Management from NIIT. With over 25 years of experience—23 of them in banking and consumer lending—he has held leadership roles in Axis Bank, ICICI Bank, and Kotak Mahindra Bank, specialising in Credit and Risk Management, Underwriting, Portfolio Monitoring, and Business Transformation.

Amit spent 16 years at Axis Bank in diverse credit roles before joining Utkarsh Small Finance Bank in March 2020. Currently serving as Head – Credit, he leads Credit Underwriting and Policy for Retail, MSME, and Corporate Lending, as well as Credit Monitoring. Known for his strong analytical skills, business acumen, and leadership, he also plays a key role in credit-related management and board committees.

Mr. Hitain Sharma

Chief Human Resources Officer

Mr. Hitain Sharma is the Chief Human Resources Officer at our Bank. He holds a bachelor's degree in hotel management from Bangalore University and a postgraduate diploma in business analysis and skills execution from Symbiosis Institute of Business Management, Pune. He has experience in the field of human resources and industry relations. He has previously worked at Aditya Birla Sun Life Insurance Limited as Vice President (Human resources), Kotak Mahindra Bank Limited as Vice President, Tata AIG General Insurance as its Assistant Manager (Human Resource Department), Balsara Home Products Limited as its Manager (Human Resource Department), and Shaw Wallace Distilleries Limited

Mr. Mukesh Singh Verma

Chief Compliance Officer

Mr. Mukesh Singh Verma is the chief compliance officer of our Bank and joined our Bank w.e.f. April 13, 2023. He is responsible for maintaining compliance standards at our Bank. He has completed his bachelor's in commerce honour's (accounting & finance) and bachelors of law (Honours) from Himalayan University, Arunachal Pradesh. He is a fellow member of the ICSI. He has completed Anti-corruption and compliance course, from the University of Pennsylvania, USA and fintech risk management, from the Hong Kong University of Science and Technology, Hong Kong. He has experience in providing regulatory compliance services covering RBI regulations. He has previously worked at North East Small Finance Bank, AU Small Finance Bank Limited, Himachal Fibres Limited and Religare Finvest Limited.

Mr. Rahul Dey

Head Operations & Administration

Mr. Rahul Dey holds a bachelor's degree in forestry from the North Eastern Regional Institute of Science and Technology, Nirjuli, Itanagar and a post graduate diploma in rural management from Xavier Institute of Management, Bhubaneswar. He is a junior associate of the Indian Institute of Banking & Finance. He has experience in the banking and microfinance sector. He has previously worked at Ujjivan Financial Services Private Limited as its regional business manager, Spandana Spoorthy Financial Limited as its zonal manager, Anjali Microfinance Private Limited as its regional sales manager, ICICI Bank Limited as its manager and at BILT Tree Tech Limited as its assistant manager and at our Promoter as its vice president.

Mr. Umesh Arora

Head – Credit

Mr. Umesh Arora is the head – Credit of our Bank. He has completed his bachelor's in commerce (Honours) from University of Delhi and a master's degree in business administration from Indira Gandhi National Open University, New Delhi. He has experience in the banking sector and has previously worked at UTI Bank Limited as its assistant vice president and Axis Bank Limited.

Ms. Suchita Chatterjee

Interim Head Internal Audit

Ms. Suchita Chatterjee holds a master's in business administration from Calcutta University and LLB from Utkal University. She is also a Certified Internal Auditor from USA. She has 20 + years of prior work experience in the Audit function with banks such as Ujjivan, Indus Ind Bank and micro financial institutions such as Bharat Financials.

Mr. G.H. Vijay Raghava

Head- Treasury

Mr. G.H. Vijay Raghava has a rich experience of over 36 years in General Banking, Treasury, Trading, Risk Management, Project Management & Analysis and Business Growth. Prior to Utkarsh, he has worked with Suryoday Small Finance Bank and his earlier stints were with Cogencis Information Services Ltd., ICICI Bank and Bank of India.

He holds a Bachelor's degree in B. Sc. (Electronics) from Delhi University. He is a Certified Associate of Indian Institute of Bankers (CAIIB).

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Our Brand **Ambassadors**

Championing purpose with Mary Kom

We are proud to welcome Mary Kom, India's legendary boxing champion, as the face of Utkarsh Small Finance Bank. Celebrated for her determination, humility, and indomitable spirit, Mary's journey reflects the aspirations of Millions across India's heartland, where perseverance fuels progress.

From grassroots beginnings to global acclaim, her story resonates deeply with Utkarsh's mission to empower individuals from all walks of life. A true symbol of strength, resilience, and integrity, Mary Kom personifies our brand promise: enabling financial growth with dignity and trust.

Through this partnership, we seek to inspire our customers, particularly women and rural entrepreneurs, by demonstrating that with the right support, every dream is within reach.

Driven by goals with Sunil Chhetri

We are equally delighted to welcome Sunil Chhetri, Indian football icon and national team captain, as a brand ambassador for Utkarsh Small Finance Bank. Renowned for his discipline, leadership, and relentless pursuit of excellence, Sunil embodies the power of consistency, ambition and values we deeply cherish.

His journey from modest beginnings to becoming a national sports figure mirrors Utkarsh's ethos in enabling every customer to pursue and achieve their financial goals with clarity and confidence. Sunil's association brings renewed energy to our brand's mission of reaching new frontiers while staying rooted in purpose.

Together, we aim to connect with India's youth and emerging entrepreneurs, championing the belief that focus, integrity, and opportunity can truly change the game.

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Board Committees & their composition – **as on March 31, 2025**

Audit Committee (ACB)

Mr. Nagesh Dinkar Pinge, Chairman

Mr. Ajay Kumar Kapur, Member

Ms. Kalpana Prakash Pandey, Member

Mr. Muralidharan Rajamani, Member

Nomination and Remuneration Committee (NRC)

Ms. Kalpana Prakash Pandey, Chairperson

Mr. Muralidharan Rajamani, Member

Mr. Parveen Kumar Gupta, Member

Stakeholders' relationship Committee (SRC)

Mr. Muralidharan Rajamani, Chairman

Mr. Ajay Kumar Kapur, Member

Ms. Kalpana Prakash Pandey, Member

Mr. Govind Singh, Member

Risk Management Committee (RMC)

Mr. Ajay Kumar Kapur, Chairman

Ms. Kalpana Prakash Pandey, Member

Mr. Parveen Kumar Gupta, Member

Mr. Pramod Kumar Dubey, Member

Corporate Social Responsibility Committee (CSR)

Mr. Muralidharan Rajamani, Chairman

Mr. Ajay Kumar Kapur, Member

Ms. Kalpana Prakash Pandey, Member

IT Strategy Committee (ITSC)

Ms. Kalpana Prakash Pandey, Chairperson

Mr. Muralidharan Rajamani, Member

Mr. Nagesh Dinkar Pinge, Member

Mr. Abhijeet Bhattacharjee (CIO), Member

Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF)

Mr. Nagesh Dinkar Pinge, Chairman

Ms. Kalpana Prakash Pandey, Member

Mr. Parveen Kumar Gupta, Member

Mr. Govind Singh, Member

Customer Service Committee (CSC)

Mr. Muralidharan Rajamani, Chairman

Ms. Kalpana Prakash Pandey, Member

Mr. Parveen Kumar Gupta, Member

Mr. Pramod Kumar Dubey, Member

Capital Structuring & Fund Raise Committee (CSFRC)

Mr. Parveen Kumar Gupta, Chairman

Mr. Nagesh Dinkar Pinge, Member

Mr. Govind Singh, Member

Credit approval Committee (CAC)

Mr. Parveen Kumar Gupta, Chairman

Mr. Ajay Kumar Kapur, Member

Mr. Muralidharan Rajamani, Member

Special Committee for Corporate Office Building Project

Mr. Parveen Kumar Gupta, Chairman

Mr. Nagesh Dinkar Pinge, Member

Mr. Govind Singh, Member

Review Committee for Identification of Wilful Defaulters (RCIWD)

Mr. Govind Singh, Chairman

Mr. Muralidharan Rajamani, Member

Mr. Nagesh Dinkar Pinge, Member

Management Discussion and Analysis

Management Discussion and Analysis

Indian Economic Review

Overview

India continued to strengthen its position as one of the world's fastest-growing major economies, with GDP expanding by 6.5%, a moderation from the previous year's pace but still a strong performance in the global context. Growth was powered by resilient domestic demand, a notable rural recovery, and robust expansion in services and construction. Agriculture also saw improved momentum, aided by favourable conditions.

Inflation steadily declined, easing to 4.63% for the year and dropping further to 3.34% in March 2025, creating space for the RBI to cut the repo rate to 6%. This brought relief to households and businesses, while also boosting consumer confidence. The rupee strengthened in the latter part of the year, and foreign exchange reserves rose to $676 billion, reflecting improved external stability.

The financial sector posted strong gains. Scheduled commercial banks brought down their gross NPA levels to 2.6%, and maintained a comfortable capital adequacy ratio of 16.7%. Credit rating upgrades continued to outpace downgrades for the fourth straight year, thanks to low corporate leverage and consistent economic performance.

In the global context, the Indian economy presents a picture of strength, stability, and opportunity. First, strength comes from the strong balance sheets of the five major sectors - corporates, banks, households, government, and the external sector.

Second, there is stability on all three fronts – price, financial, and political – providing policy and economic certainty in this dynamically evolving global economic order.

Third, the Indian economy offers immense opportunities to investors through 3Ds – demography, digitalisation and domestic demand.

This 5x3x3 matrix of fundamentals provides the necessary core strength to cushion the Indian economy against global spillovers and propel it to grow at a faster pace.

(Source: RBI)

Industry Overview

Indian Banking Industry

India's banking sector continues to play a pivotal role in supporting economic growth through capital mobilisation, credit expansion, and financial inclusion. Banks and NBFCs remain the backbone of India's financial sector, providing support to its growth aspirations by meeting the credit requirements of the productive sectors of the economy. Banks in India will continue to nurture and incentivise the development of infrastructure to give a 'digital push' to payments and settlements. They are also committed to playing an enabling role in the adoption of emerging technology, while reinforcing its customer-centric measures and deepening financial inclusion. Maintaining financial stability and being a facilitator of development will continue to remain the overarching goal of Bank's in India under the regulatory and supervisory guidance of Reserve Bank of India.

Though gross NPAs fell to a 12-year low of 2.6%, rising defaults in unsecured loans—making up 51.9% of new retail NPAs as of September 2024, pose risks, especially as many borrowers also hold secured loans. The sector remains well-capitalised but must manage emerging credit stress and global uncertainties.

Net interest income is expected to grow in 2025, with moderate growth expected through 2029, reflecting cautious optimism amid evolving dynamics.

(Source: IBEF, CNBC, Statista)

Small Finance Banking Industry

Small Finance Banks (SFBs) were established to drive financial inclusion by extending credit to underserved groups and small businesses. While the sector grew strongly in FY24 (24%), growth slowed to 18–20% in FY25 amid rising delinquencies, especially in microfinance. The GNPA ratio rose to 2.6–2.8% (from 2.1% in FY24), and ROA dropped to 1.4–1.6% from 2.1%. A modest ROA recovery to 1.6–1.8% is expected in FY26.

Profitability in H2 FY25 was hit by higher provisions and loan write-offs, needed to maintain asset quality for universal bank license eligibility. Margin pressure persisted due to high funding costs, increased secured lending, and rising operational expenses. Despite near-term challenges, SFBs remain pivotal in advancing inclusive banking through digital innovation and grassroots outreach.

(Source: ICRA)

Microfinance Industry

India's microfinance sector remains critical for financial inclusion, supporting underserved individuals and small businesses. Stress levels rose, with NBFC-MFIs seeing 90+ DPDs climb to 3.5% and 60+ DPDs to 5.6% by Q3 FY25, leading to slower disbursements and credit growth.

Profitability was hit by rising credit costs (peaking at 13.5% in Q3) and higher operating expenses. FY25 credit costs are expected to

average 9.6%, as asset quality improves. Liquidity buffers remain adequate, but borrower overleveraging is a concern. To address this, a ₹2 lakh cap on total borrowings has been introduced, along with a new three-lender rule effective April 1, 2025.

While growth may moderate, these measures aim to ensure responsible lending. The NBFC outlook remains negative, but the MFI outlook is stable, supported by the sector's importance and expected recovery in H2 FY26.

(Source: CNBC)

Micro, Small and Medium Enterprises (MSME)

The MSME sector remains a key pillar of India's economic growth, contributing 45.7% to exports in FY24 and employing over 25 crore people across 5.93 crore units. As a major driver of entrepreneurship, job creation, and rural development, the sector is central to India's ambition of doubling its economy.

To boost MSME competitiveness, the Union Budget 2025–26 raised the ministry's allocation by 4.6% to ₹23,168 crore. Key reforms include increased investment and turnover thresholds for classification, expanded credit guarantee coverage, and targeted schemes for first-time entrepreneurs and sectors like footwear, leather, and toys.

MSME exports surged from ₹3.95 lakh crore in FY21 to ₹12.39 lakh crore in FY25, with the number of exporting units tripling. The government now focuses on promoting R&D, tech adoption, and global partnerships to enhance product quality and global competitiveness, ensuring sustained growth and resilience for the sector.

(Source: pib.gov.in, IBEF)

Housing Finance

India's housing finance sector has grown significantly, driven by rising incomes, affordability, and strong government support through schemes like PMAY. As of March 2024, the individual housing loan portfolio stood at ₹33 trillion, growing at a 13% CAGR over six years and comprising 14% of total systemic credit. Public sector banks hold 40% of this market, followed by private banks at 34.5%.

The sector is projected to grow at a 15–16% CAGR through FY30, with strong demand in affordable housing. HFCs' portfolios rose 13.2% to ₹9.6 trillion in FY24, with NIMs at 3.7%. Challenges include tight liquidity and stable borrowing costs, but NPAs are expected to remain moderate at 1.6–1.8% in FY25–26.

(Source: Care Edge)

Commercial Vehicle & Construction Equipment Finance

The commercial vehicle & construction equipment finance markets are experiencing steady growth, driven by global trade expansion, infrastructure development, and increasing industrial activity. In 2024, the commercial vehicle market reached $976.15 billion and is expected to grow to $1,067.45 billion in 2025. Key drivers include e-commerce logistics, last-mile delivery, green transport initiatives, and supply chain efficiency.

Meanwhile, the construction equipment finance market, is expected to grow in 2025. This growth is fuelled by rising demand for construction equipment, smart city projects, accessible financing options, and stable resale values. Both sectors are set to benefit from continued infrastructure investment and evolving market dynamics.

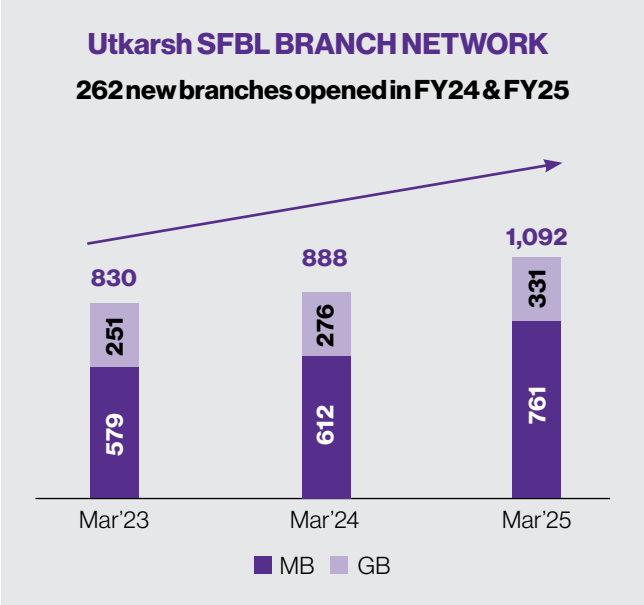
(Source: Business research company)

Utkarsh Small Finance Bank's Overview

Headquartered in Varanasi, Uttar Pradesh, Utkarsh Small Finance Bank Limited (Utkarsh SFBL) was incorporated on April 30, 2016, as a public limited company under the Companies Act, 2013. As of March 31, 2025, the Bank has established a strong presence nationwide through its 1092 banking outlets spread across 23 States and 4 Union Territories of the country. It maintains a significant presence in rural and semi-urban regions, aligning with its mission to serve underbanked communities.

This strategic focus on underserved areas has not only driven the Bank's growth but also enabled compliance with the Reserve Bank of India's directive that mandates at least 25% of branches be located in Unbanked Rural Centres (URCs). As of March 31, 2025, 27% of Utkarsh SFBL's outlets were situated in URCs. Over the past two financial years, the Bank has added more than 260 branches, a steady expansion that supports its ongoing business growth and strengthens its diversified operational profile.

As of March 31, 2025, Utkarsh Small Finance Bank's branch network comprised 761 Micro Banking (MB) branches and 331 General Banking (GB) branches. The MB branches are primarily located in rural and semi-urban areas and focus on micro-banking loans and advancing financial inclusion. In contrast, the GB branches are concentrated in metropolitan and urban centers, offering a broader range of services, including deposit mobilization and lending products such as MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.



Utkarsh SFBL is committed to advancing financial inclusion by providing access to banking services for underserved and unserved segments of society. This includes women entrepreneurs, low- to middle-income households, micro and small enterprises, and homebuyers from similar income groups.

To fulfil this mission, the Bank has established a strong presence in financially underserved regions such as Bihar, Jharkhand, and Uttar Pradesh. As of March 31, 2025, these states accounted for 54% of the bank's gross loan portfolio, highlighting both its impact and the significant growth potential in these areas. Utkarsh SFBL actively expands its footprint to address the banking needs of all its customers across the country.

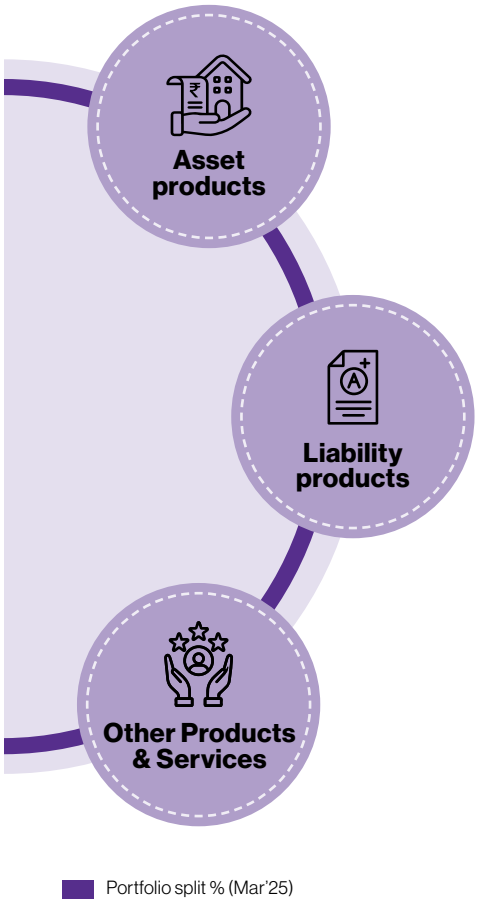
The bank's journey began with micro-banking operations in Uttar Pradesh in September 2009 through its promoter entity, Utkarsh Core Invest Limited (UCL). Since then, it has built a solid reputation in the microfinance sector, laying a strong foundation for long-term growth. While continuing to scale its micro-banking business, the Bank is also diversifying its retail loan portfolio with products focused on MSME (Retail Assets), housing, and commercial vehicle & construction equipment (CV & CE) financing.

As of March 31, 2025, Utkarsh SFBL had a strong workforce of 19,779 employees, serving a customer base exceeding 4.9 million. The bank's gross loan portfolio reached ₹19,665.59 crores, reflecting continued growth and outreach.

Utkarsh SFBL offers a wide range of banking services as permissible for small finance banks. Its product suite includes various savings and current account options tailored to meet the diverse saving and transaction needs of its customers. Embracing digital transformation, the Bank provides convenient banking experiences through Internet Banking, Mobile Banking, Bharat Connect Bill Payments, Aadhar Enabled Payment System, ASBA, and E-Nach and UPI-based transactions.

The bank's deposit base also witnessed substantial growth, rising from ₹17,472.60 crores as of March 31, 2024, to ₹21,565.70 crores as of March 31, 2025, underscoring increasing customer trust and engagement.

Focusing on financial inclusion, the Bank provides a diverse suite of products and services tailored to meet the unique needs of various customer segments.



Micro-banking 49%

- Joint liability group loans (45%)
- Business loans (5%)

Wholesale lending FI and BBG segment 11%

Other retail loans 40%

- MSME loans (retail assets)
- Housing loans
- Commercial vehicle & construction equipment loans
- Other retail loans and BC channel
- ODFD

- Current account
- Savings account
- Term and recurring deposit accounts
- Certificate of deposits

Services

- Insurance products
- Mutual funds
- Locker facilities
- Utkarsh Vyapar
- AePs
- V – KYC
- ICCW
- Integrated bill payment system
- Distribution and facilitation of accounts under certain Government Schemes

Digital banking channels

- Internet banking
- Mobile banking
- ATM-cum debit cards
- UPI payment solutions
- Whatsapp Banking Services
- Utkarsh Vyapar
- AEPS
- Video - KYC
- Interoperable Cardless Cash Withdrawal
- Digital Deposits
- Bharat Connect Bill Payments

The Bank is led by its Managing Director and Chief Executive Officer, Mr. Govind Singh, who brings over 25 years of experience in the banking and financial services sector. The board comprises members with diverse industry expertise, offering strategic direction that supports the bank's continued growth. Backed by a seasoned senior management team with deep industry knowledge, the Bank remains focused on sustainable and responsible expansion.

Key highlights of our financial performance during FY2024-25

Network	Assets	Liabilities	Financial performance	Capital structure	Asset quality
1092 vs. [888] Banking outlets	**₹19,666 cr. vs. [₹18,299 cr.]** Gross loan portfolio	**₹21,566 cr. vs. [₹17,473 cr.]** Deposits	**₹23.7 cr. vs. [₹498 cr.]** Profit after tax	**₹2,975 cr. vs. [₹2,973 cr.]** Capital + Reserves	**9.4% vs. [2.5%]** Gross NPA's
			₹1,007 cr. vs. [₹997 cr.] Pre-provisioning operating profit		
27 States and UTs	**7.5%** Gross loan portfolio growth YoY	**23.4%/ 33.5%** Deposits / RTD growth YoY	**61.6% vs. [56.4%]** Cost to income	**20.9% vs. [22.6%]** CRAR	**4.84% vs. [0.03%]** Net NPA
19,779 vs. [16,081] Employees	**43% vs. [34%]** Share of secured loans in gross loan portfolio	**71% vs. [66%]** Share of CASA + Retail term deposits	**0.1%/ 0.8% vs. [2.4%/19.5%]** ROAA/ROAE	**86.8% vs [93.7%]** CD Ratio*	**51.2% vs. [63.3%]** Provision coverage ratio (excl. floating provision)

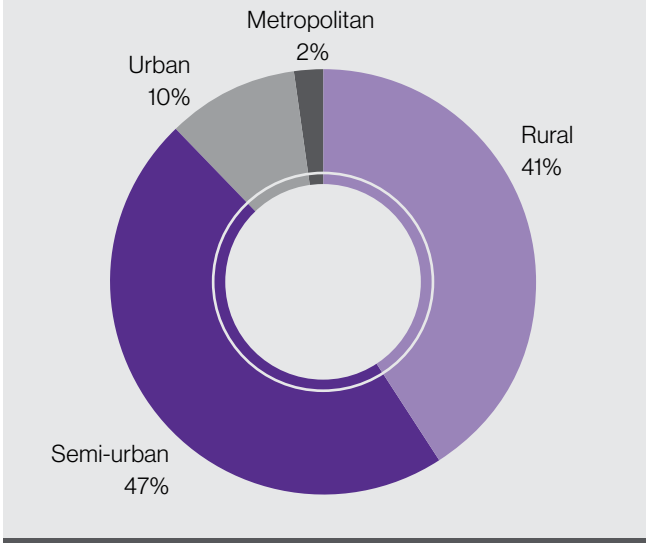
Figures in [ ] represent FY2023-24;
CD Ratio at 78% excl. advances against which refinance is raised

Business Performance

The Bank has built a robust presence in rural and semi-urban areas, with approximately 65% of its branches located in these regions. Its distinctive branch network is designed to deliver customized and relevant financial solutions while maintaining operational cost efficiency. The Bank's micro banking (MB) branches provide micro-credit, a range of retail loans, deposit services, and payment solutions to meet the diverse needs of its customers.

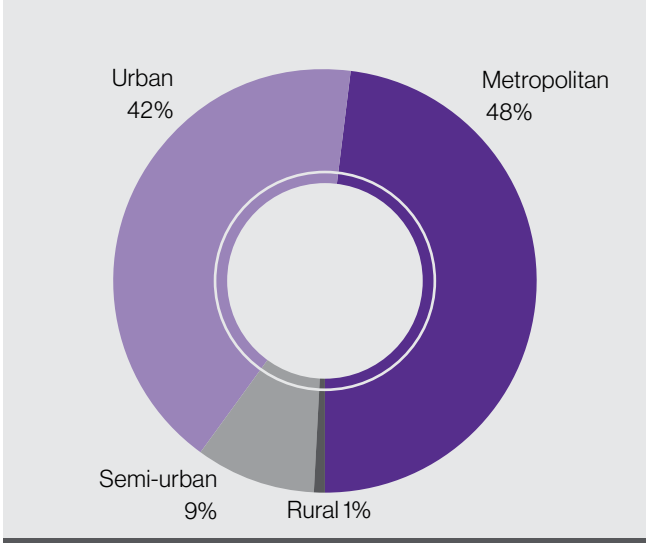
On the other hand, GB branches focus on garnering deposits. The Bank has adopted the strategy to target the top 100 locations that can facilitate deposit mobilisation to expand its GB branches network.

Demographic Break Up of MB Outlets



88% MB Branches in Rural & Semi-urban areas

Demographic Break Up of GB Outlets

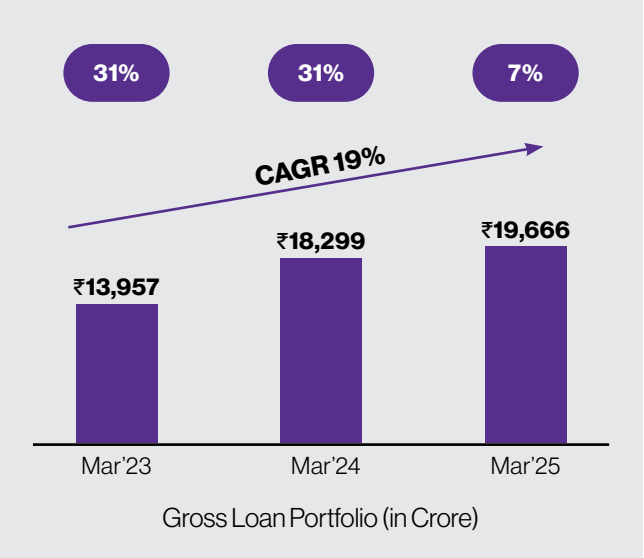


90% Branches in metropolitan and urban areas

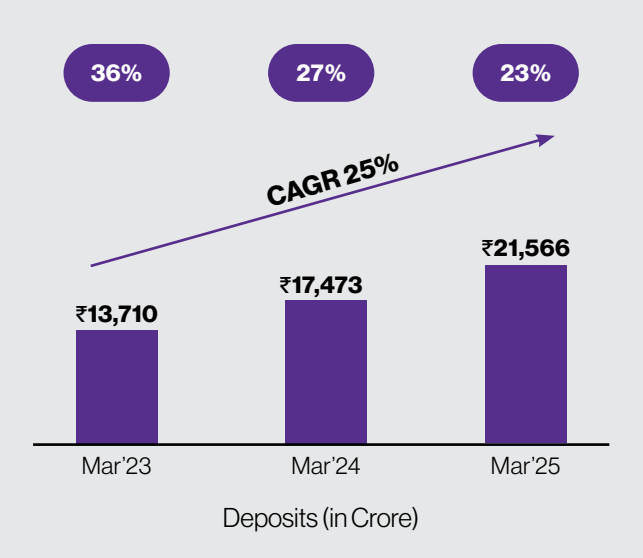
As of March 31, 2025, the Bank operated its MSME (Retail assets), housing loan, and CV & CE loan verticals through 86, 63, and 47 branches, respectively. This extensive branch network not only supports a diversified customer base but also offers strong cross-selling opportunities.

During FY 2024–25, the Bank delivered stable performance, with total assets growing by 18% to ₹28,127.44 crore. This positive growth reflects the bank's strategic expansion and broad portfolio of services. Utkarsh SFBL's gross loan portfolio and deposits grew by 7% and 23%, respectively, reaching ₹19,665.59 crore and ₹21,565.70 crore as of March 31, 2025.

Loan Book Growth



Deposits Growth



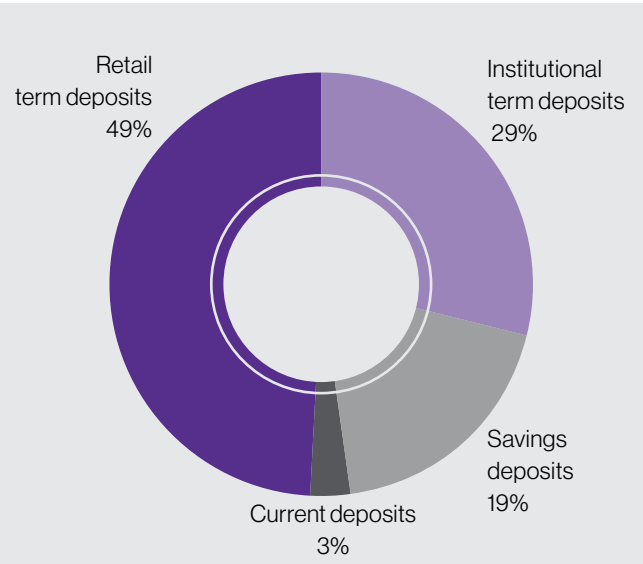
Liabilities – Deposits

The Bank has adopted a strategic focus on India's top 100 deposit centres, primarily targeting metropolitan and urban markets. It offers a comprehensive suite of services at competitive rates, catering primarily to a broad retail customer base, including senior citizens, middle-class individuals, salaried professionals and the self-employed.

To support this growth, the Bank opened 204 new branches in FY 2024–25. The Bank has a presence across 27 States and Union Territories, operating through a network of 1,092 banking outlets. This includes 331 General Banking (GB) branches and 761 Micro Banking (MB) branches. Among the GB branches, 90% are situated in metropolitan and urban areas, with a focus on mobilizing stable and sustainable deposits. Meanwhile, 88% of the MB branches are located in rural and semi-urban regions, playing a key role in advancing the Bank's financial inclusion initiatives. Complementing this network are 369 ATMs and 760 micro-ATMs, offering cost-effective access to essential services such as cash deposits, withdrawals, and green PIN generation.

The Bank continues to enhance its digital and fintech capabilities through both direct initiatives and strategic partnerships. Customers can now instantly open savings and term deposit accounts via video KYC on the Bank's website. Moreover, a fintech partnership has enabled the Bank to offer term deposit products to the fintech's existing customer base. Innovations like interoperable card-less cash withdrawal (ICCW) have been introduced, allowing customers to withdraw funds from enabled ATMs without using a physical card. The Bank also participates in the Aadhaar enabled payment system (AEPS) as both an issuer and acquirer, facilitating convenient cash withdrawals and access to micro-ATM services in rural and semi-urban regions.

Deposits Composition as on March 31, 2025

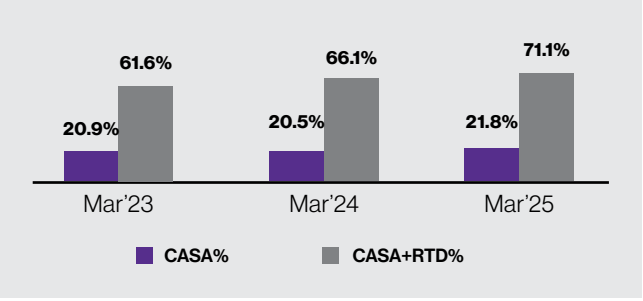


Deposit's Growth

The Bank has maintained a strategic focus on achieving sustainable and consistent deposit growth, driven by a well-diversified and granular retail deposit portfolio. As a result, the total deposit grew to ₹21,566 crore as of Mar 31, 2025 marking a strong year-on-year (YoY) increase of 23.4%. The Bank's CASA Deposits grew by 31% YOY to ₹4,699 Crore in FY24-25 ,reaching a CASA ratio of 21.8%.

Improvement in CASA Ratio and CASA + RTD Ratio

	Mar'23	Mar'24	Mar'25
CASA (Amount in ₹ Crore)	2,864	3,582	4,699



Retail term deposits (RTD) emerged as a key driver, growing by 33.5% YoY to ₹10,635 crore as of Mar'31, 2025. The bulk term deposit book also expanded to ₹6,232 crore as of Mar'31, 2025, reflecting a 5.2% YoY growth. The overall deposit growth was predominantly led by the surge in RTDs.

Key performance metrics saw notable improvements:

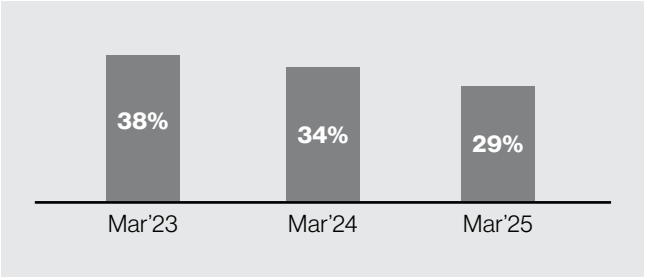
1. CASA Ratio: 21.8%
2. CASA + RTD Ratio: Improved to 71.1%
3. Credit to Deposit (CD) Ratio: Improved to 86.8%
4. Net stable funding ratio (NSFR): Stood at 120.76%

Deposit Portfolio Enhancement

Despite industry headwinds, the Bank was able to grow its CASA deposits by 31.2% YoY, taking CASA Ratio to 21.8% as of Mar'31, 2025. Bank's CASA+RTD ratio improved to 71.1% reflecting healthy retail mix.

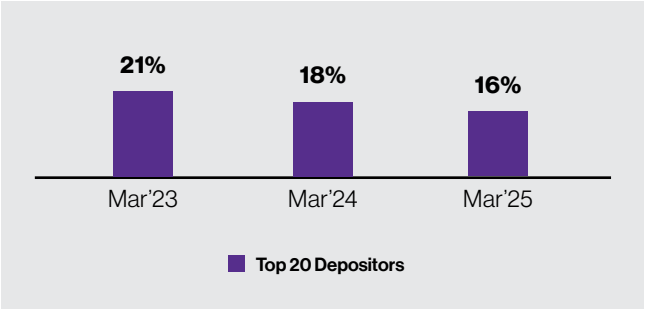
The Bank has strengthened its institutional deposit base by intensifying efforts to acquire and deepen relationships across the Government, TASC (Trusts, Associations, Societies, and Clubs), and Financial Institution segments. Moreover, it has successfully reduced its reliance on high-cost bulk deposits.

Reduced Dependency on Bulk Deposits



Bank focused on building well-diversified customer base. Concentration risk reduced as share of deposits from Top-20 customers brought down to 16%.

Decline in Top-20 Depositors' Concentration



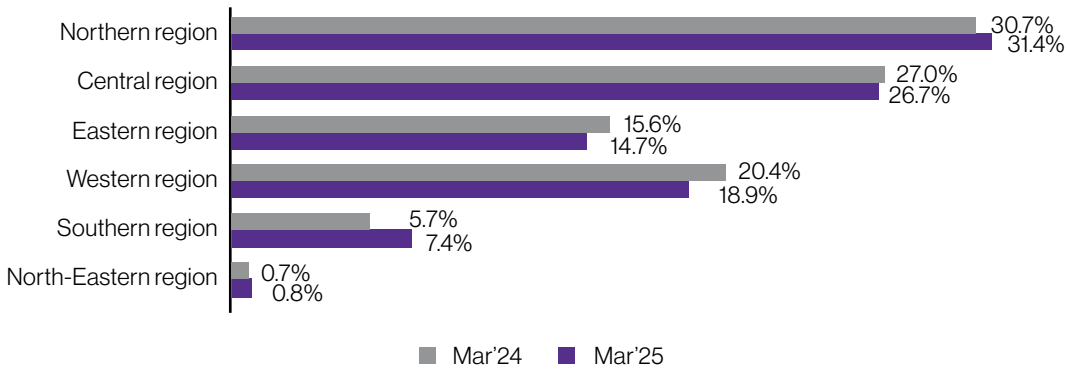
Geographically Well Diversified Mix Of Deposits

The Bank's deposit portfolio is well-diversified across geographies, with no single State or Union Territory accounting for more than 20% of the total deposits. As of March 31, 2025, the Bank had established its presence across 27 States and Union Territories. The largest shares of deposits come from Uttar Pradesh (17.3%), Maharashtra (14.6%), NCT of Delhi (12.3%), Haryana (7.7%), Uttarakhand (5.9%), and Bihar (4.8%). This broad-based distribution reflects the Bank's strategic focus on geographic diversification, supporting a balanced and de-risked deposit profile.

Geographical Split of Deposits

States	% Share in total deposit	Total banking outlets
Andhra Pradesh	0.3%	4
Assam	0.8%	2
Bihar	4.8%	272
Chandigarh	1.8%	3
Chhattisgarh	1.3%	24
Goa	0.1%	2
Gujarat	4.2%	20
Haryana	7.7%	35
Himachal Pradesh	2.4%	4
Jammu & Kashmir	0.2%	1
Jharkhand	4.3%	99
Karnataka	1.6%	10
Kerala	2.0%	11
Madhya Pradesh	2.2%	53
Maharashtra	14.6%	85
Meghalaya	0.0%	1
NCT of Delhi	12.3%	35
Odisha	1.0%	101
Puducherry	0.1%	1
Punjab	4.3%	10
Rajasthan	2.6%	29
Sikkim	0.0%	1
Tamil Nadu	2.3%	15
Telangana	1.1%	5
Uttar Pradesh	17.3%	225
Uttarakhand	5.9%	27
West Bengal	4.6%	17
Total	**100.0%**	**1,092**

Balanced Regional Deposit Mix



Note –classification as per RBI regional categorization

Northern Region – Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, NCT of Delhi, Punjab, Rajasthan

Central Region – Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Uttarakhand

Eastern Region – Bihar, Jharkhand, Odisha, Sikkim, West Bengal

Western Region – Goa, Gujarat, Maharashtra

Southern Region - Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana

North East Region – Assam, Meghalaya

Product Offerings

The Bank offers a comprehensive suite of demand and term deposit products, complemented by a range of digital and utility services tailored to meet the diverse needs of its customer base. Its product portfolio caters to individuals, senior citizens, high-net-worth individuals (HNIs), non-residents, MSMEs, corporates, and businesses across the retail spectrum.

Seamless digital banking solutions including internet and mobile banking, WhatsApp Banking, UPI, and Digital Fixed Deposits, are central to the Bank's technology-driven approach. Additional services such as debit cards, bill payments, Aadhaar seeding, interoperable card-less cash withdrawals, lockers, POS solutions, and merchant payment soundbox apps are offered alongside insurance and asset products. The Bank has also built a strong asset-liability franchise and distributes third-party products through multiple channels.

For institutional clients, the Bank provides specialized solutions such as cash management services, Smart Pay, corporate internet banking, and PFMS integration—delivering a robust and comprehensive institutional banking experience.

To enhance its competitive edge, the Bank has undertaken several strategic initiatives and digital revamps, strengthening its capabilities through both in-house innovation and external partnerships. Bank pursued the following initiatives in the financial year:

Non-Resident Banking Services: Bank launched, on pilot basis, NRO/NRE savings and term deposit products to cater to the Non-Resident segment.

Real Estate Regulation Act (RERA) Account: The introduction of a dedicated proposition for the Real Estate segment is expected to help tap into a large market opportunity in real estate sector, enabling growth in the institutional client base and an increase in CASA balances.

PFMS: Public Financial Management System (PFMS) is an initiative of Ministry of Finance, Govt. of India which provides a web-based application for e-payment of Direct Benefit Transfer (DBT)/ Non DBT payments. Implementation of PFMS payment solutions would be a leverage in building government and TASC segments.

E-ASBA (Application Supported by Blocked Amount): Launch of ASBA services on Internet/Mobile Banking and UPI platforms to serve mass segment.

Internet Banking and Mobile Banking: Bank offers advanced applications to the customers, which is secure and robust and offers ease of operation. Major developments ongoing - onboarding journey simplification, UI-UX improvements and limit enhancements.

SPARSH Service Centres: The Bank is empaneled with the Defence Accounts Department (DAD) to act as a SPARSH Service Centre through all its General Banking Branches for which the Bank entered into an MoU with the Controller General of Defence Accounts, Ministry of Defence. This empanelment enables our Bank to provide last mile connectivity to Defence pensioners, especially those who live in remote areas of the country and those who do not have the means and access to logon to SPARSH Portal.

Life Insurance of India (LIC) Current Accounts: The Bank has signed the MoU with LIC of India for providing banking services to Corporate Office and its Branches/ Zonal / Divisional Offices. This MoU will facilitate opening the Current Account of Head Office of LIC of India for transfer of funds to/ from the Current Accounts of Branches and Divisional Offices as well as for various other purposes.

WhatsApp Banking: The Bank has gone live with WhatsApp banking services enabling mini statements, debit card services, etc.

UPI: Ongoing utility enhancements viz UPI lite, Tap & Pay and Auto Top up.

Fintech Partnerships: Onboarded Money Honey Financial Services and Bajaj Capital Financial Services for sourcing FD via physical and redirection model.

Customer Service and Digital Adoption

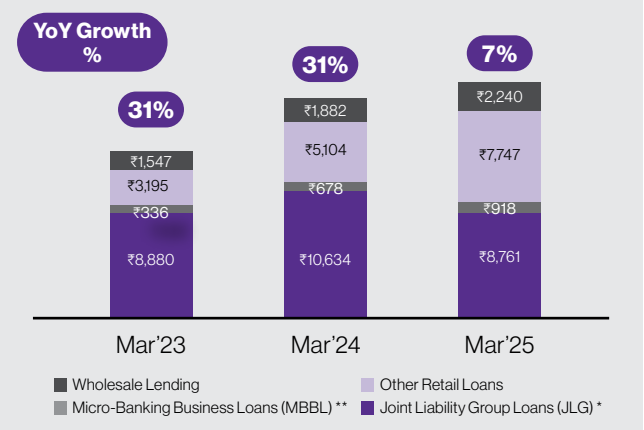
The Bank remains committed to delivering customer excellence by continually enhancing its technology infrastructure and service delivery processes. A well-equipped customer care center, supported by a dedicated relationship management channel, ensures efficient and personalized support across customer segments.

To streamline and elevate the service experience, the Bank has deployed several technology-driven solutions, including tab-based onboarding, next-generation applications, advanced customer relationship management (CRM) systems, and video banking capabilities. These digital tools play a key role in improving responsiveness, accessibility, and overall customer satisfaction.

Assets – Lending Products

Utkarsh SFBL continues to strengthen its retail loan portfolio by focusing on a diverse mix of lending products, including micro-banking loans through the Joint Liability Group (JLG) model, micro-banking business loans, MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.

As of March 31, 2025, the bank's gross loan portfolio grew by 7.47% and stood at ₹19,665.59 crore. This expansion was primarily driven by strong performance in non-JLG segments, including other retail loans and wholesale lending, which together registered a robust 45% growth during FY25, albeit on a modest base. However, this growth was partially offset by a 17% decline in the JLG loan portfolio over the same period.



*Excluding BC JLG portfolio; including BC JLG, JLG loan book is ₹9,207 crore (47% of total portfolio) as of Mar-25;

**Includes PM Svanidhi & PM Vishwakarma loan portfolio of ₹9 crore as of Mar-25

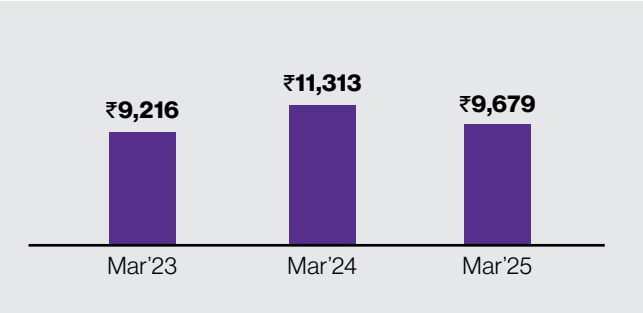
Micro-Banking Lending

Utkarsh SFBL began its journey in September 2009 from Uttar Pradesh and has since built a strong track record in the micro-banking sector. With a focused presence in rural and semi-urban regions, areas that remain largely underserved, the Bank has played a pivotal role in driving inclusive growth and expanding access to financial services.

The Bank offers Joint Liability Group (JLG) loans, Micro-Banking Business Loans for mature JLG clients, PM SVANidhi loans tailored for street vendors and PM Vishwarkarma to traditional artisans and craftspeople. These financial products are designed to empower low-income and underprivileged individuals who traditionally have limited access to formal banking. By supporting income-generating activities and entrepreneurial ventures, these loans have enabled many customers to improve their livelihoods and pursue their aspirations.

The JLG structure fosters strong credit discipline through frequent and personal interactions with borrowers. This model not only ensures financial sustainability across economic cycles but also delivers meaningful social impact—making micro-banking a true double bottom-line business for Utkarsh SFBL.

Micro-Banking Loan Book (in crore)

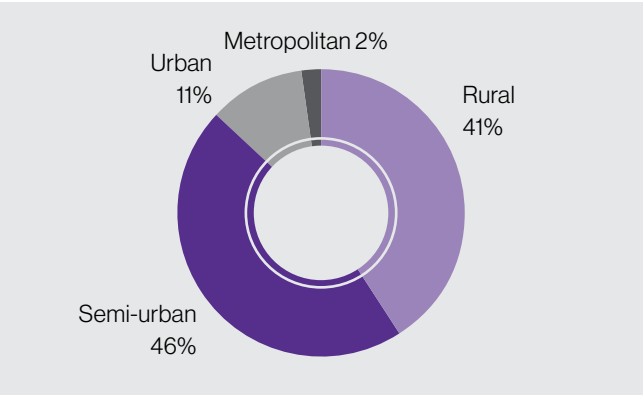


As of March 31, 2025, the Bank's micro-banking loan book stood at ₹9,679 crores. Within this, the JLG (Joint Liability Group) segment saw a reduction, tapering down to ₹8,761 crores at the close of FY25 compared to ₹10,634 crores in FY24. On the other hand, the micro-banking business loan segment demonstrated a notable expansion, climbing to ₹910 crores in FY25 from ₹671 crores a year earlier—reflecting a year-on-year increase of 36%. This uptick was largely driven by onboarding seasoned JLG borrowers and sustained disbursals across recurring loan cycles.

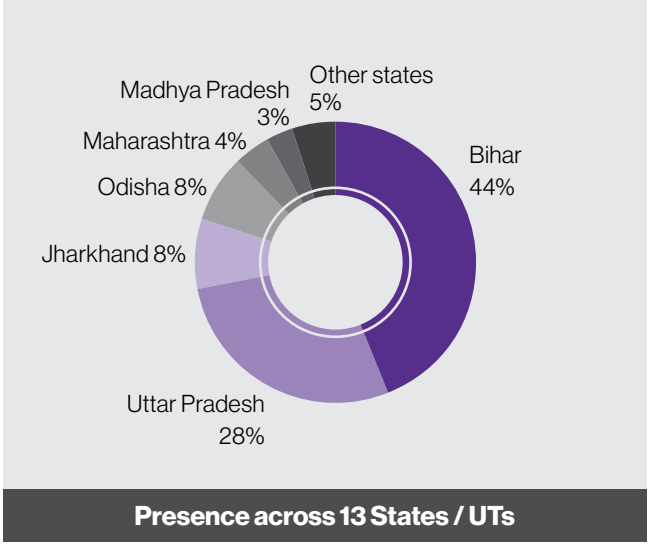
Looking ahead, the Bank anticipates a positive momentum in JLG lending volumes alongside robust growth in business loan advances, underpinned by its established reach in regions that remain underserved. The Bank's tech-led initiatives—ranging from fully digital loan and savings account onboarding to services like e-KYC, e-signatures, personalized QR-based collections, and micro-ATMs—are expected to reinforce a scalable and efficient operating model.

While Bihar and Uttar Pradesh continue to anchor the Bank's micro-banking operations, its geographic footprint has been steadily expanding. As of the fiscal year-end, the micro-banking portfolio extended across 13 states and union territories, catering to over 28 lakh clients. The Bank's presence spans 182 districts and is supported by a network of 761 dedicated micro-banking outlets.

Demography Wise Break-Up Of Bank's Micro-Banking Portfolio



State wise break-up of Bank's Micro-Banking portfolio



Presence across 13 States / UTs

The bank offers cashless disbursement for all micro banking loans, ensuring that funds are transferred directly into the customer's Bank account. In line with its digital strategy, the Bank is actively increasing cashless collections, primarily through customer-specific QR codes and the bill desk payment gateway. This shift is expected to lead to greater adoption of cashless transactions, reducing operational risks associated with physical cash and improving the efficiency of field staff. Furthermore, the cashless payment model provides enhanced convenience and security for customers.

Onboarding micro banking clients is streamlined through E-KYC and E-sign processes, optimizing operational efficiency and ensuring a swift and seamless onboarding experience, ultimately offering a superior customer experience.

Joint Liability Group (JLG) Loans

The Bank offers Joint Liability Group (JLG) loans to clients for income-generating activities, leveraging a group-guarantee model that allows individuals to access loans without the need for collateral or security. This model encourages borrowers to foster credit discipline through mutual support, promoting responsible financial behaviour within the group and ensuring timely loan repayment.

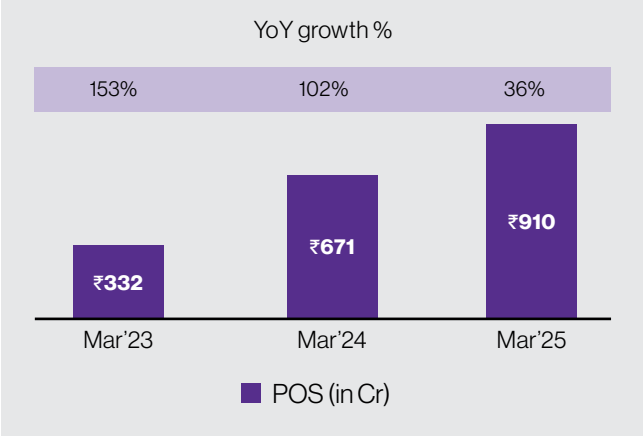
The primary target segment for these loans is women in households engaged in existing or potential income-generating activities. The loan methodology includes regular centre meetings either fortnightly or bi-fortnightly and 'stepped-up' loans, which increase each time a client successfully repays a loan, demonstrating good credit discipline and a need for larger loans.

As of March 31, 2025, all of the bank's JLG loan customers were women, with loans ranging from ₹6,000 to ₹1,00,000 to support various income-generating ventures.

Micro Banking Business Loans (MBBL)

To meet the growing funding needs of customers who have completed multiple loan cycles, the Bank offers micro-banking business loans (MBBL) to its matured Joint Liability Group (JLG) borrowers. As of March 31, 2025 we have no. of JLG borrowers >27 Lakh and MBBL customer base is of more than 1 Lakh. Considering MBBL penetration level of ~ 4%, there is significant potential to grow. During FY 2024-25, the bank's MBBL loan portfolio reached ₹910 crore as of March 31, 2025. Given the Bank has long track record in JLG lending and has a large number of JLG borrowers , the Bank expects significant growth potential in MBBL lending which is also reflected in credit growth registered by the Bank in FY25. Furthermore, as the Bank provides MBBL loans only to its existing borrowers with good track record, asset quality in MBBL loan segment remain healthy.

MBBL Loan Book (in crore)



Saving, Pension and Health Insurance for Micro-Banking Clients

As of March 31, 2025, the Bank had opened more than 25 lakh basic savings bank deposit accounts (BSBDA), aimed at offering appropriate savings and financial products to microfinance borrowers while encouraging a habit of saving.

To further promote financial security among its customers, the Bank offers the Atal Pension Yojana (APY) to savings account holders aged 18 to 40 years. Acting as both a point of presence and aggregator, the Bank enrols subscribers under the National Pension System framework, supporting long-term savings.

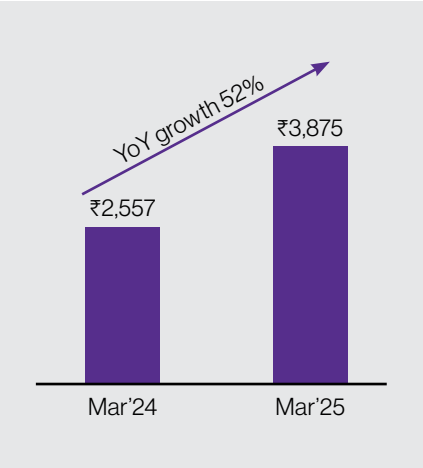
The Bank also provides Hospicash, a health insurance product that covers hospitalization expenses and also compensates for wage loss incurred by micro-banking customers during hospitalization, thereby offering both financial protection and income continuity.

Other Retail and Wholesale Lending Book

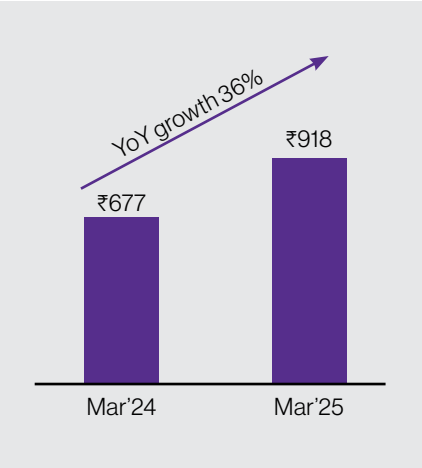
The Bank has consistently focused on building a well-diversified retail loan portfolio, catering to the varied financial needs of its customers. Over time, it has developed a comprehensive suite of retail loan offerings, including MSME (retail assets), housing loans, commercial vehicle (CV) & construction equipment (CE) loans, among others. The bank's core geographies—Bihar, Uttar Pradesh, and other states—continue to offer substantial growth opportunities for these products as well.

Other Retail Assets Lending Vertical

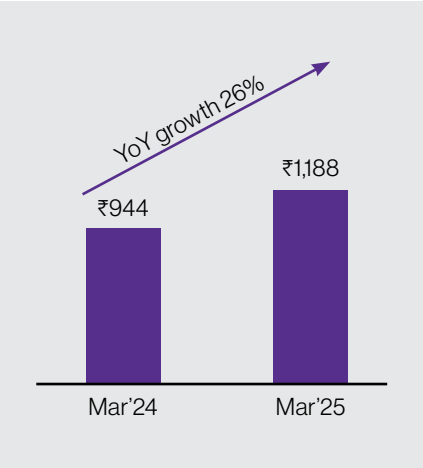
MSME (retail assets)
Portfolio (in crore)



Housing loans
Portfolio (in crore)



CV/CE loans
Portfolio (in crore)



MSME (Retail Assets) Loans

The Bank offers a range of lending products to MSMEs, including secured and unsecured business loans, Micro LAP, and overdraft facilities. During FY 2024–25, the Bank expanded its MSME loan footprint to 86 branches, driving a robust 52% year-on-year growth in its MSME loan book—from ₹2,556.99 crore in FY 2023–24 to ₹3,874.53 crore in FY 2024–25. This significant growth was fuelled by the bank's deepening presence in underserved markets and its focus on financial inclusion. The MSME portfolio remains predominantly secured, with over 95% of loans backed by collateral, and the average ticket size ranging between ₹25 lakh and ₹35 lakh.

Housing Loans

The housing finance segment remains a key driver of economic growth in India. Utkarsh SFBL continues to strengthen its presence in this space by offering affordable housing loans to both salaried and self-employed individuals across formal, informal, and semi-formal income groups. As of March 31, 2025, the Bank provides housing loans through 63 branches.

During FY 2024–25, the housing loan portfolio grew by 36%, increasing from ₹676.59 crore to ₹918.29 crore. This growth can be attributed to the Bank's consistent focus on building the housing loan book, expanding network and a relatively small base of the Bank's housing loan portfolio.

Commercial Vehicle (CV) & Construction Equipment (CE) Loans

Commercial vehicle (CV) & construction equipment (CE) loans continue to be among the key retail lending products for banks and NBFCs across India. Utkarsh SFBL provides financing for both new and used commercial vehicles as well as construction equipment, with used vehicle loans accounting for less than 10% of the total CV & CE loan book as of March 31, 2025.

The Bank primarily serves small fleet operators, focusing on core geographies such as Bihar, Jharkhand, and Uttar Pradesh—regions that remain relatively underserved but offer strong growth potential. Moreover, markets like Chandigarh, Delhi NCR, Rajasthan, and West Bengal are emerging as attractive opportunities for expansion.

With CV & CE loans currently being disbursed through 47 branches, the Bank's loan portfolio in this segment grew significantly from ₹944.44 crore in FY 2023–24 to ₹1,188.13 crore in FY 2024–25.

Business Correspondent (BC)

Utkarsh SFBL introduced the business correspondent (BC) model in FY 2017–18 to expand its reach into untapped geographies and diversify its loan portfolio. Under this model, BC partners operate as an extended arm of the bank—acquiring, managing, and servicing customers while adhering to the bank's internal governance policies and procedures.

The Bank leverages BC partnerships across multiple products, including Joint Liability Group (JLG) loans, small business loans, personal loans. As of March 31, 2025, BC partners collectively manage a loan book of ₹1,093.69 crore, attributing to 5.56% of Gross Loan Portfolio.

Wholesale Lending (WSL)

Utkarsh SFBL's wholesale loan (WSL) portfolio grew by 19% in FY 2024–25, rising from ₹1,882.41 crore as of March 31, 2024, to ₹2,239.73 crore by March 31, 2025. Despite this growth, the WSL portfolio's share in the bank's total loan book grew slightly from 10.3% to 11.4%, in line with the bank's strategic intent to maintain the WSL share at similar levels going forward.

The wholesale loan portfolio comprises lending to financial institutions (WSL FI) and Business Banking Group (BBG) loans extended to small corporates.

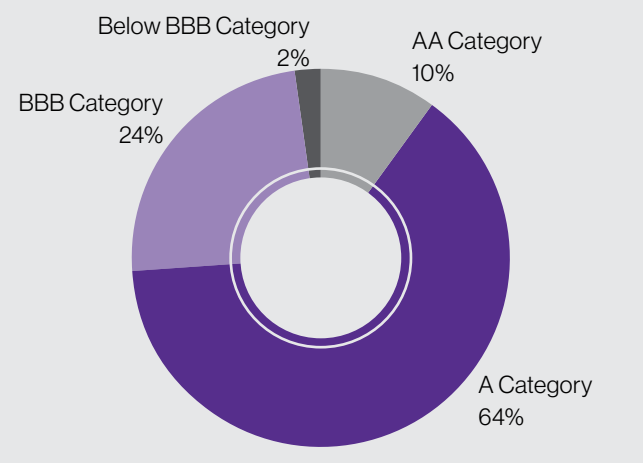
Break up of wholesale loan portfolio	Mar-25	Mar-24
WSL FI lending	₹1,337	₹1,287
Business banking group (BBG)	₹903	₹596
Total WSL portfolio	**₹2,240**	**₹1,882**

WSL FI Lending

Utkarsh SFBL commenced its wholesale lending to financial institutions (WSL FI) in FY 2017–18, aiming to diversify its loan portfolio and extend its geographic reach by leveraging its strong expertise in retail lending. Under this segment, the Bank offers loan facilities to non-banking financial companies (NBFCs), housing finance companies (HFCs), NBFC-MFIs, and other entities engaged in financial services, primarily to support their on-lending requirements.

As of March 31, 2025, 74% of the WSL FI loan book comprises loans extended to entities rated 'A-' category or higher by external credit rating agencies, 24% is allocated to entities rated in the 'BBB' category, while the remaining 2% is allocated to entities rated in the below 'BBB' category.

Rating Wise WSL FI Portfolio Break Up



Business Banking Group (BBG) Lending

Utkarsh SFBL extends both short-term and long-term loan facilities to small and medium enterprises (SMEs) and other entities engaged in manufacturing, services, or trading activities. These loans are designed to support working capital needs and business expansion plans. In addition to fund-based lending, the Bank also offers non-fund-based products such as bank guarantees under its wholesale lending portfolio.

The loans typically range from ₹1 crore to ₹10 crore and are primarily secured by immovable property as collateral.

Business Strengths and Strategies

Strong microfinance expertise and rural reach: Utkarsh SFBL draws on the legacy and deep experience of its promoter company, UCL, to address the financial needs of unbanked and underbanked communities. Serving the underserved is a core element of the bank's vision. With a strong foundation in microfinance and an extensive presence in rural and semi-urban areas, Utkarsh SFBL is well-positioned to tap into growth opportunities in regions that remain relatively underpenetrated.

Expanding and diversifying the retail asset portfolio: Utkarsh SFBL remains focused on diversifying its retail asset portfolio to better serve the evolving financial needs of customers, particularly from unserved and underserved segments. The Bank aims to offer a comprehensive suite of retail loan products to address varying customer requirements across segments.

Driven by healthy growth in other retail loan categories, the share of micro banking loans in the bank's gross loan portfolio declined from 62% in March 2024 to 49% in March 2025. This trend of decline in share of micro-banking portfolio is expected to continue over short to medium term.

Strengthening deposit base through retail-centric growth: Utkarsh SFBL offers a comprehensive suite of demand and time deposit products, including savings accounts, recurring deposits, and fixed deposits—designed to meet the needs of a diverse retail customer base at competitive interest rates. The Bank continues to prioritize deposit granularity, with a strong emphasis on growing its current account and savings account (CASA) base, along with retail term deposits.

As of March 31, 2025, the bank's CASA and retail term deposit portfolio stood at ₹15,334.16 crore, accounting for 71.10% of total deposits, increasing from ₹11,550.72 crore (66.11% of total deposits) as of March 31, 2024. This consistent growth reflects Utkarsh SFBL's strategic focus on building a stable, retail-led deposit base.

Broadening distribution network with significant cross-selling opportunities; Leverage Bank's extensive franchise and presence further: As of March 31, 2025, the Bank operates an extensive physical network of 1,092 banking outlets, 708 are located in rural and semi-urban areas, aligning with Utkarsh SFBL's core vision of financial inclusion. The Bank has opened more than 260 branches during last two financial years FY24 & FY25, providing services to a diversified clientele. Furthermore, our franchise and large customer base, in addition to the implementation of Lead Management System(LeMS), offers significant cross-sell opportunities.

Prioritizing risk management and operational efficiency: Risk management is a central focus of the bank's operations. Utkarsh SFBL has implemented a robust and comprehensive credit assessment and risk management framework designed to identify, monitor, and manage risks across various areas, including credit, market, liquidity, IT, and operational risks.

The Bank employs a range of risk parameters, including real-time monitoring of regulatory changes and market trends both nationally and internationally. It frames policies, guidelines, and products in line with industry best practices, defines acceptable portfolio risk limits for each product, and utilizes an early warning system to track sector performance and establish boundaries for fund allocation to specific industries.

The bank's effective credit risk management is evidenced by its strong portfolio quality indicators. Moreover, the bank maintained a healthy provision coverage ratio (PCR) of 51.18% as on March 31,2025.

The bank's success in managing these risks can be attributed to its efficient management team, composed of highly qualified and experienced professionals. Their deep industry knowledge enables the bank to navigate challenges effectively, fostering a resilient and consistent franchise.

Pioneering technological advancements and expanding digital offerings: The Bank harnesses advanced, cost-effective technology to streamline its operations and improve efficiency. Utkarsh SFBL is committed to strategically investing in technology to optimize operations, reduce costs, and drive greater efficiency. Moreover, the Bank encourages customers to transition from assisted services to a self-service delivery model. By continuing to invest in cutting-edge technology, Utkarsh SFBL aims to enhance the customer experience and provide a range of tailored financial products that meet diverse customer needs.

Strategic Business Technology Transformation Project

Digital transformation has become a key driver in the evolving financial landscape, placing customer-centricity at the forefront. To manage and implement strategic projects efficiently, the bank has established a transformation management office (TMO) that serves as a centralized project management office (PMO). This office ensures all initiatives are executed within established timelines, while continuously evaluating progress and return on investment.

In collaboration with a leading consulting firm, the bank has also formed an internal team of select professionals to support the TMO. Utkarsh SFBL's strategy focuses on diversifying and expanding its retail asset portfolio and liabilities business, while redefining customer journeys and optimizing operational efficiency. As part of this transformation, the bank is driving automation through the implementation of modern loan origination systems and enhancing the digital onboarding process with the support of an internal development team.

The bank is embracing cloud computing to build a robust and scalable IT infrastructure. Key applications are also being upgraded or replaced to meet the latest technological standards, ensuring a future-ready and efficient operational framework.

Commitment to Financial Inclusion and Focus on Priority Sector Lending

The Reserve Bank of India (RBI) mandates that small finance banks (SFBs) allocate 75% of their loan portfolio to priority sector lending (PSL), compared to 40% for universal banks. On account of higher proportion of PSL as compared to the requirement of the RBI, the Bank has been able to sell the surplus PSL portfolio through Priority Sector Lending Certificate (PSLCs) to earn non-interest income for the Bank. .

As of FY 2024-25, after accounting for the sale of PSLCs and IBPC, the bank's PSL achievement (based on quarterly averages) stood at 84.79%, significantly exceeding the RBI's minimum requirement of 75%. This surplus PSL portfolio allowed the bank to earn non-interest income from PSLCs, with PSLC income totalling ₹115.17 crore in FY 2024-25.

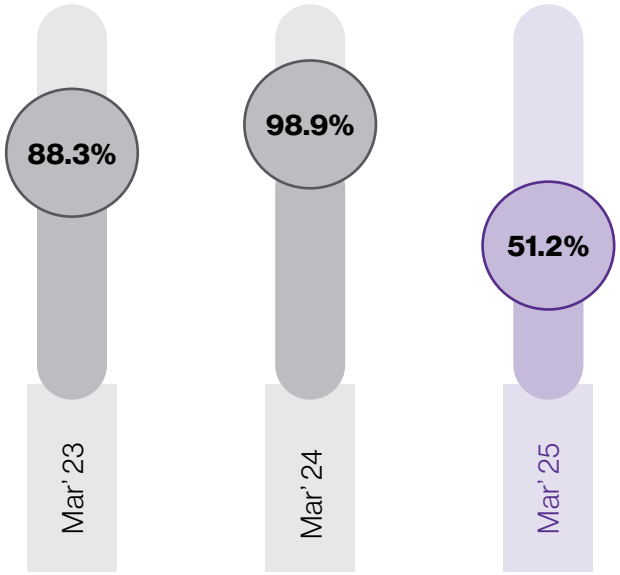
Moreover, Utkarsh SFBL continues to comply with RBI norms for SFBs, ensuring that loans with a ticket size of up to ₹25 lakh constitute no less than 50% of its total loan portfolio. The Bank's lending to the ticket size of less than ₹25 lakh was at 65.1% of the gross loan portfolio as on March 31, 2025.

Asset Quality

Bank's Gross NPA Increased from 2.51% during FY 2023-24 to 9.43% as on March 31, 2025. Bank's Net NPA Increased from 0.03% in FY 2023-24 to 4.84% as on March 31, 2025. The Bank has strengthened collections team by adding more manpower as well as separate team for bucket wise and vertical wise collections. The Bank has also implemented EBIX collection application for better tracking of our collection efforts. These have strengthened Bank's collection efforts and are likely to support asset quality & collection efficiency.

The Bank was carrying floating asset provision of ₹189.96 Crore. During the year pursuant to the approval from Reserve Bank of India (RBI), the Bank has fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") has been adjusted by ₹189.96 Crore for the year ended March 31, 2025. On an overall basis, the Bank had provision coverage ratio of 51.18% as of March 31, 2025, against 98.92% for FY 2023-24.

Provision Coverage Ratio



Financial Performance

The Bank recorded a steady financial performance in FY 2024–25, with growth in business volumes and profitability. It reported an annual operating profit (pre-provision) of ₹1,007 crore and a profit after tax (PAT) of ₹23.70 crore for the year.

Key Performance Indicators (KPIs)	FY 2024-25	FY 2023-24
OPERATIONS		
Banking Outlets	1092	888
Gross Loan Portfolio (₹ in crore)	19,666	18,299
Secured Advances as % of Gross Loan Portfolio	43.43%	34.35%
Total Deposits (₹ in crore)	21,566	17,473
CASA Ratio (%)	21.79%	20.50%
CASA + Retail Term Deposits (as % of Total Deposits) (%)	71.10%	66.11%
CAPITAL		
Capital + Reserves (i.e. Net Worth) (₹ in crore)	2,975	2,973
Total Capital Ratio (CRAR) (%)	20.93%	22.57%
Tier 1 Capital Ratio (%)	17.88%	20.95%
Cost of Deposits (%)	8.16%	7.72%
Cost of Funds (%)	8.21%	7.80%
ASSET QUALITY		
Gross NPA (%)	9.43%	2.51%
SMA 1 %	2.26%	0.97%
SMA 2 %	1.77%	0.96%
Provision Coverage Ratio (excl. Technical Write-offs) (%)	51.18%	98.92%
Standard Restructured Advances (%)	0.03%	0.06%
Net NPA (%)	4.84%	0.03%
PROFITABILITY		
Net Profit (₹ in crore)	24	498
Yield on Advances (%) (basis Gross Loan Portfolio)	17.85%	19.01%
Net Interest Margin (%)	7.98%	9.44%
Credit Cost Ratio (%)	5.16%	2.20%
Operating Expenses to Total Average Assets (%)	6.26%	6.34%
Cost to Income Ratio (%)	61.61%	56.38%
Return on Total Average Assets (%)	0.09%	2.45%
Return on Average Equity (%)	0.79%	19.54%
OTHERS		
Basic EPS	0.22	4.79
Net Asset Value per Equity Share	27.00	27.04

Income and Expenses

- The Net interest income (NII) of the bank grew by 7.27% from ₹1,885.80 crore in FY 2023-24 to ₹2,022.86 crore in FY 2024-25. The growth in NII in FY 2024-25 was supported by healthy growth in non-microfinance business during FY 2024-25. Bank's NIMs declined from 9.44% in FY 2023-24 to 7.98% in FY 2024-25 on account of subdued interest rate environment and declining share of high yielding micro-banking loan portfolio.
- The other income of the bank witnessed a growth of 49.8% from ₹400.40 crore in FY 2023-24 to ₹599.83 crore in FY 2024-25 supported by growth in income from sale of PSLCs, higher income from cross-selling of third-party products, fee-based & transaction income and recovery from written-off accounts.
- The operating expenses of the bank increased by 25.36% during FY 2024-25 primarily on account of significant expansion in franchise (>260 new branches during

FY 2023-24 and FY 2024-25). Cost-to-income ratio of the bank increased to 61.61% in FY 2024-25.

- During the year ended March 31, 2025, the Bank has changed its accounting policy with effect from April 01, 2024 on recognition of loan processing fees collected from the borrowers and allied expenses for more appropriate presentation of the financial statement and alignment with industry practices. Hitherto the Bank was recognising the income or expense over the tenure of the loan which is now recognised as income or expense when it becomes due.
- Pre-provisioning operating profit (PPoP) of the bank grew by 0.97% year-on-year to ₹1,006.93 crore in FY 2024-25 as compared to ₹997.27 crore in FY 2023-24.
- Overall credit cost was 5.2% for FY 2024-25.

Profit after Tax and Dividend

- Bank's profit after tax decreased by 95% in FY 2024-25 to ₹23.7 crore in FY 2024-25 vs. ₹498 crore in FY 2023-24. Decline in PAT was mainly due to increase in credit cost resulting from industrywide stress in the asset quality of microfinance portfolio. The return on average assets (ROAA) was at 0.09% during FY 2024-25 and return on equity was 0.79% in FY 2024-25.

Credit-Deposits Ratio

- Bank's credit-deposits (CD) ratio declined from 93.7% as on Mar-24 to 86.8 % as on Mar-25 and the bank targets to reduce CD ratio further.

NPA

- The bank's gross NPAs increased from 2.51% as on March 31, 2024 to 9.43% as of March 31, 2025. The net NPAs increased from 0.03% as of March 31, 2024 to 4.84% as of March 31, 2025. The bank is holding provisional coverage of 51.18% as of March 31, 2025.

CRAR

- The Bank's capital plus reserves remained stable, from ₹2,973 crore as on March 31, 2024 to ₹ 2,975 crore as on March 31, 2025.
- The bank's capital to risk weighted asset ratio (CRAR) stood at 20.93% as on March 31, 2025 compared to 22.57% as on March 31, 2024. Further, the Tier-I CRAR of the Bank stood at 17.88% as of March 31, 2025, compared to 20.95% as of March 31, 2024.

Particulars	2024-25	2023-24
CRAR	20.93%	22.57%
Tier-I	17.88%	20.95%
Tier-II	3.05%	1.62%

Credit Ratings

The Bank's certificate of deposits programme is rated, at the highest credit rating grade, [ICRA] A1+ by ICRA Limited. As on March 31, 2025, the Bank's long-term subordinated bonds were rated at A+ (Stable) rating by ICRA and CARE Ratings.

Rating agency	Facilities	Credit rating
ICRA limited	Certificate of deposit	[ICRA] A1+
	Subordinated debt programme	[ICRA] A+ (Stable) *
CARE ratings	Long term tier II bonds	CARE A+ (Stable)**

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

** On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

Outlook

The reported year witnessed an increase in secured lending while there was a de-growth in JLG Segment. The Bank has reported annual operating profit (pre-provisions) of ₹1,007 crore in FY25. The Bank's deposits registered healthy business growth of 23.4% and reached ₹21,566 crore backed by increased branch penetration in urban and metropolitan areas. The bank opened 204 branches during the year including 55 GB branches which are poised to augment deposit accumulation capability of the bank. The Bank also witnessed improvement in secured lending portfolio which have increased to 43% of gross loan portfolio from 34% in FY24 and in the process providing more stability to the bank. Our high yield JLG portfolio underperformed during the year which we are expecting to improve going forward considering our good experience in Microfinance sector and other technological and human interventions. The Bank believes that there are significant growth opportunities available in the core operational geographies, owing to robust growth potential and relatively low financial penetration in FY26.

Utkarsh SFBL strives to be a retail-focused Bank, providing financial services to mass markets. The Bank intends to develop and offer a comprehensive suite of assets and liabilities products that will acquire new customers and strengthen the relationship with existing customers. Utkarsh SFBL will continue to augment the liabilities franchise further by expanding franchise, deepening relationship and targeting the top 100 districts of the country in terms of overall deposits, including tapping of metropolitan and urban areas by promoting savings accounts and other deposit products.

Material Orders passed by the Regulators

There were no significant material orders passed by the Regulators, Court, Tribunal or any other legal institution during FY 24-25, that can impact the growth of the organisation.

Internal Ombudsman (IO)

The Internal Ombudsman Scheme is introduced with the objective of enabling and ensuring a proper and speedy resolution of

complaints of Bank customers at the Bank level by an independent apex level authority within the Bank. Internal Ombudsman deals only with the complaints that have already been examined by the Bank's internal grievance redressal mechanism and have remained partly or wholly un-redressed.

Further, the Internal Ombudsman also analyses the pattern of complaints such as product/category wise, consumer groups wise, based on geographical location etc. and suggests means for taking actions to address the root cause of complaints of different nature. The Internal Ombudsman holds meetings with concerned functionaries/department of the Bank and seeks records/ documents available with the Bank that are necessary for examining the complaint. Furthermore, in its endeavor to achieve fair, transparent, and customer-centric grievances redressal system, the Bank has synchronized its Internal Ombudsman mechanism with the Customer Relationship Management System.

In the backdrop of above, the presence of Internal Ombudsman at the apex level of Grievance Redressal Mechanism of the Bank is helping to enhance the impartiality of the mechanism, as the grievance resolution have an independent viewpoint as a precursor to Banking Ombudsman.

Grievances closed by IO in FY 2024-25:

No. of grievance received by the bank during 2024-25	No. of cases rejected by bank partly/ fully during 2024-25	No. of cases reviewed by IO during 2024-25	No. of grievances closed by IO during 2024-25	No. of grievances outstanding as on March 31, 2025
5,799	399	399	399	0

Disposal of grievances by bank during FY 2024-25:

No. of grievances at the beginning of 2024-25	No. of grievances received by the bank during 2024-25	No. of grievances disposed of by the bank in 2024-25	No. of grievances outstanding as on March 31, 2025
72	5,799	5,761	110

Credit Function

The Credit Department has different verticals such as Retail Lending, Wholesale Credit, Micro Business Individual Loans, Credit Administration (CAD) & Credit Support.

The credit department's major objectives are as follows:

- Largely responsible for development of Credit and Risk management strategies for loans acquisition ensuring sustainable business growth & healthy portfolio for Retail lending and Wholesale lending products.
- Leverage on Technological tools for various credit appraisal and financial analysis. process. Leverage on Score card based underwriting model for Retail Lending products.
- Prudent monitoring framework on Portfolio behavior and asset quality.
- Adoption of a forward-looking and market responsive approach within the framework of policy guidelines for moving into profitable new areas of lending which are emerging in the market.
- Fulfilling responsible lending objectives.

The Credit function largely performs the following to achieve the defined objectives

- Ensuring credit expansion to productive sectors with an emphasis on asset quality.
- Utilizing the sanctioning powers judiciously by following the credit norms, risk management considerations and due diligence while appraising Wholesale & Retail loans.
- Ensuring prudent credit risk management practices and high standards of due diligence to protect and improve asset quality at both transaction and portfolio levels.
- Leverage on various smart technological tools like "Perfios" tool for financial & banking analysis, "SaveRisk" & "Probe" tools for analysis of Companies' financials and other critical parameters history, "Hunter & Sherlock" tools for borrowers' adverse history enabling prudent due diligence, key lending decisions and optimization.
- LOS systems for loan applications processing and leverage on Rule Engine for adherence of various product guidelines, automation of various processes, monitoring of early warning signals etc.
- Lending for the sustenance of profitability, implying the need to nurture superior credit appraisal skills through specialization and competence building.
- Ensuring KYC norms are strictly followed, and the borrowers are carefully selected after proper pre-sanction scrutiny and thereafter monitoring the account constantly to maintain asset quality.
- Post disbursement Portfolio & covenant monitoring on wholesale lending products with periodic reviews and monitoring visits to Companies.

Collection Mechanism

The Bank presently has an in-house team for collections. The team comprises Head Collections and Zonal and Regional teams to monitor over 150 fleet on street (FOS) and control delinquencies. The field teams are well trained in the Bank's policies and code of conduct. The Bank also utilises an outsourced call centre for pre-EMI calling and reminding customers in case of over-dues for businesses other than the JLG lending business. The Bank also has an in-house legal team for the recovery of dues. There is a well laid down process and policy for the entire collections cycle: from tele-calling, customer servicing, legal notices, repossession, to auction of assets.

The Bank has established a robust and structured in-house collections framework to effectively manage and control delinquencies across its lending portfolio. The collections team is led by the Head of Collections, supported by Zonal and Regional Collection Managers, who oversee and coordinate the activities of over 150 Field Officers (Fleet on Street - FOS) deployed across various geographies.

These field teams are thoroughly trained in the Bank's internal policies, operational procedures, and the Code of Conduct, ensuring that all customer interactions are handled professionally and ethically.

In addition to the in-house field force, the Bank leverages an outsourced call center to manage pre-EMI (Equated Monthly Installment) calling and to issue reminders for overdue payments. This outsourced support is utilized for all lending segments except the Joint Liability Group (JLG) lending business, which is managed separately.

To support legal recovery efforts, the Bank also maintains a dedicated in-house legal team. This team is responsible for initiating and managing legal proceedings related to overdue accounts, including the issuance of legal notices and coordination of repossession and auction activities.

The Bank follows a well-defined and comprehensive collections policy, which governs the entire lifecycle of the collections process. This includes:

- Tele-calling and customer engagement
- Field visits and follow-ups
- Issuance of legal notices
- Repossession of secured assets
- Auction and disposal of repossessed assets

This structured approach ensures consistency, compliance, and efficiency in managing delinquencies while maintaining a customer-centric and legally sound recovery process

Treasury

The bank conducts its treasury operations from its dedicated office in Mumbai, operating under a structure that ensures independence among the dealing desk, settlement and operations team, and risk function. This separation promotes strong internal controls and enhances operational efficiency.

The treasury plays a vital role in managing the bank's liquidity and financial stability. It oversees asset and liability management (ALM) and maintains the liquidity coverage ratio (LCR), ensuring that the bank consistently meets its payment obligations and supports asset growth by participating in money and securities markets.

The function is governed by a board-approved comprehensive investment policy, along with other internal management policies. These guidelines help optimise investment portfolio yields while managing the overall cost of funds through a strategic mix of deposits. The treasury also ensures strict compliance with regulatory requirements, including those related to the cash reserve ratio (CRR) and statutory liquidity ratio (SLR).

To mitigate operational risks, the treasury has implemented a robust business continuity plan (BCP), which includes periodically conducting operations from alternate sites to ensure uninterrupted functionality.

Risk Management

Risk management forms a critical pillar of the bank's strategic planning process, fostering informed, collaborative, and unbiased decision-making. The bank's ability to effectively manage diverse categories of risks—while complying with current regulations and proactively preparing for emerging ones—positions it as a resilient and future-ready financial institution.

The bank follows a structured and integrated risk management approach encompassing credit risk, market and liquidity risk, operational risk, IT and cyber security risk, and other emerging risk domains. This framework is underpinned by robust systems involving people, processes, data, and technology to identify, assess, monitor, and mitigate risks in a timely manner. The bank ensures that risk management roles are handled by qualified and experienced professionals who receive continuous training to stay abreast of evolving risks.

The bank's risk philosophy focuses on safeguarding the interests of depositors, customers, employees, and other stakeholders while maintaining the integrity and reputation of the institution. To cultivate a strong risk-aware culture, the bank conducts regular training through mandatory induction programs, refresher courses, and weekly risk workshops.

Oversight of the risk function is exercised by the risk management committee of the Board (RMCB), which periodically reviews the overall risk framework and strategic risk exposures. The bank also has dedicated senior management committees, including the credit risk management committee (CRMC), operational risk management committee (ORMC), asset liability and market risk committee (ALCO), and the information security committee, to manage specific risk domains. Furthermore, the bank's internal capital adequacy assessment process (ICAAP) ensures comprehensive assessment of significant business risks to maintain capital adequacy and financial stability.

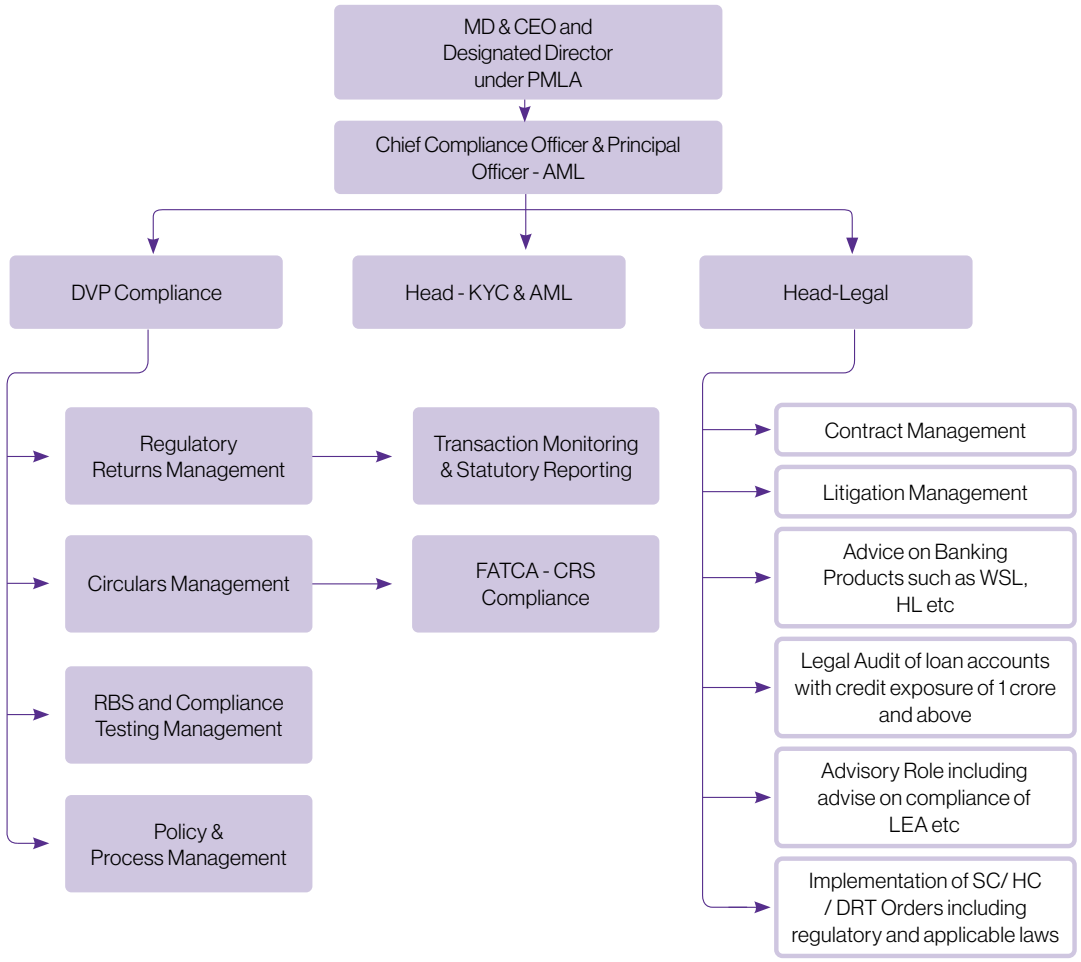
The bank has appointed a senior official as the chief risk officer (CRO), entrusted with the overall responsibility of managing key risk verticals, including credit risk, market and liquidity risk, operational risk, information security risk, and other emerging risk areas. Operating under the framework of board-approved risk management policies, the CRO plays a pivotal role in implementing and overseeing the bank's risk strategy. The CRO maintains regular engagement with the risk management committee of the Board (RMCB), providing timely updates and insights on risk-related developments, challenges, and mitigation strategies.

Risk	Impact	Mitigants
Credit risk	The bank defines credit risk as the potential for loss arising from a borrower or counterparty's failure to meet their obligations as per the agreed terms. This type of risk can negatively impact the bank's revenue and margins, posing a significant challenge to financial stability.	The credit risk management committee (CRMC) is responsible for overseeing and reviewing credit risk within the bank. The committee ensures the monitoring of prudential limits on large credit exposures, portfolio concentration, loan review mechanisms, and overall risk concentration. Furthermore, it addresses provisioning, regulatory compliance, and other credit-related matters. The bank has implemented various credit risk policies to limit the exposure to credit risk. Portfolio review and monitoring are carried out through an early warning framework and close monitoring of high-value customers. The CRMC follows the following approach: • Adhering to RBI's guidelines and policies regarding credit risk and NPA management • Establishing a governance framework to ensure effective oversight, proper segregation of duties, and management of credit risk • Setting and monitoring credit risk appetite and limits, and taking appropriate action in case of breaches • Creating a system for identifying and monitoring early warning signals and red flag accounts • Enhancing the use of structured internal and external data to make informed decisions and utilizing scorecards for decision-making • Conducting stress testing and taking necessary actions based on results • Monitoring global and domestic developments, analysing industry trends, and issuing necessary guidelines and directions
Market risk	Risks stemming from fluctuations in market prices could affect the bank's ability to generate revenue.	The investment committee and the asset-liability management committee of the bank oversee investment and market risk, approving the framework and its associated thresholds. The mid-office prepares and analyses daily reports on the bank's treasury activities, closely monitoring various limits, including stop losses. A comprehensive market and liquidity risk dashboard is shared with senior management monthly, providing detailed insights into the investment portfolio, liquidity position, deposits, and borrowings, supporting well-informed decision-making.
Operational risk	Inefficiencies or failures in internal processes, systems, or human resources can negatively affect the profitability of the business.	Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank. All the new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team, through the PPMC process. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after a thorough review by the Third-Party Risk Management team. The Bank has set up a comprehensive structure for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all businesses. The Bank has a comprehensive operational risk management policy, with a framework to identify, assess and monitor risks and strengthen controls to improve customer service and minimise operational losses. The Bank has well established Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical units to ensure readiness to meet various contingency scenarios and take corrective actions wherever any issues are observed. The Bank has been effectively managing its operations by adapting to the checks and controls of various continuity plans.

Risk	Impact	Mitigants
Fraud risk	Fraud risks include cyber threats, scams, processing errors, and document mishandling, all of which can impact the bank's reputation and revenue generation capabilities.	To mitigate this risk, the Bank has put together a Fraud Risk Management (FRM) department as an independent group in the Bank to enable fraud prevention, monitoring, investigation, reporting and awareness creation. Fraud Risk Management Unit (FRM): The Fraud Risk Management (FRM) unit works within the overall risk management framework of the Bank. The responsibilities of the FRM Unit include effective application of fraud control measures, strategies and procedures. It is responsible for handling fraud complaints, desktop investigation, Fraud case mgmt., internal and regulatory reporting. Risk Containment Unit (RCU): RCU conducts risk-based evaluation of applications i.e. Screening & Sampling for any new account relationship in both Asset (Pre-sanction) as well as Liability (Post A/c Opening) Businesses at the time of on-boarding, on a sample basis. RCU Screening & Sampling (S&S) involves review / scrutiny of applications/documents based on dynamic trigger observed as well as inputs received from online checks such as CUG check i.e. Hunter/Sherlock checks. The objective behind RCU S&S Is to ensure that the submitted KYC documents are reviewed to ascertain any inconsistency or discrepancy in the documents or information submitted to the bank, for taking timely preventive and corrective actions to detect and prevent fraudulent applications at on-boarding stage. Transaction Monitoring (TM): TM team monitors digital debit transactions carried out through various channels and payment modes, to safeguard our customers from any abnormal/ suspicious/fraudulent transactions. Transactions are monitored via near real time & real time account alerts generated by volumes and/or velocity based preventive rules built in IFRM and EFRM Transaction Monitoring Tool/Solutions
IT risk	The risks tied to the growing adoption of technology encompass system and process unavailability, which can lead to business losses due to both unintentional issues (such as faulty usage) and intentional events (such as cyber fraud).	To effectively manage IT risk and safeguard the confidentiality and integrity of business and customer information, the bank has implemented security controls in line with the RBI cybersecurity framework. Regular security monitoring is conducted, and the bank adheres to regulatory guidelines as they are updated. To ensure business continuity while maintaining security, the bank has established controls such as VPN with multi-factor authentication, business continuity plans (BCP), and incident response protocols to address both operational and security risks.
Liquidity risk	An asset-liability mismatch can lead to liquidity risk for the bank, potentially forcing it to raise new liabilities at a higher cost or sell assets at a higher discount rate, which could negatively impact the bank's margins.	The bank's asset liability management (ALM) policy establishes a framework for managing liquidity risk, ensuring that the bank can meet its liquidity obligations and endure periods of liquidity stress, whether caused by internal or market-wide factors. The bank's liquidity profile is closely monitored both statically and dynamically, using key liquidity ratios and periodic liquidity stress tests. Liquidity positions and stress test outcomes are regularly reviewed by the bank's ALCO and the risk management committee of the board. In addition to regulatory limits, the bank has set prudential internal limits on liquidity gaps, borrowings, deposits, and placements. The bank also adheres to the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) in line with RBI guidelines, ensuring alignment with the defined risk appetite.

Risk	Impact	Mitigants
Cyber risk	The bank's interconnected structure, both internally and externally via the internet, along with the complexity of its people, processes, and technology—such as delivery channels, cloud services, partners, and remote workers—the bank is susceptible to cyber threats. These include risks like man-in-the-middle (MiTM) attacks, distributed denial of service (DDoS) attacks, and ransomware, which could lead to financial losses, data breaches, and reputational damage.	The bank has established a robust and efficient cybersecurity framework, in line with RBI guidelines, to enhance its cybersecurity posture. The bank has a cybersecurity policy, cyber crisis management plan (CCMP), and information security policies, all approved by the board. A dedicated governance and management process has been put in place, defining roles and responsibilities to ensure these policies are implemented, maintained, assessed, and periodically updated. In line with regulatory requirements, the bank has set up a cybersecurity incident response team (CSIRT) and a cyber crisis management team (CCMT), as outlined in the CCMP. The security operations centre (SOC) operates 24/7 to monitor and protect the bank's assets in real-time. The bank has fully complied with the baseline cybersecurity resilience requirements of the RBI and has implemented a layered defence strategy, covering perimeter, network, application, data, and physical security. The bank runs a comprehensive cybersecurity awareness program for customers, employees, and partners. Cyber risk insurance coverage has been secured as a fallback for cyber incidents. The bank is ISO 27001:2013 certified and has been recognized with consecutive awards from the Indian banks' association (IBA) for its excellence in cyber risk management over the past two years.

Process framework within the compliance department



The bank's compliance department encompasses regulatory compliance, AML (anti-money laundering) compliance, and legal compliance. It plays a critical role in ensuring adherence to applicable laws, regulations, and internal policies by facilitating structured oversight and proactive engagement with regulatory authorities.

The department follows a well-defined process for:

- Circular management process
- Returns management process
- Policy management process
- AML/Transaction monitoring process
- Compliance risk assessment framework (compliance testing)
- Risk-Based Supervision (RBS) data management
- Legal management

Circular management process

All scheduled commercial banks (SCBs) in India are required to comply with various guidelines issued by the reserve bank of India (RBI) and other regulatory bodies. The bank has institutionalized a structured circular management process, which includes the systematic dissemination, tracking, and monitoring of regulatory circulars until their complete implementation across relevant departments.

Returns management process

In accordance with regulatory requirements, SCBs are mandated to submit periodic returns to the RBI and other authorities. The bank's compliance department has implemented a robust returns management process to ensure timely and accurate submission of all statutory and regulatory returns, thereby minimizing the risk of non-compliance.

Policy management process

The compliance department maintains a central repository of all policies approved by the board of directors. To promote transparency and regulatory alignment, all departments are required to seek inputs from the compliance and legal teams when drafting new policies or reviewing existing ones. The department closely monitors the policy lifecycle to ensure timely review and approval by the Board within the defined timelines.

AML / transaction monitoring process (Under PMLA, 2002)

The bank's AML cell, functioning under the compliance department, is responsible for ensuring adherence to transaction monitoring guidelines as prescribed under the Prevention of Money Laundering Act, 2002 (PMLA). It also oversees statutory reporting to the financial intelligence unit – India (FIU-IND) to ensure full compliance with applicable AML regulations.

Compliance risk assessment framework

The compliance risk assessment framework enables the bank to identify and assess compliance-related risks across departments, products, and services. Through periodic compliance testing, the department evaluates the effectiveness of existing controls and recommends corrective actions to address any identified gaps, thereby strengthening the overall compliance posture of the bank.

Risk-based supervision (RBS) data management

In addition to the regular and ad hoc submission of statutory returns to the reserve bank of India (RBI) and other regulatory authorities, the bank undergoes periodic inspections by the RBI under the risk-based supervision (RBS) framework. The compliance department is responsible for coordinating the submission of data elements required for RBS and acts as the primary interface with the RBI's onsite inspection teams.

Further, the bank is also regulated and supervised by other authorities such as UIDAI, IRDAI, SEBI, and FIU-IND, depending on the scope of its operations. The compliance department functions as the single point of contact (SPOC) for these authorities, representing the bank in all regulatory matters and ensuring prompt response to information requests and inspections.

Legal management

The Legal Department of Utkarsh Small Finance Bank Limited is structured to provide comprehensive legal support across all business verticals, ensuring compliance with applicable laws, regulations, and internal policies. The legal management process encompasses the following core responsibilities:

1. **Legal Advisory Support**
   Providing legal opinions, clarifications, and approvals to various internal departments including:
   - Branches / branch operations team – on matters like account opening, HUF formation, partnership account issues, etc.
   - Central processing centre (CPC) – on operational and documentation queries.
   - Recovery and collections teams – on recovery and enforcement actions.
   - HR department – in relation to employee investigations, enquiries, and disciplinary matters.

2. **Contract Management**
   Drafting, vetting, negotiating, and standardizing various legal agreements and documentation, including but not limited to Non-Disclosure Agreements (NDA), Master Service Agreements (MSA), Software License Agreements (SLA), Referral Associate Agreements (RFA), Direct Selling Agent (DSA) Agreements, Branding/Co-Branding & Sponsorship Agreements, Manpower, Housekeeping & HR Contracts,

Recovery Agent & Auction Purchaser Agreements, Call Centre & Collection Agreements, Agreements with Payment Aggregators / Gateways, Merchant Agreements (e.g., Zomato, Flipkart, etc.), All other vendor/contractor/sub-contractor arrangements

3. Legal advisory and policy development

- Advising on loan and security documentation
- Issuing circulars on state-wise stamp duty rates
- Recommending delegation of powers for legal and operational decisions
- Advising on loss of documents and related procedures

4. Product papers and policy vetting

- Legal review and sign-off on product notes, policies, guidelines, and procedural manuals prepared by business and functional departments.

5. Vigilance matters

- Legal advice on vigilance proceedings against employees
- Vetting of legal representations made to authorities/ courts
- Tracking and sharing of FIRs filed by employees
- Liaising with empanelled/local advocates for legal support in such cases
- Support during internal enquiries initiated by HR or Vigilance

6. Statutory notices and regulatory responses

Responding to legal notices and queries from government and enforcement authorities including:

- Police, Courts, DRTs, Cyber Crime, CBI, ED, GST, EPFO, ESIC, Income Tax, Revenue Authorities, Arbitration Forums, Tehsildars, etc.
- Advisories related to freeze orders, title search reports, property documentation and mortgage loan compliance
- Handling Banking Ombudsman (BO) complaints and customer grievances arising out of service deficiencies

7. Litigation and advocate management

- Empanelment/Disempanelment of legal counsel
- Drafting, reviewing, and filing replies to legal notices, RTIs, and court proceedings
- Tracking and maintaining MIS of all legal cases including:
  - » Writ Petitions (High Court)
  - » Civil and Criminal Cases
  - » Consumer and Labour Disputes
  - » Pre-litigation and Recovery Matters
- Coordination with external counsel for drafting:
  - » Written Statements, Applications, and Submissions before DRT, CMM, DM, and other authorities

8. Legal audit and RBI compliance

Conducting legal audits in alignment with:

- Master Direction on Frauds – Classification and Reporting by commercial banks and select FIs (July 01, 2016)
- Master Direction on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions (July 15, 2024)

9. Corporate transactions and strategic actions

Legal support for all strategic and transactional matters, including:

- Drafting, vetting, and review of documents for reverse merger and corporate restructuring
- Support in regulatory filings with SEBI, RBI, NSE, BSE, NCLT, ROC
- Drafting and negotiation of Engagement Letters for Valuers, Merchant Bankers, Legal Advisors, Trustees, etc.
- Review of fundraising documentation:
  - » GID, KID, DTA, DTD – for issuance of Non-Convertible Debentures (NCDs)
- Vetting of Shareholders Agreements (SHA) and Share Subscription Agreements (SSA) for equity deals

10. Miscellaneous responsibilities

- Advising on title perfection and property due diligence
- Supervising legal research, analysing key judgments and regulatory updates
- Issuing advisories to prevent non-compliance or avoidable litigation
- Coordinating with internal departments on emerging legal trends impacting the Bank

In addition to the interaction with the regulators, the compliance department periodically apprises the Bank's management, Board of Directors, and Board Committees on the changes in the regulatory environment and the status of compliance thereof in the Bank. Necessary steps have been initiated towards cultivating and building a strong compliance culture within the Bank.

Audit and Internal Control Systems

The Bank's Internal Audit function plays a pivotal role in ensuring robust governance, risk management, and control processes. With a team of skilled professionals, the function provides assurance and advisory services that enhance the organization's overall operational efficiency & objective evaluation of the adequacy and effectiveness of internal controls, information security controls, risk management and processes on an ongoing basis to provide assurance that the policies, regulations, and internal standards defined for management of the various risks are operating effectively.

A key focus area for the function is leveraging technology to enhance audit efficiency and effectiveness. In this regard, IT/IS audits emerge as a prominent area of emphasis, enabling the function to assess the organization's technology infrastructure and identify potential vulnerabilities. Additionally, system-based offsite audits are being successfully implemented, allowing for more comprehensive and remote assessments. In congruence with the Reserve Bank of India's Guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust Internal Audit Policy and undertakes a comprehensive Risk Based Audit of operating units.

The audit function is strengthening its data analytics capabilities to conduct data-driven audits and review on a continuous basis, enabling trend analysis of the issues with agility, utilizing advanced tools and techniques to analyse large datasets and identify potential risks. Computer-Assisted Audit Techniques (CAATs) tools are being extensively used to scrutinize financial transactions, detect anomalies, and provide valuable insights in audit recommendations. Additionally, it performs end-to-end reviews of new product, processes & systems, ensuring the alignment with Bank's strategic objective & regulatory requirement.

The Internal audit practices are guided by the globally recognized standards and best practices outlined by The Institute of Internal Auditors (IIA). The department adopts the IIA's Quality Assurance and Improvement Program (QAIP) framework to ensure the quality and effectiveness of its internal audit activities. This commitment to quality and best practices enables the department to maintain its high standards and deliver effective support to the organization.

The Head – Internal Audit functionally reports to the Audit Committee Board (ACB), ensuring the Independence, and for administrative purpose, reports to the Managing Director & CEO. The Internal Audit Department works under the guidance of Audit Committee Board (ACB) and the ACB reviews the efficacy of the Internal Audit Department, the effectiveness of controls laid down by the Bank and compliance with internal and regulatory guidelines, thus ensuring the alignment with the Best Practices on corporate governance.

Vigilance Mechanism

The Bank's Vigilance and Security Department play a multi-dimensional role in the Bank. The department investigates all types of internal fraud cases such as corruption, cash misappropriation as well as external fraud cases such as cash snatching, theft, robbery, dacoity, untoward incidents and policy and procedural violation cases including whistle blower complaints.

All investigations are reported directly to the Bank's HR department for initiating suitable disciplinary action once upon categorising into 'vigilance' or 'non-vigilance' angle.

The Vigilance department imparts periodical training to the bank officials on vigilance awareness, surveillance, safety and security of the Bank's assets. The department also does surprise visits to branches to facilitate preventive vigilance.

The Bank's Vigilance Tele calling team contacts and receive feedback on its vigilance measures. The Bank also works closely with police department and other related government departments. Furthermore, Utkarsh SFBL issue timely reminders on vigilance and security awareness. In cases of security issues, the team files police reports and send to concerned business teams for filing criminal cases against the guilty.

Information Technology (IT)

In today's rapidly evolving technological landscape, meeting shifting customer expectations is paramount. Automation and digitization are key enablers in leveraging technology to address the unique needs and preferences of our customers, thereby driving business growth.

As part of our digital transformation journey, the Bank has launched several initiatives this year to provide seamless access to our services. These include the introduction of new secured credit card products, a personal loan platform, Aadhaar Enabled Payment Systems (AEPS), and multiple automation initiatives within our Micro Banking segment. These efforts aim to expand our product offerings while embedding robust operational controls into our systems. Additionally, we introduced WhatsApp Banking to enhance customer service accessibility.

We have also strengthened our technological capabilities through collaborations with multiple fintech partners to enhance our liability, asset, and card product portfolios. Our Know Your Customer (KYC) process has been fortified with the integration of Video KYC (VKYC), biometric verification, and facial authentication. Furthermore, we have upgraded existing products with features such as cardless cash withdrawals at ATMs, eMandates for NACH, and ASBA functionalities via Internet and Mobile Banking. Enhancements to our Digi Onboarding platforms have significantly improved customer acquisition turnaround times (TAT). We have also enriched various features in our existing business applications to improve product offerings and customer service, while reinforcing operational controls and efficiency.

In line with our unwavering commitment to innovation, we have re-architected and refreshed our systems to enhance scalability, reliability, and security. Strategic technology acquisitions and investments in automation tools, analytics, and machine learning have been made to boost operational efficiency and risk management. Key focus areas include API banking and middleware platforms, low-code/no-code development platforms, cloud infrastructure, and extended collaboration through Office 365. Several infrastructure-led initiatives have been implemented to revamp and upgrade platforms, thereby enhancing business-critical applications to support increased business volumes.

We have also completed a comprehensive blueprint for our Business Transformation project, which includes a detailed review of existing products, operational processes, and our current technology stack. This initiative is being led by a specialized team known as the Transformation Management Office (TMO), which oversees the Bank's transformation journey. The project is currently in the "Implementation" phase, during which various internal systems, processes, and applications are being modernized. As part of this effort, the Bank has embarked on a major Core Banking replacement project, transitioning to the Infosys Finacle Core Banking platform.

Human Resources and Training

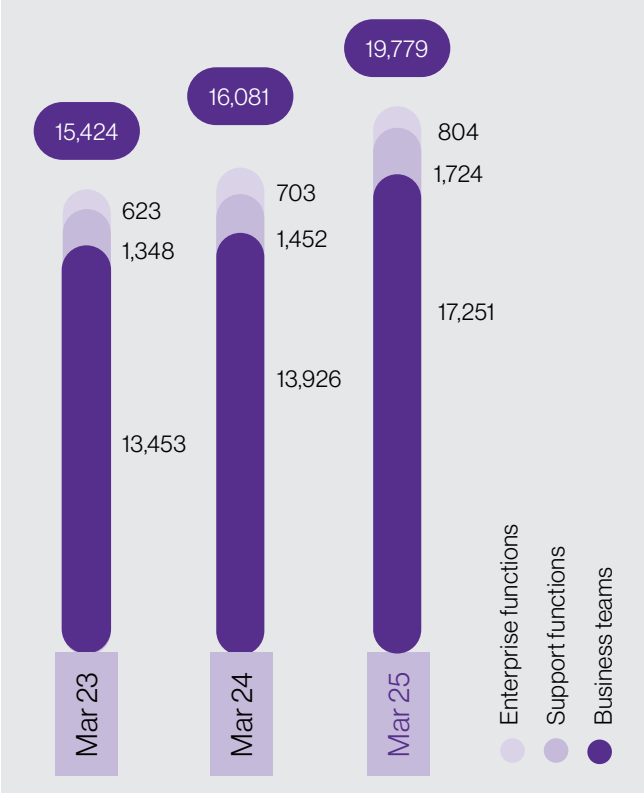
At Utkarsh, we place our employees at the heart of everything we do. Our human resources framework is designed to promote inclusive growth, transparency, and equity. With a structured HR setup spanning recruitment, operations, training, and employee engagement—supported by a zonal structure—we ensure last-mile connectivity. Our technology-driven HR services, including a mobile-enabled platform, support real-time access to key functions. As of March 31, 2025, our workforce grew to 19,779, reflecting our ongoing expansion and commitment to creating a collaborative, diverse, and growth-oriented workplace.

Learning and development remain central to our people strategy. Through programs like Utkarsh Aarambh, Utkarsh Pragati, Udaan, Saksham, and Manthan, we offer employees opportunities to build functional, leadership, and compliance skills. In FY 2024–25, over 28,700 new joiners attended induction, and more than 7,600 existing employees engaged in developmental programs. Initiatives like the Probationary Officer Program, JUMPP 2.0, and our partnership with IPB and Baddi University ensure we cultivate talent aligned with our mission.

To foster a culture of continuous learning and engagement, we rolled out initiatives such as 360-degree feedback, management development programs, and succession planning for key roles. We digitized many aspects of the employee lifecycle—from hiring to ID issuance—and onboarded apprentices under government schemes for future-ready talent. Our focus also included virtual training and leadership workshops aimed at improving performance across sales, liabilities, and assets.

We promote employee well-being through structured engagement activities, wellness initiatives, and recognition programs. From celebrating milestones like our 8th anniversary to awarding long-serving employees and recognising top performers, our aim is to motivate and retain talent. Our POSH policy, applicable to all employees and stakeholders, reinforces our zero-tolerance stance against harassment. These initiatives underscore our commitment to building a supportive, safe, and purpose-driven workplace.

Utkarsh SFBL's employee strength



Cautionary Statement

Statements included in this MD&A describing the Bank's priorities, forecasts, predictions, general market conditions, expectations, etc., can constitute 'forward-looking statements' within the scope of applicable legislation. Such factors and uncertainties include, but are not limited to, the Bank's ability to execute plans for development and expansion, variation between anticipated and actual non-performing advances, credit loss reserve, technological change, investment income and various risk profiles.

Basel Disclosures

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Basel III – Pillar 3 Disclosures as on March 31, 2025

Utkarsh Small Finance Bank Limited (hereafter referred as the "Bank" or "USFBL"), is a wholly owned subsidiary promoted by Utkarsh Core Invest Limited (formerly known as Utkarsh Micro Finance Limited) incorporated on April 30, 2016 under the provision of the Companies Act, 2013. The Bank is licensed by the Reserve Bank of India to operate as a Small Finance Bank under the Banking Regulation Act, 1949 on November 25, 2016. As per the Business Transfer Agreement, the entire balance sheet of Utkarsh Micro Finance Ltd. (now known as Utkarsh Core Invest Limited) was transferred to Utkarsh Small Finance Bank Limited as at the close of business on January 21, 2017. Subsequently, banking operations commenced on January 23, 2017, with the opening of five branches in Delhi, Patna, Nagpur, and Varanasi. The Bank has entered its 9th year of business operations. It was included in the second schedule of the RBI Act, 1934 vide notification dated November 16, 2017 and was accorded the status of a Scheduled Commercial Bank.

The Bank aims to provide affordable & accessible banking services which are process centric, technology enabled, and people oriented resulting in reliable, scalable and sustainable institution facilitating socioeconomic change. The purpose is to provide banking products to the unserved and underserved sections of the country, which includes small and marginal farmers, micro and small industries, and other organized sector entities, at an affordable cost.

USFBL has prepared this disclosure document in compliance with the directions of Reserve Bank of India (RBI) vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015. The document provides a review of key observations pertaining to the Bank's capital adequacy, credit quality, key business highlights and a review of its key risks as of March 31, 2025.

I. Disclosure Framework (DF) – 1: Scope of Application

The framework of disclosures applies to USFBL. The Bank does not have any subsidiary, nor does it have any interest in any insurance entity. All the information in this document is made as a standalone entity.

II. DF – 2: Capital Adequacy

1) Qualitative Disclosure:

a) The Bank is subject to the capital adequacy framework as per the "Operating Guidelines for Small Finance Bank" from Reserve Bank of India (RBI). As per capital adequacy framework, the Bank is required to maintain a minimum Capital to Risk Weighted Assets (CRAR) of 15% with minimum Tier I capital as 7.5%. As of now, capital conservation buffer and counter cyclical buffer are not applicable for Small Finance Banks (SFBs).

For the purpose of capital adequacy, only credit risk is covered since there is no separate capital charge prescribed for market risk and operational risk as per the direction of RBI. For computation of capital for credit risk of SFBs, RBI has prescribed Basel II Standardized Approach and has permitted the use of external rating-based risk weights for rated exposure and regulatory retail approach for small retail loans.

- Credit Risk (Standardized Approach)
- Market Risk (Standardized Approach)
- Operational Risk (Basic Indicator Approach)

For better assessment of the capital, the Bank is having Internal Capital Adequacy Assessment Process (ICAAP) with Simplified Approach, considering its nature, scope, geographic spread, complexity, and quantum of operations. Our risk management practices are in line with the required degree of supervision for a Small Finance Bank.

The Bank's ICAAP focuses to ensure that the Bank has sufficient capital to support all the risks inherent to its business and an adequate capital buffer based on the business profile to cover future unforeseen risks upto a certain degree. The change in the level of credit risk, market risk and interest rate risk along with the changes in on- balance sheet and off- balance sheet exposures are assessed under different stress scenarios by the Bank to have better assessment of the capital requirement.

2) Quantitative Disclosure

Capital required for Credit Risk given below is arrived at after multiplying the risk-weighted assets by 15%.

(₹ in Crores)

Sl. No.	Particulars	Amount as on 31st March 2025
(b)	Capital Requirement for Credit Risk:	
	Portfolios subject to Standardized Approach	2,328.89
	Securitization exposures	-
(c)	Capital Requirement for Market Risk:	
	Standardised duration approach	
	i) Interest Rate Risk	-
	ii) Foreign exchange Risk (including Gold)	-
	iii) Equity Risk	-
(d)	Capital Requirement for Operational Risk:	
	Basic Indicator Approach	-
(e)	Total Capital Requirement (b+c+d)	2,328.89
(f)	Total Risk Weighted Assets	15,525.96
(g)	Total Capital Fund	3,249.37
(h)	Capital Adequacy Ratio	
	Common Equity Tier-1	17.88%
	Tier-1	17.88%
	Tier-2	3.05%
(i)	Total CRAR	20.93%

3) Risk Exposure and Assessment

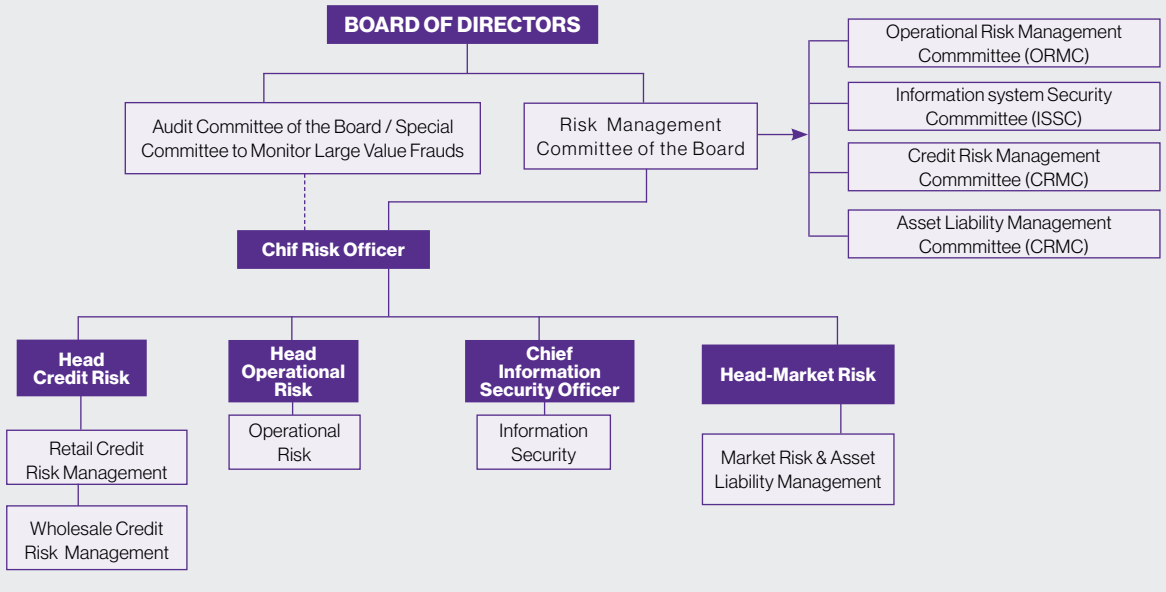
The Bank is exposed to certain broad risks, which are being monitored and mitigated on an ongoing basis. Credit Risk, Operational Risk, Information Security and Market & Liquidity Risk are the Risks that are being monitored based on Board Approved policies of the Bank. These are reviewed at annual intervals or based on certain key ad hoc changes in between the annual frequency.

4) Risk Governance Model

The Bank has developed a system to manage & control various risks across the Business Verticals. Under this model, Business Verticals are made aware of the level of Risk to be taken, management of these Risks and taking Bankable risks. Risk Department of the Bank has a well-defined policy framework, which makes the analysis impactful for monitoring, and the reporting standardized. Internal Audit team also provides an impartial assessment of the process followed by all departments including Risk department under the Risk Control Self-Assessment exercise.

5) Risk Governance Framework

The Bank has a well-defined and approved reporting structure of Risk related agenda items to the Bank' Board. The structure is as under: -



6) Governance Committees

The Role and Responsibilities w.r.t Risk Management Framework of the Bank of various committees & board are as under: -

i. **Board of Directors-** the Board of Directors ("the Board") is the ultimate authority in the Bank to lay down the policies. The Board can however form committees to oversee the risk management processes, procedures and systems in the Bank.

ii. **Risk Management Committee of Board (RMC)-** The Risk Management Committee of the Board will be a Board level sub-committee including MD & CEO. The primary role of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to Risk Management. The Role of RMC is enlisted as under:

- Overseeing Credit Risk Management and obtaining assurance that the principal credit risks facing the Bank have been identified and are being appropriately managed.
- Approving and periodic review of the Bank's overall risk appetite and setting limits for individual risks such as credit, market, operational and liquidity, before submission to the Board.
- Approving credit risk management and measurement policies and guidelines before submission to the Board
- Determining prudential limits for individual, group, portfolio, or other exposures of the Bank, within the ceilings fixed by RBI and the Board
- Monitoring the Bank's risk profile, including risk trends and concentrations, loan impairment experience and key performance indicators for risk
- Approval of new Credit Risk Assessment (CRA) system and classification as acceptable and unacceptable category and periodic changes needed to such classification.
- Assessing effectiveness and performance of rating system validation and approving the results before model is used or a part of model validation exercise.
- Reviewing industry/sector/portfolio view of the Bank
- Approving product-pricing strategy for advances
- Ensuring balance sheet and capital adequacy management with due regard to various risks impacting the balance sheet
- Reviewing and approving the Internal Capital Adequacy Assessment Process (ICAAP) document at least on a yearly basis
- Deciding appropriate MIS system and framework for risk management.
- Approve credit risk limits at the Bank level for various portfolios such as industry, product, geography, risk types etc., which include approval of material changes to credit risk limits.
- Discuss the findings of the Audit Committee of the Board (ACB) and issue directions for corrective actions.
- Approve results of credit risk stress tests
- Identification, evaluation, and mitigation of all risks applicable to the Bank, including operational risk.
- Approving the Operational Risk policies and proposed framework modifications and recommending it to the Board
- Overseeing the activities, annual review, and independent reviews of the ORMC
- Ensuring coverage of Internal Audit oversight over implementation
- Ensure that adequate policies are in place to manage and mitigate Market Risk
- Evaluate the adequacy of the Bank's Market Risk management systems with management, internal and external auditors, and ensure adherence to Regulatory guidelines.

iii. **Audit Committee of the Board-** Audit shall provide an independent assurance to the Board through Audit Committee on the effectiveness of implementation of risk management framework, including the overall adequacy of the internal control system and the risk control function and compliance with internal policies and procedures. Responsibilities of the Internal Audit Department include:

- Annual review of the processes and controls related to rating system design and operations.
- Review on an annual basis that validation processes are implemented as designed, validations are conducted in a timely and effective manner, model inventory and documentation standards are accurate and complete.
- Review the Bank's compliance with RBI guidelines and established risk related policies and procedures.
- Review of individual loan accounts on a sample basis based on the defined sampling process.

- Review the adequacy of the IT infrastructure and data maintenance. For portfolios where statistical models are being used, conduct tests to check data input processes.
- Provide notice to RMC through the Audit Committee of the Board of any material deviations from established policies which may impact Bank's rating system or processes; and verify that details with respect to collateral and credit risk mitigants have been captured in the Bank's systems.

iv. Credit Risk Management Committee (CRMC)

Specific responsibilities of the Credit Risk Management Committee are to:

- Ensure implementation of credit risk management policy and strategy approved by the Board.
- Monitor quality of loan portfolio at periodical intervals, identifying problem areas and issuing directions for rectifying deficiencies.
- Monitor credit risk on a bank wide region wise basis and ensure compliance with the approved risk parameters/ prudential limits and monitor risk concentrations.
- Report any credit risk issues brought to its notice to the Risk Management Committee / Board
- Incorporate regulatory compliance in Bank's policies and guidelines regarding credit risk.
- Review and approve the use of internal risk rating for eligible accounts for business and risk management purposes and placing before RMC.
- Review all rating validation results to assess efficacy and effectiveness of model performance and placing recommendations before RMC.
- Review and approve the credit risk stress testing scenarios, results, and analysis.

v. Operation Risk Management Committee (ORMC)

Specific responsibilities of the Operation Risk Management Committee are to:

- The ORMC should meet at least quarterly to discuss the performance of the ORMF, areas needing improvement and the status of efforts to improve previously identified deficiencies.
- ORMC should inform the RMC of issues and changes or deviations from established policies, which will significantly impact the operations of the ORMF, including the operational risk profile and capital allocated to operational risk on a regular and timely basis.
- Evaluating the Operational Loss and Near Miss reports submitted by the business units of the Bank and deliberating on the same.
- Performs periodic review of the ORMF.
- Ensures appropriate action is taken for operational risk exposures exceeding appetite.
- ORMC should ensure the ongoing relevance and effectiveness of the ORM framework, the ORMS.

vi. Asset Liability Management Committee (ALCO)

Specific responsibilities of the Asset Liability Management Committee are to:

- Evaluate internal processes for identifying, assessing, monitoring, and managing Market Risk
- Design and implement the bank's market risk management system.
- Review Market risk policy and procedures on a periodic basis and report to the Risk Management Committee for approval
- Monitor adherence to limits prescribed in the market risk policy and report any modifications required in the existing limits to the Risk Management Committee for approval.
- Ratification of exceptions to Market Risk Limits.
- Approve the Hedging Strategy, whenever the bank takes an open position.
- Regularly the investment portfolio

III. DF – 3: Credit Risk: General Disclosures

1) Qualitative Disclosure:

Credit Risk is defined as the possibility of losses due to outright default due to the inability or unwillingness of a customer or counterparties to meet commitments in relation to lending, trading, settlement, and other financial transactions. In addition, reduction in portfolio value arising from actual or perceived deterioration in credit quality of borrowers or counterparties. Credit risk emanates from a bank's dealings with an Individual, Non-Corporate, Corporate, Bank, Financial Institutions, or a Sovereign. Past Due contracts are those which have failed to make the scheduled payment on the given due date. Impaired accounts are those which have not paid three consecutive EMIs or are irregular for a period of more than 90 days or in a running account facility, three months interest is not serviced consecutively.

A non-performing asset (NPA) is a loan or an advance which falls under any of the following category:

- Interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan.

- The account remains 'out of order', in respect of an Overdraft/Cash Credit (OD/CC)
- The bill / cheques purchased remains overdue for a period of more than 90 days in the case of bills/ cheques purchased and discounted.
- The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.
- The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the directions issued by RBI.
- In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- In case of interest payments, banks shall, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

The Credit Risk Management Department (CRMD) shall present progress reports to the CRMC/ Board on implementation of Credit Risk Management guidelines of the Bank and reports those that are required to be submitted to the regulator at the stipulated intervals. The CRMD shall be responsible for identification, assessment, quantification, and aggregation of credit risks embedded in business operations of the Bank and shall be responsible for formulation, evaluation, and improvement of risk management/control/mitigation tools in the Bank.

The broad functions of the Credit Risk Management Department would be as follows:

- Measure, control and manage credit risk on a Bank-wide/ Zone-wise/ Product wise basis within the limits set by the Board / CRMC.
- Monitor quality of loan portfolio, identify problems and correct deficiencies.
- Undertake portfolio evaluations and comprehensive studies on the environment to test the resilience of the loan portfolio to protect the quality of loan portfolio.
- Compute and analyze the RWA and credit risk capital computation results and apprise the same to CRMC.
- Enforce compliance with the risk parameters and prudential limits set by the Board / RMC / CRMC.
- Review and document changes to the credit scoring process and criteria, including rationale for their changes. Reviewing the scoring criteria to ensure that they remain predictive of risk.
- CRMD shall be responsible for collection of data required for model development and credit risk capital calculation.
- Lay down risk assessment processes; develop MIS for reporting to senior management.
- Documenting changes to the rating process, criteria or individual rating parameters and retained for RBI to review.
- Undertake Stress testing of portfolios and provide inputs for ICAAP.

2) Quantitative Disclosure:

a) Total Gross Credit Risk Exposure by Facility:

(₹ in Cr)

Facility Type	Credit Exposure
Fund Based	15,525.96
Non-Fund Based	0.00
Total	**15,525.96**

b) Total Gross Credit Risk Exposure by Geography:

(₹ in Cr)

Category	Fund Based	Non-Fund Based	Total Credit Exposure
Domestic	15,525.96	0.00	15,525.96
Overseas	0.00	0.00	0.00
Total	**15,525.96**	**0.00**	**15,525.96**

c) Industry wise Distribution of Gross Advances:

(₹ in Cr)

Category	Fund Based	Non-Fund Based	Total Credit Exposure
Agriculture and Allied Activities	6,299.29	-	6,299.29
Micro and Small	1,238.38	-	1,238.38
Professional Services	4.50	-	4.50
Wholesale Trade (other than Food Procurement)	140.76	-	140.76
Retail Trade	1,839.21	0.17	1,839.38
NBFCs	1,337.27	-	1,337.27
Banking & Finance other than NBFCs and DFIs	0	-	-
Other Services	2,069.43	30.66	2,100.09
Housing Loans (incl. priority sector Housing)	934.41	-	934.41
Consumer Durables	0.11	-	0.11
Credit Card Receivable	12.69	-	12.69
Vehicle/Auto Loans	111.67	-	111.67
Education Loans	2.90	-	2.90
Advances against Fixed Deposits (incl. FCNR(B), etc.)	301.50	-	301.50
Other Retail Loans	5,373.47	-	5,373.47
Other Non- Food Credit			-
Total	**19,665.59**	**30.83**	**19,696.42**

d) Residual Contractual Maturity Breakdown of Assets:

(₹ in lakhs)

Time Buckets	Amount as on 31st Mar 2025						
	Cash and Balances with RBI	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Total
1 day	8,906.48	4,196.44	2,32,325.13	21,651.85	-	9,779.19	2,76,859.09
2 to 7 days	-	17,558.90	99,681.51	16,610.69	-	1,170.40	1,35,021.50
8 to 14 days	-	-	3,383.99	15,001.92	-	175.81	18,561.72
15 to 30 Days	4,896.67	5.02	12,200.00	37,861.57	-	19,583.12	74,546.38
31 Days to 2 months	1,201.20	0.84	14,257.46	71,364.18	-	743.00	87,566.68
Over 2 months to 3 months	1,363.32	0.25	7,748.63	68,237.10	-	914.96	78,264.26
Over 3 months to 6 months	5,370.19	-	61,234.07	2,06,445.72	-	2,010.82	2,75,060.80
Over 6 months to 1 year	14,958.48	5,045.76	85,018.62	3,47,711.83	-	9,727.34	4,62,462.03
Over 1 year to 3 years	33,087.93	548.90	1,88,059.94	5,12,137.07	-	15,277.41	7,49,111.25
Over 3 years to 5 years	4,683.10	-	26,617.07	2,07,067.44	-	610.84	2,38,978.45
Over 5 years	960.82	-	6,139.88	3,67,558.21	38,692.07	2,960.53	4,16,311.51
Total	**75,428.19**	**27,356.11**	**7,36,666.30**	**18,71,647.58**	**38,692.07**	**62,953.42**	**28,12,743.67**

e) Position of Non-Performing Assets (NPA):

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Gross Advances	**19,665.59**
Net Advances	**18,716.48**
Gross NPA	**1,854.38**
Sub-standard	1,788.49
Doubtful 1	31.97
Doubtful 2	33.92
Doubtful 3	0.00
Loss	0.00
NPA Provision	**949.11**
Floating Provision	**0.00**
Net NPA	**905.27**
NPA Ratios:	
Gross NPA to Gross Advances (%)	9.43%
Net NPA to Net Advances (%)	4.84%

f) Movement of Non-Performing Assets (NPA Gross):

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Opening Balances (As on 1st Apr 2024)	**417.58**
Additions	2,108.16
Write Offs / ARC Portfolio	470.30
Reductions	201.06
Closing Balances	**1,854.38**

g) Movement of Specific & General NPA Provisions:

(₹ in Cr)

Particulars	Amount as on 31st March 2025	
	Specific Provisions	General Provisions
Opening Balances (As on 1st Apr 2024)	**264.47**	**79.89**
Add: Provisions made during the period	1,229.78	-
Less: Write offs	470.30	-
Less: Write Back of excess provision	74.84	13.66
Closing Balances	**949.11**	**66.23**

Specific Provisions represents provisions for NPAs.

General Provisions represents provisions excluding NPAs.

h) Position of Non-Performing Investments (NPI) as on Mar 31, 2025:

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Amount of Non-Performing Investments (NPI)	0.00
Amount of Provisions held for NPI	0.00

i) Movement of provisions for depreciation on investments:

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Opening Balance (As on 1st Apr 2024)	**0.00**
Add: Provisions made during the period	36.11
Less: Write offs	0.00
Less: Write Back of excess provision	0.00
Closing Balance	**36.11**

IV. DF – 4: Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

1) Qualitative Disclosure:

In line with RBI guidelines, Bank has employed standardized approach under Basel III capital regulations for computing risk-weighted assets of its credit portfolio.

As per regulations, the Bank is using long-term instrument ratings and / or bank facility ratings issued by the specified accredited External Credit Rating Agencies (ECRA) and published in public domain to assign credit risk weights to its counterparties.

ECRAs acceptable by Bank as per RBI guidelines are: - CRISIL, ICRA, CARE, India Ratings (FITCH India), Brickwork Ratings, SMERA and INFOMERICS Valuation and Rating Pvt. Ltd. (INFOMERICS).

2) Quantitative Disclosures:

The Bank has used the Standardized Approach under the RBI's Basel capital regulations for its credit portfolio.

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Below 100% Risk Weight	11,038.72
100% Risk Weight	3,054.19
More than 100% Risk Weight	1,433.05
Deducted	0.00
Closing Balance	**15,525.96**

Both Fund & Non-Fund Based Exposure

V. DF – 5: Credit Risk Mitigation: Disclosures for Standardized Approach

1) Qualitative Disclosure:

Borrower's financial strength and debt-servicing capacity shall be the primary consideration while granting credits and bank shall not rely, solely on collateral or guarantees as the primary source of repayment or as a substitute for evaluating the borrower's creditworthiness. Nevertheless, collateral and guarantees, if properly taken and managed, serve a few important functions in credit risk management. These include:

- to mitigate credit risk by providing the bank with a secondary source of repayment if the borrower defaults on a credit facility.
- to gain control of the collateral which is the primary source of repayment of a facility in default.
- to provide early warning of a borrower's deteriorating repayment ability (particularly for credit facilities such as margin financing where top-up of collateral may be required from time to time); and
- to enable bank to provide lower capital to credits which are secured by eligible collateral or guarantees.

Assets or rights provided to the Bank by the counterparty or a third party to secure a credit facility. The Bank must have a priority claim on the sale proceeds of collateralized assets or rights in the case of default of the counterparty or in case of occurrence of other credit events specified in the related facility documents collateral includes both primary and secondary securities provided to the Bank.

Primary security: Primary security is the asset created out of the credit facility extended to the borrower and / or which are directly associated with the business / project of the borrower for which the credit facility has been extended.

Secondary security: Secondary security is any other security offered for the said credit facility. For example, mortgage of House, land, Fixed deposits, Gold etc.

Depending on the deal structure and overall assessment of borrower, the personal guarantee of promoter directors / partners / proprietor / property owners, etc. is taken in Wholesale Banking vertical on a case - to - case basis.

The credit documentation empowers the bank to apply the collateral freely to discharge the borrower's obligations in so far as they are not discharged by the borrower in accordance with the loan agreement (e.g., due to breach of repayment terms, liquidation, or bankruptcy of the borrower). The bank verifies the existence and ownership of the assets being pledged before acceptance and ensures that there is no prior claim, or claim of equal ranking, by another party on the collateral. The bank secures its control of the collateral prior to the drawdown of credit facilities e.g., it obtains customers' authorization to transfer the legal title to the pledged shares to the bank etc. Where there is a need for the collateral to be held by a third party, the bank obtains that party's written confirmation that it has no claim over the collateral. Charges on collateral are registered promptly with the relevant authorities under applicable law (e.g., registrar of companies – ROC, CERSAI), where appropriate.

Valuations are based on the current market value of the collateral and are not biased to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision, or continue interest accrual for a problem credit. The bank ensures that the valuation method used, whether internal or external, is based on assumptions that are both reasonable and prudent and all assumptions should be clearly documented.

Collateral are being revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g., frequency for shares and properties as collateral would be different. Staff conducting internal valuations, carrying out site visits to collateralized properties or deciding on the use of external valuers etc. shall be independent of the marketing or credit granting & approval function. The bank monitors general trends in markets (e.g., property price and stock indices) for the major types of collateral taken. It conducts stress tests & scenario analysis on their portfolio of collateral to assess the impact under unusual market conditions (e.g., a significant decline in property or stock prices).

Authority and responsibility are clearly delegated to relevant individuals and departments for approving the acceptance, monitoring or safe custody of collaterals and guarantees. The bank ensures safe custody, easy retrieval, control over movement, control over access, of collateral & guarantees depending upon their nature & types e.g., use of fireproof vault etc. Collaterals & guarantees are being handled as per the bank's internal procedures.

Bank periodically verify the availability of collateral though inspection and audit. Prior to the release of collateral or guarantees, bank shall ensure that:

- all conditions for release stipulated in the relevant loan agreements have been fully complied with; and
- the release has been duly authorized.

All the collateral acquired by the bank during the satisfaction of debts due to it will be disposed of at the earliest suitable opportunity. Disposal of collateral will be at arm's length and through a transparent process (such as a public auction or independent estate agents for foreclosed properties etc.) to avoid complaints / disputes by the original owner. The bank will ensure that the disposal of collateral complies with relevant laws and regulations and where appropriate, legal advice should be sought.

Management information on collateral has been produced periodically to facilitate review by the senior management. The information required will depend on the nature and value of collateral taken by the bank. Following information can be included (inclusive):

- Breakdown of credit exposure by type of collateral
- Borrowings exceeding maximum loan to- value ratio.
- Total current market value of assets foreclosed during satisfaction of debts.
- Comparison of latest assessed market value with actual proceeds of collateral sold.
- Current market value of collateral related to each classified credit.

Risk concentrations are the single most important cause of major problems in banks and may take many forms including exposures to types of assets, individual counterparties, groups of related counterparties and counterparties in specific geographical locations, economic or industry sectors,

The following exposures shall be included while monitoring geographical concentration of exposures:

- Sanction limit or outstanding limit
- Sanction limit but not disbursed; and
- Agreement in principle

Geographical concentration risk has been monitored by the RMD based on region / zone in which the loan is booked. Bank endeavors to gradually reduce the geographical concentration to ensure that any unfavorable event in any region is not significantly affecting the bank's portfolio. The concentration of the top two states shall not exceed 50% of the total portfolio. Concentration of any other state shall not exceed 15% of the portfolio. Similarly, portfolio concentration for JLG in single district shall not exceed 4% of the portfolio. If certain level of concentration is unavoidable due to the

Bank's trade area, geographic location, lack of access to diverse borrowers, Bank's own expertise in a particular industry or economic sector, in such cases, the Bank shall monitor the performance of such portfolio very closely to take appropriate steps in case of any red flags.

The Bank complies with the statutory exposure limits set by RBI for individual counterparties, group of counterparties, geography / region, industry / sector etc. The Bank has established internal exposure limits that may be more conservative than the statutory limits stipulated by RBI, commensurate with capital base and balance sheet size. Appropriate justification shall be recorded for enhancement of such limits. The Bank shall carry out analysis of the credit portfolio, including estimates of its trends and use results in setting internal limits. Aggregate exposure in NBFC should not be more than 10% of the credit exposure of the Bank as per the last quarter balance sheet. Factors like the perceived risk of a certain sector or region, the nature of the product, maturity/tenor, and purpose of credit and sources of payment may also be considered while fixing internal exposure limits.

2) Quantitative Disclosures:

Exposure covered by Credit Mitigants

(₹ in Cr)

Particulars	Amount as on 31st March 2025
Total exposure covered by eligible financial collateral	8,401.87
Total exposure covered by guarantees	29.08

GECL to be included under sovereign guarantee.

VI. DF – 6: Securitisation Exposures: Disclosure for Standardized Approach

As on Mar 31, 2025, the Bank does not have any Securitization Exposures.

VII. DF – 7: Market Risk in Trading Book:

1) Qualitative disclosures:

Market Risk may be defined as the possibility of loss to a bank caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The market risk for the Bank is governed by 'Market Risk Management Policy' and 'Treasury & Investment Policy', which are approved by the Board. These policies ensure that transactions in debt and capital markets are conducted in accordance with acceptable business practices and are as per the extant regulatory guidelines.

a) Structure and Organization

The organizational structure for Market Risk Management is as follows:

- Board of Directors
- Risk Management Committee of Board (RMCB)
- Asset Liability Management Committee (ALCO)
- Chief Risk Officer (CRO)
- Head - Market Risk Department
- Market Risk Management Unit

The Market Risk Management unit is independent of the dealing and settlement functions and reports directly to the Chief Risk Officer.

b) Strategies and Processes

Risk identification entails ensuring all instruments that result in Market Risk both on-balance sheet and off- balance sheet of the Bank is identified and monitored centrally. To achieve this objective, all new instruments/ products in which the Bank engages should be assessed. The Asset Liability Management Committee (ALCO) reviews all new instruments to evaluate whether they result in market risk. Modifications to existing instruments are reported to the ALCO to enable such evaluation.

The Market Risk Division of the Risk Management Department is responsible for the design and implementation of the Bank's market risk management/ALM system. The Division is independent from business and trading units, and provides an independent risk assessment, which is critical to the ALCO's key function of controlling and managing market risks in accordance with the mandate established by the Board and Risk Management Committee. Mid Office of the Bank's Treasury function is attached to the Market Risk Division of Risk Management Department. Mid Office prepares and analyses daily reports on various activities of the Bank's Treasury. The Mid Office, which is responsible for the critical functions of independent market risk monitoring, measurement and analysis, reports to the Bank's Chief Risk Officer through the Head of Market Risk Division.

c) Market Risk Measurement

Adverse movements in interest rates can affect both interest earnings and the fair or economic value of the financial instruments. The very nature of the financial intermediation business makes the Bank susceptible to interest rate risk and unmanaged risk could potentially pose a significant threat to the Bank's earnings and capital. Interest rate risk results from both the trading book and banking book. The impact of interest rate risk on trading book is actively measured using trading book risk metrics like PV01, duration, etc. For the banking book, interest rate risk

arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items.

For SFBs, Reserve Bank of India has not prescribed capital charge for market risk. Since the market risk framework also covers specific risk charge, therefore, to assess the credit risk in the trading book, an external rating-based approach is used, and risk weighted assets so computed are included under credit risk.

2) Quantitative disclosures:

(₹ in Cr)

Capital Requirement	
Particulars	**Amount as on 31st March 2025**
Risk Weighted Assets for Market Risk:	
Standardized Duration Approach	0.00
Interest Rate Risk	0.00
Equity Position Risk	0.00
Foreign Exchange Risk	0.00

VIII. DF – 8: Operational Risk –

1) Qualitative disclosures:

Operational Risk is defined as the risk of losses resulting from inadequate or failed internal processes, people, and systems or from external events, which includes but is not limited to legal risk. It is inherent in all activities arising out of a bank's business and operations and could result in financial losses, litigation, regulatory fines, or other damage to the bank. The severity of impact on the bank, its employees and customers are dependent on the efficacy with which operational risk is managed by the bank. The goal is to keep operational risk at appropriate levels, considering the bank's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment in which it operates.

a. Structure and Organization

The operational risk management governance structure is as follows:

- Board of Directors
- Risk Management Committee of Board (RMCB)
- Operational Risk Management Committee (ORMC)
- Chief Risk Officer (CRO)
- Head - Operational Risk Department
- Operational Risk Unit

Additionally, with a view to ensuring sound practices in respect of governance of the overall Operational Risk, the Bank has outlined policies and processes in respect of Information Security, Business Continuity Planning, Disaster Recovery, Fraud Risk Management Control and Customer Services.

b. Strategies and Processes

The business units and supporting operational functions are accountable for operational risks and controls in their respective areas, which they manage as per the policies, standards, processes, procedures; and operational risk management framework laid down by the independent operation risk management (ORM) function.

ORM along with product and process managers facilitates the business and operation groups for carrying out risk and control self-assessments on a periodic basis. All the new products and processes including modifications thereof are reviewed by the control groups such as risk, compliance, legal and audit.

Bank has an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement.

The Bank also has a Whistle blower policy, which is open to employees and vendors for raising their concerns, with full confidentiality, on any fraud, malpractice or any other untoward activity or event. The Bank has a separate Risk Containment Unit (RCU) to pre-empt and weed out undesirable prospective customers at the on-boarding stage itself. The Bank also has Fraud Risk Management Unit to detect and prevent frauds as also address fraud risk related issues and conduct investigations wherever frauds have been detected or potential frauds are flagged.

There is an independent information security group, which addresses information and cyber security related risks. The function is governed by a Board approved policies on information security and cyber security. The Bank carries out periodical awareness exercise to ensure that employees are updated on information security practices. The information security function is driven by both technology and process driven controls.

Disaster recovery and Business Continuity Plan (BCP) has also been established by the Bank for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are periodically tested and reviewed to ensure their effectiveness.

IX. DF – 9: Interest Rate Risk in the Banking Book (IRRBB)

1) Qualitative Disclosure

Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on bank's earnings through changes in its Net Interest Income (NII). A long-term impact of changes in interest rates is on bank's Market Value of Equity (MVE) or Net worth through changes in the economic value of its, liabilities and off-balance sheet positions. The interest rate risk, when viewed from these two perspectives, is known as 'earnings perspective' and 'economic value' perspective, respectively.

The interest rate risk is measured and monitored through two approaches:

Earning at Risk (EAR): Earnings perspective involves analysing the impact of changes in interest rates on accrual or reported earnings in the near term. This is measured using TGA whose focus is to measure the level of a bank's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over the horizon of analysis which is usually one year. It involves bucketing of all RSA and RSL and off - balance sheet items as per residual maturity/ re-pricing date in various time bands and compute Earnings at Risk (EaR) i.e. loss of income under different interest rate scenarios over a time horizon of one year.

Market Value of Equity (MVE): This approach analyses the dynamic behaviour of economic value of equity with response to varying interest rate scenarios. Broadly, the MVE is defined as the difference between the market value of assets and market value of liability in response to a change in the interest rate. The linkage between the two is established via modified duration of rate sensitive assets and liabilities.

The Duration Gap Analysis (DGA) would involve bucketing of all on- and off- balance sheet Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) as per their residual maturity / re-pricing dates in various time bands and computing the Modified Duration Gap (MDG). MDG would be used to evaluate the impact on the Market Value of Equity (MVE) of the bank under different interest rate scenarios.

Modified Duration of an asset or liability measures the approximate percentage change in its value for a 100 basis point change in the rate of interest.

2) Quantitative disclosure:

Earning at Risk (EAR): (₹ in Cr)

Change in interest rate	Amount as on 31st March 2025
EaR @ 100 bps	2.75%
EaR @ 200 bps	5.51%
EaR @ 300 bps	8.26%

Market Value of Equity (MVE)

	Amount as on 31st March 2025
% Change in MVE when there is 100 bps change in interest rates	**4.59%**
% Change in MVE when there is 200 bps change in interest rates	9.18%
% Change in MVE when there is 300 bps change in interest rates	**13.76%**

X. DF – 10: General Disclosure for Exposure Related to Counterparty Credit Risk

As on Mar 31, 2025, the Bank does not have any Counterparty Credit Risk and Derivative exposure.

XI. DF – 11: Composition of Capital

(₹ in Cr)

Particulars		Amount
	Common Equity Tier 1 Capital: Instruments and Reserves	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	1,662.54
2	Retained earnings	879.24
3	Accumulated other comprehensive income (and other reserves)	407.27
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	**Common Equity Tier 1 capital before regulatory adjustments**	**2,949.05**

(₹ in Cr)

	Particulars	Amount
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Intangibles including deferred revenue expenditures (net of related tax liability)	55.87
10	Deferred tax assets	117.34
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitization gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-
17	Reciprocal crossholdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financial entities	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments (26a+26b+26c+26d)	-
26 a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-
26 b	Of which: Investment in the equity capital of unconsolidated nonfinancial subsidiaries	-
26 c	Of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	-
26 d	Of which: Unamortized pension funds expenditures	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
28	**Total regulatory adjustments to Common equity Tier 1**	**173.21**
29	**Common Equity Tier 1 Capital (CET 1)**	**2,775.84**
	Additional Tier 1 Capital: instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) [31+32]	-
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	**Additional Tier 1 capital before regulatory adjustments**	**0.00**
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	-
38	Reciprocal crossholdings in Additional Tier 1 instruments	-

(₹ in Cr)

	Particulars	Amount
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions ,where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
41	National specific regulatory adjustments (41a + 41b)	-
41 a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-
41 b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**
44	**Additional Tier 1 capital (AT1)**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)**	**2,775.84**
	Tier 2 capital: instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	Directly issued capital instruments subject to phase out from Tier 2	383.00
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions (including Investment Reserve Account and Revaluation Reserve) (1.25% of Credit risk RWA)	90.53
51	**Tier 2 capital before regulatory adjustments**	**473.53**
	Tier 2 capital: regulatory adjustments	
52	Investments in own Tier 2 instruments	-
53	Reciprocal crossholdings in Tier 2 instruments	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	-
56 a	Of which: Investments in the Tier II capital of unconsolidated subsidiaries	-
56 b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	-
57	**Total regulatory adjustments to Tier 2 capital**	**0.00**
58	**Tier 2 capital (T2)**	**473.53**
59	**Total capital (TC = T1 + T2) (row 45+row 58)**	**3,249.37**
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	**15,525.96**
60 a	**of which: total credit risk weighted assets**	**15,525.96**
60 b	**of which: total market risk weighted assets**	**0.00**
60 c	**of which: total operational risk weighted assets**	**0.00**
	Capital Ratios	
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**17.88%**
62	**Tier 1 (as a percentage of risk weighted assets)**	**17.88%**
62 a	**Tier 2 (as a percentage of risk weighted assets**	**3.05%**
63	**Total capital (as a percentage of risk weighted assets)**	**20.93%**
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)**	**-**

(₹ in Cr)

	Particulars	Amount
65	**of which: capital conservation buffer requirement**	**-**
66	**of which: Bank specific countercyclical buffer requirement**	**-**
67	**of which: G-SIB buffer requirement**	**-**
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	**-**
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-
70	National Tier 1 minimum ratio (if different from Basel III minimum)	-
71	National total capital minimum ratio (if different from Basel III minimum)	-
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability	-
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-
77	Cap on inclusion of provisions in Tier 2 under standardized approach	-
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017, and March 31, 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Notes to Template

Row No. of the Template	Particular	₹ in crores
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	117.34
	Total as indicated in row 10	117.34
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26 b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44 a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions and reserves included in Tier 2 capital (1.25% of Credit risk RWA) Min (D1+D1a+ D2a,60a*1.25%)	90.53
	Total of row 50	**90.53**

XII. DF – 12: Composition of Capital – Reconciliation Requirements

₹ In Crores

	Step 1 & 2	
S. No.	**Particulars**	**Balance Sheet as in financial statements (As on reporting date)**
A	**Capital & Liabilities**	
I	**Paid-up Capital**	**1,101.61**
	Reserves & Surplus	**1,872.89**
	of which:	
	Statutory Reserve	346.14
	Capital Reserve	15.70
	Revenue & Other Reserves	0.00
	Share Premium	560.93
	Investment Fluctuation Reserve	25.45
	Investment Reserve	0.00
	Additional Reserve	0.00
	General Reserve	1.72
	Balance in Profit & Loss Account	879.24
	of which: Balance in Profit & Loss Account as per last financial Year	936.70
	of which Proposed dividend reduced from CET1	0.00
	of which current year profit not reckoned for Capital adequacy purpose	0.00
	Foreign Currency Translation Reserves	0.00
	Other Reserves	43.71
	Minority Interest	0.00
	Share application money pending allotment	0.00
	Total Capital	2,974.50
II	**Deposits**	**21,565.70**
	of which: Deposits from Banks	4,865.16
	of which: Customer deposits	16,700.54
	of which: Other deposits (pl. specify)	0.00
III	**Borrowings**	**2,354.77**
	of which: From RBI	-
	of which: From Banks	-
	of which: From other institutions & agencies	1,839.77
	of which: Capital instruments	-
	of which: Subordinated Innovative Perpetual Debt Instruments	-
	of which: Subordinated Debt – Upper Tier II Capital	515.00
	of which: Subordinated Debt – Tier II Capital	-
	of which: Subordinated Debt – Tier II Basel III Capital	-
	of which: Subordinated Innovative Perpetual Debt Instruments- AT1 CAPITAL BASEL III COMPLIANT	-
IV	**Other liabilities & provisions**	**1,232.47**
	Of which General Provision considered for tier II	65.07
	Total	**28,127.44**

₹ In Crores

Step 1 & 2		
S. No.	**Particulars**	**Balance Sheet as in financial statements (As on reporting date)**
B	**Assets**	
I	**Cash and balances with Reserve Bank of India**	**2,638.28**
	Balance with Banks and money at call and short notice	798.34
II	**Investments:**	**4,957.89**
	of which: Government securities	4,220.11
	of which: Other approved securities	-
	of which: Shares	9.00
	of which: Debentures & Bonds	-
	of which: Subsidiaries / Joint Ventures / Associates	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	764.89
	Less: Provision for Depreciation on Investment	36.11
III	**Loans and advances**	**18,716.48**
	of which: Loans and advances to Banks	0.00
	of which: Loans and advances to customers	18,716.48
IV	**Fixed assets**	**386.92**
V	**Other assets**	**629.53**
	of which: Goodwill, intangible assets and Deferred revenue expenditure	34.83
	of which: Deferred tax assets	117.34
Vi	Goodwill on consolidation	-
Vii	Debit balance in Profit & Loss account	-
	Total Assets	**28,127.44**

XIII. DF – 13: Main Features of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments		
		Equity Shares
1	Issuer	Utkarsh Small Finance Bank Limited
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	INE735W01017 (for Listed Equity Shares of the Bank)
3	Governing law(s) of the instrument	Companies Act, 2013, SEBI (SAST) Regulations & Banking Regulation Act, 1949 (for subscription to equity shares equivalent to 5% or more of the paid-up share capital by any single investor)
	Regulatory treatment	
4	Transitional Basel III rules	-
5	Post-transitional Basel III rules	-
6	Eligible at solo/group/ group & solo	-
7	Instrument type	Equity Shares
8	Amount recognised in regulatory capital (` in crore, as of most recent reporting date)	₹1101.61 crore (as on March 31, 2025 – for fully paid-up equity shares)
9	Par value of instrument	₹10/- per equity share

Disclosure template for main features of regulatory capital instruments		
		Equity Shares
10	Accounting classification	Share Capital
11	Original date of issuance	Equity: (Face/Nominal Value of Equity raised) i) At the time of Incorporation ₹5,00,000/- ii) Allotment date 07.10.2016 - ₹99,95,00,000/- iii) Allotment date 20.01.2017 - ₹200,050,00,00/- iv) Allotment date (through conversion of CCDs) 21.09.2017 – ₹120,00,00,000/- v) Allotment date 26.03.2018 - ₹50,00,00,000/- vi) Allotment date (through conversion of CCDs) 13.06.2018 – ₹267,00,00,000/- vii) Allotment date 18.09.2019 - ₹22,22,22,220/- viii) Allotment date 08.03.2021 - ₹89,06,16,470/- ix) Allotment date 02.08.2021 - ₹23,58,49,050/- x) Allotment date 13.08.2021 - ₹12,57,86,160/- xi) Allotment date 18.08.2021 - ₹3,14,46,540/- xii) Allotment date 01.09.2021 - ₹3,45,91,190/- xiii) Allotment date 29.09.2021 - ₹4,40,25,150/- xiv) Allotment date 22.01.2022 - ₹1,78,440/- xv) Allotment date 31.10.2022- ₹19,80,250/- xvi) Allotment date 17.02.2023- ₹1,701,160/- xvii) Allotment date 09.03.2023- ₹1,50,000/- xviii) Allotment (Public Issue - IPO) date 18.07.2023 – ₹2,000,000,000/- xix) Allotment (pursuant to exercise of ESOPs) date 27.09.2023 - ₹10,847,500/- xx) Allotment (pursuant to exercise of ESOPs) date 13.10.2023 - ₹9,55,000/- xxi) Allotment (pursuant to exercise of ESOPs) date 03.11.2023 - ₹34,68,750/- xxii) Allotment (pursuant to exercise of ESOPs) date 22.11.2023 - ₹28,28,670/- xxiii) Allotment (pursuant to exercise of ESOPs) date 12.12.2023 - ₹6,03,620/- xxiv) Allotment (pursuant to exercise of ESOPs) date 22.12.2023 - ₹30,73,750/- xxv) Allotment (pursuant to exercise of ESOPs) date 22.12.2023 - ₹30,73,750/- xxvi) Allotment (pursuant to exercise of ESOPs) date 05.01.2024 - ₹23,15,940/- xxvii) Allotment (pursuant to exercise of ESOPs) date 02.02.2024 - ₹21,99,990/- xxviii) Allotment (pursuant to exercise of ESOPs) date 17.02.2024 - ₹51,36,250/- xxix) Allotment (pursuant to exercise of ESOPs) date 04.03.2024 - ₹30,88,500/- xxx) Allotment (pursuant to exercise of ESOPs) date 20.03.2024 - ₹10,10,000/- xxxi) Allotment (pursuant to exercise of ESOPs) date 12.04.2024 - ₹10,52,500/-

Disclosure template for main features of regulatory capital instruments		
		Equity Shares
		xxxii) Allotment (pursuant to exercise of ESOPs) date 25.04.2024 - ₹19,45,000/-
		xxxiii) Allotment (pursuant to exercise of ESOPs) date 18.05.2024 - ₹33,10,000/-
		xxxiv) Allotment (pursuant to exercise of ESOPs) date 07.06.2024 - ₹5,47,500/-
		xxxv) Allotment (pursuant to exercise of ESOPs) date 06.07.2024 - ₹31,87,630/-
		xxxvi) Allotment (pursuant to exercise of ESOPs) date 05.08.2024 - ₹44,70,320/-
		xxxvii) Allotment (pursuant to exercise of ESOPs) date 23.08.2024 - ₹27,35,500/-
		xxxviii) Allotment (pursuant to exercise of ESOPs) date 12.09.2024 - ₹18,72,500/-
		xxxix) Allotment (pursuant to exercise of ESOPs) date 12.09.2024 - ₹18,72,500/-
		xl) Allotment (pursuant to exercise of ESOPs) date 08.10.2024 - ₹9,57,500/-
		xli) Allotment (pursuant to exercise of ESOPs) date 23.11.2024 - ₹6,12,500/-
		xlii) Allotment (pursuant to exercise of ESOPs) date 13.12.2024 - ₹6,05,000/-
		xliii) Allotment (pursuant to exercise of ESOPs) date 18.01.2025 - ₹50,000/-
		xliv) Allotment (pursuant to exercise of ESOPs) date 05.02.2025 - ₹1,78,450/-
12	Perpetual or dated	Perpetual
13	Original maturity date	N.A.
14	Issuer call subject to prior supervisory approval	N.A.
15	Optional call date, contingent call dates and redemption amount	N.A.
16	Subsequent call dates, if applicable	N.A.
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N.A.
18	Coupon rate and any related index	N.A.
19	Existence of a dividend stopper	RBI norms/guidelines as issued from time-to-time
20	Fully discretionary, partially discretionary, or mandatory	Discretionary (subject to approval of the Board of Directors)
21	Existence of step up or other incentive to redeem	N.A.
22	Noncumulative or cumulative	N.A.
23	Convertible or non-convertible	N.A.
24	If convertible, conversion trigger(s)	N.A.
25	If convertible, fully or partially	N.A.
26	If convertible, conversion rate	N.A.
27	If convertible, mandatory, or optional conversion	N.A.

Disclosure template for main features of regulatory capital instruments		
		Equity Shares
28	If convertible, specify instrument type convertible into	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.
30	Write-down feature	N.A.
31	If write-down, write-down trigger(s)	N.A.
32	If write-down, full or partial	N.A.
33	For write down instrument, specifies whether write down is permanent or temporary. Helps to assess loss absorbency.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Last (under Co. Act, 2013)
36	Non-compliant transitioned features	-
37	If yes, specify non-compliant features	-

XIV. DF – 14: Full Terms and Conditions of Regulatory Capital Instruments – Debt instruments

Disclosure template for main features of regulatory capital instruments					
1	Issuer	Utkarsh Small Finance Bank Limited	Utkarsh Small Finance Bank Limited	Utkarsh Small Finance Bank Limited	Utkarsh Small Finance Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE735W08020	INE735W08038	INE735W08053	INE735W08061
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws	Indian Laws
	Regulatory treatment				
4	Transitional Basel III rules	Tier II	Tier II	Tier II	Tier II
5	Post-transitional Basel III rules	Eligible	NA	NA	NA
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo	Solo
7	Instrument type	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II
8	Amount recognised in regulatory capital (` in crore, as of most recent reporting date)	Nil	₹78 Crore	₹200 Crore	₹105 Crore
9	Par value of instrument	₹100,000/- Per NCD	₹10,00,000/-Per NCD	₹100,000/- Per NCD	₹100,000/- Per NCD
10	Accounting classification	Borrowings	Borrowings	Borrowings	Borrowings

Disclosure template for main features of regulatory capital instruments					
11	Original date of issuance	August 30, 2018	June 26, 2020	June 28, 2024	Nov 27, 2024
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	August 30, 2025	June 26, 2027	June 28, 2031	Nov 27, 2031
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	June 26,2025	June 28, 2029	Nov 27, 2029
16	Subsequent call dates, if applicable	NA	NA	NA	NA
	Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Coupon – 10.577% p.a.	Coupon – 12.50% p.a.	Coupon–11.00% p.a.	Coupon–10.90% p.a.
19	Existence of a dividend stopper				
20	Fully discretionary, partially discretionary or mandatory				
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non- Convertible	Non- Convertible	Non- Convertible	Non- Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down feature				
31	If write-down, write-down trigger(s)				

Disclosure template for main features of regulatory capital instruments					
32	If write-down, full or partial				
33	If temporary write-down, description of write-up mechanism				
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other depositors and creditors of the Bank	All other depositors and creditors of the Bank	All other depositors and creditors of the Bank	All other depositors and creditors of the Bank
35	Non-compliant transitioned features				
36	If yes, specify non-compliant features				

XV. DF – 15: Disclosure Requirements for Remuneration

1) Qualitative Disclosures

a. Information relating to the bodies that oversee remuneration:

- Name, composition, and mandate of the main body overseeing remuneration. – Nomination & Remuneration Committee Composition – Ms. Kalpana Prakash Pandey Mr. Muralidharan Rajamani and Mr. Parveen Kumar Gupta
- External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process - None.
- Scope of the bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches. Not Applicable.
- Type of employees covered and number of such employees- The Nomination & Remuneration Policy is applicable to all directors, KMPs and SMPs and other employees of the Bank, as may be specified.

b. Information relating to the design and structure of remuneration processes:

- An overview of the key features and objectives of remuneration policy. The objective of remuneration policy is as follows:

  i. To guide the Board by laying down selection criteria for appointment and mechanism for removal/dismissal of directors, Key Managerial Personnel (as defined herein) and Senior Management Personnel (as defined herein).

  ii. To formulate a criterion for determining remuneration and compensation payable to the directors, Key Managerial Personnel, Senior Management Personnel, and other employees, including performance-based variable pay and Employee Stock Options Plans ("ESOP"), wherever applicable.

  iii. To introduce necessary initiatives to retain, motivate and promote talent and to ensure long term sustainability of talented Key Managerial Personnel and Senior Management Personnel.

- Review of the Bank's remuneration policy during the past year, and an overview of changes that were made.

  The NRC and the board reviewed the compensation policy of the bank in its meetings held on 8th March 2025 and no changes were made in the same.

- How the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

  The remuneration of employees in control functions such as Risk and Compliance depends solely on their individual and overall functional performance and is not linked to any business outcomes. The same is also reflected in their

KRA"s. The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO and Risk and Compliance staff.

c. Description of the ways in which current and future risks are considered in the remuneration processes.

- An overview of the key risks that the bank considers when implementing remuneration measures.

  The overall objectives for laying down a Compensation policy is to offer compensation systems that makes it possible to attract, retain and motivate the most outstanding professionals to enable the bank to attain its strategic objectives and sustainable growth within increasingly competitive context in which it operates. Further, the compensation system would be in line with the various regulatory frameworks. It also ends to align compensation with prudent risk-taking through well designed and consistent compensation structures, considering time horizon of risks. The identified risk parameters (and additions if any) will be reflected in the bank's Performance Management System (PMS).

- An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure (values need not be disclosed)

  The bank uses the following key measures to take account of Risks in the business.

  a) Financial Parameters which establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank which include a significant variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking.

  b) Encourage attainment of long-term shareholder returns through inclusion of equity linked long-term incentives as part of compensation.

  c) The mix of cash, equity and other terms of compensation are consistent with risk alignment. Further, the compensation outcomes are symmetric with risk outcomes.

  d) The score cards used to measure performance include key metrics such as Non-Performing Assets, Audit Scores, Reserve Bank of India RBS report observations etc. to ensure that the performance measures cover all aspects of the job.

- The ways in which these measures affect remuneration.

  The measures listed above impact the immediate total CTC computation based on the overall performance measurement of an individual role holder for a given FY. In case of non-performance the variable component for an individual role holder is not given and for the rest it is computed on a sliding scale of performance review which is approved by the board and the NRC annually. Also caps of cash component of variable as well as deferment of both cash and non-cash bonuses is applied as per the guidelines issued by the Reserve Bank of India.

- How the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration

  The NRC and the board reviewed the compensation policy of the bank in its meetings on 8th March 2025 respectively and no changes were made in the same.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

As a part of the performance management process in the bank at the beginning of each financial year, the bank rolls out individual KRA's to each and every employee in the bank. These KRA's are lay down based on the strategic objectives and business budgets set by the Board of the bank. Apart from regular feedback which each manager provides to his / her subordinates, the bank has a formal process of Mid-Year Review and Year End Review to assess performance of each role holder in the bank. Based on the performance review at an organizational / Functional / Individual the bank decided on percentage of salary increments to be given at various levels of performance of each individual employee.

- An overview of main performance metrics for bank, top level business lines and individuals:

  The Bank's performance metrics are aligned to the balance score card methodology and cover Financial Perspective, Process Perspective, People Perspective Customer Perspectives and Learning Perspectives. These weightages on the same vary at difference levels and roles.

- How amounts of individual remuneration are linked to the bank-wide and individual performance:

  Based on the performance review at an organizational / Functional / Individual level, the bank decided on percentage of salary increments to be given at various levels of performance of each individual employee.

- The measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak:

  This is based on a robust PMS process which is approved by the NRC and Board of the bank.

e. A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

- Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, along with a description of the factors that determine the fraction and their relative importance.

  The various deferral arrangement of variable remuneration in the bank broadly are as follows –

  a) For MD & CEO & Senior Management Team – As per the RBI guideline on Material Risk Takers, MD & CEO & SMT who have been classified as MRT's suitable deferral is being done.

  b) All ESOP 's which are granted across all levels in the organization have deferral arrangement in them

  c) Monthly / Quarterly Variable Pay - Based on the nature of the scheme, deferral arrangements are made in the same which differ from channel to channel.

- The bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

  The various deferral arrangement of variable remuneration in the bank broadly are as follows –

  The fraction of deferral to be considered is dependent upon –

  a) Guidelines issued by the Regulator from time to time

  b) Approval as per the overall performance framework approved by the NRC and the Board

  c) Driving right behaviours via the various incentive schemes.

f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

- An overview of the forms of variable remuneration offered.

  The variable remuneration is offered in the form of annual performance bonus. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA at the beginning of year and achievement against them.

- The use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, along with a description of the factors that determine the mix and their relative importance.

- The variable remuneration is offered in the form of annual performance bonus, ESOPs & Monthly / Quarterly Variable Pay. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA and achievement against them.

2) Quantitative Disclosures:

(The quantitative disclosures cover Whole Time Directors / CEO / MD & Chief Executive Officer / Material Risk Takers - SVP & Above)

a. Number of meetings held by the NRC during the FY 24-25 and remuneration paid to its members: 7 meetings held during the FY 24-25 and Total ₹12,60,000 sitting fees paid to its members. (60,000 per director per meeting)

b. Number of employees having received a variable remuneration award during the FY 24-25:

- Annual Bonus payment during the FY 24-25 is ₹35,12,76,824 including Joining Bonus & LTIP.
- Apart from the above, a total of ₹21,63,334 deferred bonus is paid to MD & CEO in April'24.
- In addition, a total of ₹35,20,000 upfront bonus is paid to MD & CEO for the FY2023-24 in H1 of current FY.
- Total No. of ESOPs granted to all 5 MRT's- 16,99,240 ESOP Granted to MRTs excluding the MRT exited.

c. Number and total amount of sign-on/joining bonus awards made during the FY 24-25. No Sign-on bonus awards during the FY 24-25 to MRTs.

d. Number and total amount of guaranteed bonuses awarded from April'24 to Dec'24 of FY 24-25: 1 WTD joined, no guaranteed bonus awarded during the FY24-25.

e. Details of severance pay, in addition to accrued benefits, if any:

No severance pays, in addition to accrued benefits given.

f. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms:

g. Total amount of deferred remuneration paid during the FY 24-25: ₹21,63,334 deferred bonus is paid to MD & CEO in April'24

h. Breakdown of amount of remuneration awards during the FY 24-25 to show fixed and variable, deferred and non-deferred, different forms used:

- Salary including perquisites for amounting ₹9,22,50,124 is paid to all MRTs during the FY 24-25 including MD & CEO & ED.
- The annual bonus paid to MRTs during the FY 24-25 is ₹1,06,88,991 including MRT's LTIP bonus excluding MD & CEO.
- Apar from the above, a total of ₹21,63,334 deferred bonus is paid to MD & CEO in April'24.
- In addition to above, a total of ₹35,20,000 upfront bonus is paid to MD & CEO for the FY2023-24.

i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments: NIL

j. Total amount of reductions during the FY 24-25 due to ex- post explicit adjustments: NIL

k. Total amount of reductions during the FY 24-25 due to ex- post implicit adjustments: NIL

l. Number of MRTs identified – 5 MRT's & 2 WTD.

m. Number of cases where malus has been exercised – NIL.

n. Number of cases where claw back has been exercised – NIL.

o. Number of cases where both malus and claw back have been exercised - NIL.

3) General Quantitative Disclosures:

The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay. ₹0.04 crores & 60 times.

XVI. DF – 16: Equities – Disclosure for Banking Book Positions

As on Mar 31, 2025, the Bank does not have any Equity Exposures.

XVII. DF – 17: Summary Comparison of accounting assets vs. leverage ratio exposure measure

(₹ in Cr)

Sl. No.	Particulars	Amount as on 31st Mar 2025
1	Total consolidated assets as per published financial statements	28,127.44
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	173.21
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	89.43
7	Other adjustments	-
8	**Leverage ratio exposure**	**9.90%**

XVIII. DF – 18: Leverage ratio

Leverage ratio is a non-risk-based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

Leverage Ratio = Capital Measure (Tier I Capital)/Exposure Measure

As per operating guidelines for SFBs, the Bank is required to maintain leverage ratio of 4.50%.

The Bank's leverage ratio, calculated in accordance with RBI guidelines under consolidated framework, is as follows:

(₹ in Cr)

Sl. No.	Items	Amount as on 31st Mar 2025
On-Balance sheet exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	27,954.23
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	0.00
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**27,954.23**
Derivative exposure		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0.00
5	Add-on amounts for PFE associated with all derivatives transactions	0.00
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11	**Total derivative exposures (sum of lines 4 to 10)**	**0.00**
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
12	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	**Total securities financing transaction exposures (sum of lines 12 to 16)**	**0.00**
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	89.43
18	(Adjustments for conversion to credit equivalent amounts)	0.00
19	**Off-balance sheet items (sum of lines 17 and 18)**	**89.43**
Capital and total exposures		
20	**Tier 1 capital**	**2,775.84**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**28,043.65**
Leverage ratio		
22	**Basel III leverage ratio**	**9.90%**

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Board's Report

Board's Report

Dear members,

The Board of Directors of Utkarsh Small Finance Bank Limited (the Bank or Utkarsh SFBL) is pleased to present the 9th Annual Report and the Audited Financial Statements of the Bank for the Financial Year ended, March 31, 2025 with immense PRIDE* – our guiding values.

Highlights of major achievements of the Bank:

- Total deposits increased to ₹21,566 crore as on March 31, 2025, from ₹17,473 crore as on March 31, 2024
- Net Advances increased to ₹18,716 crore as on March 31, 2025, from ₹16,365 crore as on March 31, 2024
- Bank's operating profit increased to ₹1,007 crore for FY25 from ₹997 crore in FY24.
- The Bank reported annual profit of ₹24 crore for FY25.
- On the asset quality, Bank witnessed Net NPAs at 4.8% as on March 31, 2025 vs. 0.03% as on March 31, 2024.
- Bank's overall provision cover was at 51.2% as on March 31, 2025.
- The capital adequacy ratio of the Bank is 20.9% as on March 31, 2025.
- Bank's capital plus reserves increased to ₹2,975 crore as on March 31, 2025 from ₹2,973 crore as on March 31, 2024
- There are 1,092 Branches spread across 23 States and 4 Union Territories as on March 31, 2025

FINANCIAL PERFORMANCE

The financial highlights for the year under review are presented below:

(Amount in ₹ crore)

Particulars	FY 24-25 Audited	FY 23-24 Audited	Change in %
Deposits	21,566	17,473	23%
Investments (incl. Cash & balances with RBI and Banks)	8,395	6,707	25%
Advances (Net)	18,716	16,365	14%
Net Worth*	2,776	2,722	2%
Net Interest Income	2,023	1,886	7%
Other Income	600	400	50%
Operating Income	**2,623**	**2,286**	**15%**
Operating Expenses	1,616	1,289	25%
Provisions and Contingencies (incl. taxes)	983	500	97%
Net Profit	**24**	**498**	**(95%)**
Gross NPA Ratio	9.43%	2.51%	
Net NPA Ratio	4.84%	0.03%	
Capital Adequacy Ratio	20.93%	22.57%	
Business$ (Deposit plus Net Advance) per employee**	1.91	1.83	
Transfer to Statutory Reserve		124.41	
Transfer to Capital Reserve		-	
Transfer to Investment Fluctuation Reserve		5.94	
Deduction during the year	-	-	
Dividend for the year, Including Tax Thereon	55.02	-	
Number of Branches	1,092	888	

(Amount in ₹ crore)

Particulars	FY 24-25 Audited	FY 23-24 Audited	Change in %
General Banking Branches	331	276	
Micro Banking Branches	761	612	
No. of Employees	19,779	16,081	

*Net worth computed as per RBI guidelines

$Business is the total of net advances and deposits (net of inter-bank deposits)

**Ratio is based on average employee count

BUSINESS UPDATE AND STATE OF BANK'S AFFAIRS

The details on the state of affairs and the business update of the Bank are separately provided in the Management Discussion and Analysis Report, which forms an integral part of the Annual Report of the Bank. However, the summary of the Bank's performance has been covered hereunder:

Liabilities Business

The Liabilities franchise accelerated its momentum in building sustainable franchise by delivering competitive blend of physical reach and digital innovation. With a strong focus on financial inclusion and deepening the retail deposits mix.

As on March 31, 2025, total deposits stood at ₹21,566 Crore, driven by CASA growth to ₹4,699 crore at 31.2% YoY and Retail Term deposits to ₹10,635 at 33.5% YoY, and Bulk term deposit book to ₹6,232 crore at 5.2% YoY Growth. CASA Ratio stood at 21.8%, while CASA + RTD formed 71.1% of total deposits – highlighting deposits granularity.

To scale outreach, the bank added 204 new branches (55 general banking & 149 micro banking), taking total banking outlets to 1,092 across 23 states and 4UTs. ATM and Micro ATM presence rose to 1,129 terminals, with 190 new touchpoints rolled out – enhancing access to services like cash deposits, withdrawals and green pin generation.

In addition to strengthening the branch & ATM networks, the Bank further augmented its digital banking channels such as net banking, mobile banking, tab banking, digital onboarding, among others. During this period, the Bank expanded its bouquet of products and services to the customers including, NR Banking (on pilot), RERA Accounts, WhatsApp Banking, Public Financial Management System, E-ASBA, SPARSH (System for Pension Administration) among others. These innovations reinforce bank's ambition to expand inclusive reach.

Assets Business

As a Small Finance Bank (SFB), the Bank, which is primarily focussed on micro banking products, has diversified its product offerings to its customers viz. retail loans, unsecured loans, business loans, personal loans, and secured loans such as loans against property, wholesale lending that includes short term and long-term loan facilities to small and medium enterprises (SMEs), mid and large corporate and institutional clients and gold loans. In addition, we offer housing loans with a focus on affordable housing.

Our micro banking and retail loan products are primarily aimed at customers who are not a part of the formal banking infrastructure.

(A) Micro Banking

Micro banking is widespread business which provides a comprehensive package of financial inclusion products and business development services to the underprivileged or low- income individuals or groups who have limited access to financial services. In micro banking, the Bank offers 'Joint Liability Group' (JLG) loans and business loans along with entire gamut of liabilities products through MB branches. In addition, the Bank provides micro banking loans through Business Correspondent (BC) partners also.

The Bank provides group loans built on the peer-guarantee loan model (Joint Liability Group), which enables individuals to take collateral free loan in groups while promoting credit discipline. This is achieved through mutual support within the group, prudent financial conduct among the group and prompt repayment of their loans.

During FY25, JLG business through Micro Banking (MB) recorded a de-growth of ₹1,884 crore and reached to ₹8,740 crore vis-à-vis the previous financial year mainly due to industry headwinds. 149 new MB branches were opened in existing operational states.

To meet the increasing fund requirement of customers who have completed multiple loan cycles and are considered as matured borrowers, the Bank kept expanding Micro Banking business loans to other existing branches. The Bank provides individual loans especially to those who have begun their formal credit cycle under JLG.

The total portfolio of JLG (excluding BC), MBBL and PM SVANIDHI stood at ₹9,650 crore as on March 31, 2025, with a total base of more than 29 lakh clients consisting of active loans through the branch network.

The JLG portfolio through Business Correspondents reached to ₹446 crores in FY25. The Bank has seven (7) Business Correspondents which are operating in nine (9) states covering 83 districts through 162 branches.

Liabilities base under MB vertical stood at ₹439.65 crore as of March 2025.

In FY25, the Bank implemented several initiatives in its processes for JLG clients, some of them are SI mandate, less cash module through FINO Payment Bank, e-Sign and e-KYC

through virtual ID, PAN card verification, Micro ATM geo tagging, cash carry approval from BM, CB guardrails, Track-OD application, Net-off disbursement, KFS implementation. To facilitate digital collections from MB clients, Bank implemented SMS- linked payment.

(B) Retail Loans:

(a) Micro Small & Medium Enterprises (MSME):

The Bank extends a diverse array of both secured and unsecured loans tailored to meet the needs of individuals and non-individual entities, including micro, small, and medium enterprises (MSMEs). We have curated specialized products with adaptable security prerequisites to enhance accessibility to credit for retail and MSME borrowers.

Throughout the fiscal year 24-25, our retail assets loan portfolio demonstrated robust growth, expanding by 52% year-on-year to ₹3875 crore, compared to ₹2,557 crore in FY24. The expansion in our MSME loan portfolio was propelled by the incorporation of new service locations and the introduction of a wide range of products to address diverse customer segments.

(b) Housing Loans (HL):

The Bank provides comprehensive home loan solutions to individuals seeking financing for the construction, purchase, repair, and renovation of homes. We meticulously assess our customers' repayment capacity and tailor loan solutions accordingly.

As of March 31, 2025, our Housing Loan portfolio, managed by our Mortgage team across 63 branches, amounted to ₹918.29 crore, marking a significant year-on-year growth of 36% compared to ₹676.59crore as of March 31, 2024.

(c) Wheels

The Wheels business which was launched in October 2020 with 2 businesses i.e., Commercial Vehicles & Construction Equipment Loans being offered in Chandigarh, Delhi NCR, Jharkhand, Rajasthan, Uttar Pradesh, Uttarakhand & West Bengal regions from 15 branch outlets. As of March 31, 2025 these loans are offered from states of Bihar, Chandigarh, Delhi NCR, Haryana, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand & West Bengal from 48 branches. The Bank's wheels loan portfolio grew to ₹1,179 crores as on March 31, 2025 from ₹926.77 crores as on March 31, 2024.

Book has grown by 21.39% in March 31, 2025 as compared to March 31, 2024. Growth was driven by addition in new locations and new product offerings in Used CV & CE, Light Commercial Vehicles, and fast-moving Construction Equipment like Backhoe loaders.

(C) Wholesale Banking Business

The Wholesale lending vertical includes lending, deposits and other banking services provided to corporate customers of the Bank.

(a) Wholesale Lending

The Bank's Wholesale Lending-Business Banking, book stood at ₹902.72 crore as on March 31, 2025 compared to ₹595.73 crore in March 31, 2024. The Bank also offers both fund based (WC & TL) & non-fund-based limits in the form of bank guarantee to the customers through BBG Wholesale Lending vertical.

The Bank's Wholesale Lending book stood at ₹2,239.73 crore (₹903 Crore for Business Banking and ₹1,337 crore for NBFC) as on March 31, 2025 compared to ₹1,882.41 crore (₹595.73 Crore for Business Banking and ₹1,286.68 crore for NBFC) in March 31, 2024. The NBFC customers are being offered term loans for on-lending to their customers and overdraft for meeting their working capital requirement.

(D) Business Correspondent (BC)

The strategy of the Bank is to build its asset portfolio through a combination approach.

1. Own Branches
2. Partnership Approach.

The partnership approach with a well-entrenched and networked individual/entity will help it gain significant presence in those markets of business interest. As on March 31, 2025 the Bank had total loan book aggregating to ₹1,093.69 crore compared to ₹721.07 crores in March 31, 2024. The portfolio comprised of JLG loans of ₹446.20 crore, Retail Assets loans of ₹101.23 crore, PL ₹485.54, and BL & SCF ₹60.72 contributing 41%, 9%, 44% and 6 % respectively of the total portfolio

A. FINANCIAL DISCLOSURES

Capital Raising and Capital Adequacy Ratio

During the FY 24-25, the Bank raised Tier II Capital of ₹200 crore & ₹105 crore in June 2024 & November 2024 respectively.

The Bank allotted 21,52,440 equity shares (of face value of ₹10 each) pursuant to exercise undertaken by employees (including Managing Director & CEO) of vested Employees Stock Option Plan (ESOP).

Ratings

As at March 31, 2025

Nature of Instrument	Nature of Term	Credit Rating Agency	Credit Rating Assigned (At Present)	Credit Rating Assigned (Earlier)
Subordinated Debt	Long term	ICRA	[ICRA] A+ (Stable)*	[ICRA] A (Positive)
Certificate of Deposit	Short term	ICRA	[ICRA] A1+	[ICRA] A1+
Subordinated Debt	Long term	CARE	CARE A+ (Stable) **	CARE A (Positive)

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

**On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

Dividend

The Board of Directors did not recommend dividend for the financial year ended on March 31, 2025.

Transfer to Reserves

In accordance with the RBI regulations, the Bank had transferred the following amount to reserves during the financial year ended March 31, 2025:

Amount transferred to	Amount in ₹crore
Statutory Reserve	5.93
Investment Fluctuation Reserve	13.53
Capital Reserve	6.67
Deduction due to fraud provision	-

Net Worth

As on March 31, 2025, the Bank's net worth was ₹2775.84* crore.

*as per RBI norms

Internal Control and Compliance

The Bank's internal controls, policies and procedures are adequate and are reviewed periodically by the Internal Audit Department for all its business units. The Audit Committee and Board reviews the effectiveness of the control as per the regulatory requirements from time to time / regular intervals.

CORPORATE GOVERNANCE

Bank's Philosophy

Corporate Governance report forming part of the Board's report for the year under review is attached separately as **Annexure A**.

Constitution of the Board of Directors

The Board of Directors of the Bank are constituted in accordance with the provisions of the Companies Act, 2013 (Act), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Banking Regulation Act, 1949 (the BR Act, 1949) and the Articles of Association. The Board consists of eminent persons with considerable professional expertise in business administration, audit, banking, payment & settlement, compliance, account, finance, human resource, risk, strategy, information technology etc. Their experience and professional credentials helped the Bank to gain insights for strategy formulation, monitoring control framework and direction, and adding value to set a strong foundation, enabling the overall growth objectives.

The composition of Board forms part of the corporate governance report.

Further, the following changes had taken place during FY 2024-25 and till the date of the report:

Sr. No.	Name & DIN of Director	Nature of Change
1	Mr. Chandra Shekhar Thanvi (DIN – 00563531)	Cessation due to Superannuation from SIDBI w.e.f. September 20, 2024
2	Mr. Pramod Kumar Dubey (DIN – 10174154)	Appointed as a Whole-Time Director for a period of 3 years w.e.f. September 20, 2024 to September 19, 2027
3	Mr. Kajal Ghose (DIN – 07702190)	Cessation due to completion of his 2 (two) consecutive term as an Independent Director w.e.f. January 16, 2025
4	Mr. Govind Singh (DIN: 02470880)	Re-appointed as the Managing Director & CEO for a further period of three years w.e.f. September 21, 2024 to September 20, 2027 (both days inclusive)
5	Mr. P K Gupta (DIN : 02895343)	Re-appointed as Part Time Non – Executive Chairman and Independent Director w.e.f October 12, 2024
6	Ms. Gauri Shah (DIN : 06625227)	Appointed as Additional Director (Independent) for a period of 5 year w.e.f June 01, 2025 to May 31, 2030.

Further, in terms of Section 152 of the Companies Act, 2013, Mr. Muralidharan Rajamani, Non- Executive Non-Independent Director who retires by rotation this year, meets the fit and proper criteria as provided for under the RBI directions and as amended from time to time and being eligible offers himself for re-appointment at the 9th Annual General Meeting (AGM).

Board Evaluation:

Pursuant to the provisions of the Companies Act 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the Board has carried out annual performance evaluation of its Committees, individual Directors and the Board as a whole.

The manner in which the evaluation was carried out is set out in the Corporate Governance Report which forms part of the Board report.

Certificate from Independent Company Secretary w.r.t. compliance with Corporate Governance Norms under SEBI LODR & Non-Disqualification of Directors is appended herewith as **Annexure B & C** respectively.

Number of Meetings of Board

The details of the Board meetings and attendance of each Director forms part of the Corporate Governance Report.

Committees of the Board

The details of the Board Committees viz. constitution, their scope, number & date of meetings held during FY 24-25 and attendance thereof are disclosed in the Corporate Governance Report.

Meeting of Independent Directors

In accordance with the Section 149(8) read with Schedule IV of Act and Regulation 25 of SEBI Listing Regulations, the Independent Directors of the Bank met 2 (twice) on September 20, 2024 and March 22, 2025, which was attended by all the Independent Directors of the Bank.

Familiarisation Programme for Independent Directors

The Details of familiarisation programme carried out by the Bank forms part of the Corporate Governance Report which is available on the website of the Bank https://www.utkarsh.bank/uploads/pdf/our-policy/template_ten/Policy-for-familiarisation-Programme-for-Directors.pdf.

Declaration of Independence

In accordance with provisions of Sections 149(6) and 149(7) of the Act, Schedule IV and Regulation 16(1)(b) and 25(8) of the SEBI Listing Regulations, the Bank has received necessary declarations/disclosures from all the Independent Directors confirming that they meet and comply with the criteria of independence.

Status of Ind AS Implementation

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial Banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for Banks till further notice as the recommended legislative amendments were under consideration of Government of India.

The Banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, . The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India (Indian GAAP).

The Bank submits its Proforma Ind-AS financials on half yearly basis to RBI based on the GAP assessment carried out by the Bank. The Bank is currently handling the impact analysis and reporting offline through excel based financial. The Bank has implemented system solutions (IndAS 109 and 116).

B. STATUTORY DISCLOSURE

Annual Return

As required under the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with the rules framed thereunder, the Annual Return of the Bank in the prescribed Form MGT-7 for the year under review is available on the website of the Bank https://www.utkarsh.bank/investors

Conservation of Energy and Technology Absorption

The particulars to be disclosed under Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption does not apply to the Bank. The Bank is constantly pursuing its goal in upgrading technology to deliver quality service to its customers in a cost-effective manner.

Foreign Exchange Earnings / Outgo

The Bank has foreign exchange earnings of ₹1.66 crore during the financial year under review which includes cross border settlements. During the year under review, there was no foreign exchange outgo.

Whistle Blower Policy (Vigil Mechanism)

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Bank has formulated a whistle blower policy/ vigil mechanism for directors and employees to report any concerns. The said policy is available on Banks website https://www.utkarsh.bank/uploads/template_forty_pdf/Whistle_Blower_Policy_Revised_13_12_2022.pdf.

In addition to the above, the Bank has formulated a Vigilance Policy for effectively managing the risks arising on account of possible corruption, malpractices, and frauds.

Vigilance & Security

The Bank has a Vigilance & Security Department for investigating frauds, bribery cases, and complaints, including complaints received under the whistle-blower policy of the Bank.

Vigilance & Security Department makes concerted efforts to curb fraud, forgery, and burglary incidents in the Bank with the help of new ideas, technology, previous experiences,

and adopting preventive vigilance measures with appropriate tools.

Statutory Auditors

RBI, on April 27 2021, had issued guidelines for appointment of Statutory Central Auditors/Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs). As per the said guidelines statutory audit of entities with asset size of ₹15,000 crore and above as at the end of previous year, should be conducted under joint audit of a minimum of two audit firms. The audit firms can be appointed as the Statutory Auditors (SA) of the Bank for a continuous period of 3 years only and thereafter, reappointment in the same entity will be possible only after a cooling period of six years. Further, prior approval of RBI for appointment/reappointment of SAs on an annual basis is required in terms of the above guidelines.

The Members of the Bank at the 8th Annual General Meeting ("AGM") had approved the re-appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (FRN 117365W) and M/s. Kirtane & Pandit, LLP, Chartered Accountants (FRN 105215W/ W100057) as the Joint Statutory Auditors of the Bank to hold office till the conclusion of 9th Annual General Meeting of the Bank, being their third year as Joint Statutory Auditors of the Bank.

The observation(s) made in the Auditor's Report are self explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act. The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

Based on recommendation of Audit Committee of the Bank and the approval of Reserve Bank of India (RBI) vide their letter no. Ref DOS.CO.RPD.No.S506/08.60.005/2025-26 dated April 21, 2025, the Board of Directors, subject to approval of the Shareholders and prior approval of the Reserve Bank of India (RBI) every year, had proposed the appointment of M/s M. M. NISSIM & CO LLP, Chartered Accountants and M/s KKC & Associates LLP, Chartered Accountants as Joint Statutory Auditors of the Bank from FY 25-26 for a period of 3 years . Accordingly, the proposal for their appointment is being placed in the ensuing 9th Annual General Meeting.

Secretarial Auditors

In accordance with the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the recommendation of the Audit Committee and the Board of Directors, subject to the approval of the Shareholders, proposed the appointment of M/s. BNP & Associates, Company Secretaries (FRN P2014MH037400) as the Secretarial Auditor of the Company for one term of 5 (five) consecutive years and to hold office till conclusion of Annual General Meeting for FY 2029-30.

Annual Secretarial Audit Report for FY 24-25 issued by M/s BNP & Associates, Company Secretaries is appended herewith as **Annexure D**.

Employees Stock Option Plan (ESOP)

During FY 24-25, the Shareholders vide Postal Ballot resolution dated December 17, 2024 approved increase in the limit of share pool of USFBL Employee Stock Option Plan 2020 to 1,15,00,893 and implementation of USFBL Employee Stock Option 2024 - Scheme II (collectively called as ESOP Plan).

Further, the details of ESOPs forms part of Corporate Governance Report.

A certificate from the Secretarial Auditor of the Bank that the ESOP Plan has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations") is attached as **Annexure E.**

Deposits

Being a Banking Company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable.

Particulars of Employees

The ratio of the remuneration of each Director to the employees' median remuneration and other details in terms of sub-section 12 of Section 197 of Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below: -

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the FY 24-25:

Name of Director	Designation	Remuneration (gross fixed salary)	Ratio
Mr. Parveen Kumar Gupta	Part time Non-Executive Chairman of the Board	13,40,548	4.6:1
Mr. Ajay Kumar Kapur	Independent Director	9,00,000	3.1:1
Ms. Kalpana Prakash Pandey	Independent Director	9,00,000	3.1:1
Mr. Kajal Ghose*	Independent Director	7,11,290.3	2.4:1

Name of Director	Designation	Remuneration (gross fixed salary)	Ratio
Mr. Muralidharan Rajamani	Non-Executive Non-Independent Director	9,00,000	3.1:1
Mr. Nagesh Dinkar Pinge	Independent Director	12,00,000	4.1:1
Mr. Govind Singh	Managing Director and Chief Executive Officer	2,41,33,036	101.5:1
Mr. Pramod Kumar Dubey	Whole Time Director	1,49,21,411	50.8:1

* Mr. Kajal Ghose ceased form the post of Director w.e.f January 16, 2025

Apart from sitting fees, the Bank also pays remuneration to Non-Executive Directors at ₹1,00,000 to Audit Committee Chairman and ₹75,000 to other Non-Executive Directors. The part time Non-Executive Chairman of the Board is entitled to a monthly remuneration, as approved by the RBI and the Shareholders of the Bank.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary for FY 24-25 are as follows:

Name of Director/KMP	Designation	Percentage (%) Increase
Mr. Parveen Kumar Gupta	Part time Non-Executive Chairman	25% Annual and 12% in FY24-25 as increment happened in the mid of the year, so he got increment for 6.11 month in this year.
Mr. Govind Singh	Managing Director and Chief Executive Officer	No increment
Mr. Pramod Kumar Dubey	Whole Time Director	No increment
Mr. Sarjukumar Praveen Simaria	Chief Financial Officer	No increment
Mr. Muthiah Ganapathy	Company Secretary & Compliance Officer	No increment

(iii) The percentage increase in the median remuneration of employees in the financial year was NIL.

(iv) The number of permanent employees on the rolls of the Bank, as on March 31, 2025 was 19,779 (includes 16,928 male employees and 2,851 female employees).

(v) Average increase in remuneration is NIL for managerial personnel (Executive Directors including Managing Director and Chief Executive Officer, Chief Financial Officer, and Company Secretary) and employees other than managerial personnel's .

(vi) The key parameters for any variable component of remuneration availed by the Directors are as specified in the Remuneration Policy.

(vii) Remuneration is as per the remuneration policy of the Bank. The Bank is in compliance with its Remuneration Policy.

In terms of Section 136 of Companies Act 2013, the Annual Report is being sent to the members, excluding the information as required under Rule 5(2) as mentioned aforesaid and the same is open for inspection at the Registered Office of the Bank. A copy of this statement may be obtained by the members by writing to the Company Secretary of the Bank at secretarial.usfb@utkarsh.bank.

Remuneration Policy

In terms of the provisions of the Act , Listing Regulations and applicable provisions of the Banking Regulation Act, 1949, the Board on the recommendation of the Nomination & Remuneration Committee (NRC), formulated a Policy for payment of remuneration to Directors, Key Managerial Personnel (KMPs) & Senior Management Officials.The Policy is available on the website of the Bank at : https://www.utkarsh.bank/uploads/template_forty_pdf/NRC_Policy.pdf

The details of remuneration paid to Executive and Non executive Directors during the year forms part of the Corporate Governance report.

Transfer to the Investor Education and Protection Fund ("IEPF")

In accordance with Section 124 and 125 of the Act read with applicable rules, as amended, there was no unclaimed/ unpaid dividend or shares or interest liable to be transferred to the IEPF during the FY 24-25.

Further, details of the unclaimed/un-encashed interest/ dividends lying in the unpaid dividend accounts as on end of the financial year and details of Nodal Officer for IEPF are provided on website of the Bank at https://www.utkarsh.bank/uploads/pdf/disclosures/template_eleven/IEPF_2-FY_23-24.pdf, https://www.utkarsh.bank/uploads/pdf/disclosures/template_eleven/IEPF_2_unclaimed_interest_March_31_2023.pdf.

Other Statutory Disclosures:

- The Bank is in the list of Top 1000 listed entities of India as per list published by the BSE Limited and National Stock Exchange of India Limited basis the market capitalization.

- During the year under review the Bank had increase the Authorised Share Capital from ₹15,00,00,00,000/- (Rupees One Thousand Five Hundred Crore) to ₹20,00,00,00,000/- (Rupees Two Thousand Crore).
- The Bank has not changed its nature of business during FY 24-25.
- Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.
- All related party transactions for FY 24-25 were on an arm's length basis and in the ordinary course of business and accordingly, AOC - 2 is not applicable to the Bank. The Bank has policy on related party which is available at: https://www.utkarsh.bank/uploads/template_forty_pdf/Related_Party_Transaction.pdf
- There were no significant/material orders passed by the Regulators / a Court / Tribunal etc. during FY 24-25, which would impact the going concern status of the Bank and its future operations.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.
- The details of Risk Management Policy & its framework are separately provided in the Management Discussion and Analysis Report.
- The Bank is a subsidiary company of Utkarsh CoreInvest Limited. The Bank does not have subsidiary or associate company. Hence the details of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 are not applicable to the Bank;
- During FY 24-25, the Board of Directors of the Bank and the Utkarsh CoreInvest Limited (UCL) approved Scheme of Amalgamation providing for Reverse Merger of UCL with the Bank and accordingly, the Bank submitted applications with RBI and Stock Exchanges seeking their No Objection Certificate to the aforementioned Scheme of Amalgamation. The Bank received RBI's NOC vide their letter dated January 02, 2025, However, at the end of FY the application remained under consideration of SEBI.
- The provisions for maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Bank.
- There are no adverse observations/qualifications in the Statutory Auditors' Report. Further, Pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Bank have not reported any instances of frauds committed in the Bank by its officers or employees.
- All recommendations of the Audit Committee were approved by the Board.
- Dividend distribution policy is available on the website of the Bank at https://www.utkarsh.bank/uploads/template_forty_pdf/Dividend_Distribution_Policy.pdf
- Proper internal financial controls are in place, and that the financial controls have been adequate and operating effectively.
- There are no material changes and commitments, affecting the financial position of the Bank that have occurred between the end of the financial year of the Bank i.e. FY 24-25 and the date of the Boards' Report.

C. OTHER DISCLOSURES

Code of Conduct

For a financial institution, transparency and the highest standards of corporate governance are important prerequisites for establishing a compliance-oriented bank. Towards this end, the Bank endeavours to ensure that all its activities are fairly aligned with the highest standards of personal and professional integrity and the highest level of ethical conduct. The Bank has adopted a Code of Conduct and norms for the avoidance of conflict of interest, all the Senior Management officials, KMPs, Employees with loan sanctioning authority, employees directly related with sourcing/servicing corporate or wholesale banking relationships and employees directly involved in the procurement of goods and services, conduct duties according to the aforesaid Code of Conduct. Some of the areas that have been covered by the Code of Conduct are: fairness of employment practices, protection of intellectual property, integrity, customer confidentiality and conflict of interest. The Bank's Code of Conduct for Directors and Senior Management is hosted on the website of the Bank at https://www.utkarsh.bank/uploads/pdf/our-policy/template_ten/CODE_OF_CONDUCT_FOR_THE_BOARD_OF_DIRECTORS_AND_SENIOR_MANAGEMENT_PERSONNEL.pdf.

A declaration on compliance with code of conduct for FY 24-25 is appended herewith as **Annexure F**.

Corporate Social Responsibility (CSR)

In accordance with Section 135 of the Act, the Board of Directors on the recommendation of CSR Committee had approved the CSR Policy, which is available on the Bank's website https://www.utkarsh.bank/uploads/template_forty_pdf/Corporate_Social_Responsibility_Policy.pdf.

In line with the statutory requirements under the Companies Act, 2013 and it's CSR Policy, the Bank had undertaken projects in the areas of financial literacy, health initiatives, skill and entrepreneurship development programmes and other philanthropic initiatives (supporting orphanages and care centres for the elderly).

During the year under review, the Bank spent ₹7.72 crore (including interest earned of ₹14.37 lakh) towards aforesaid CSR projects and ₹92.22 lakh which was unspent was transferred to "Utkarsh Small Finance Bank Limited Unspent

CSR Account FY 24-25" with HDFC Bank Limited. Further out of the previous unspent CSR amount of ₹1.88 crore for FY 23-24, during the year an amount of ₹1.73 crore was spent and ₹15.93 lakh is carried forward in "Utkarsh Small Finance Bank Limited Unspent CSR Account FY 23-24 " with HDFC Bank Limited.

The required disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014 forms part of this report as **Annexure G**.

Know Your Customer (KYC) / Anti-Money Laundering (AML)

The Bank adheres to the RBI's KYC / AML Guidelines issued from time to time. The Bank's KYC / AML Policy has been prepared in accordance with the Prevention of Money Laundering Act, 2002 (PMLA) and RBI / Indian Banks' Association (IBA) guidelines, amended from time to time. The Bank complies with, various regulatory reporting requirements, as set out by the Financial Intelligence Unit (FIU) of the Government of India. The Bank has a transaction monitoring mechanism in line with regulatory requirements with an automated system solution, closely monitored by a centralised AML team. The Bank's employees are imparted training on KYC / AML aspects regularly. Executives of the Bank also attend periodic workshops/seminars organised by FIU - IND, RBI, IBA and National Institute of Bank Management (NIBM) to enhance their awareness in these aspects. Recent changes as contained in the PMLA notifications and RBI guidelines have been followed and embedded in the customer acquisition processes of the Bank. The Bank's KYC/AML Policy was duly reviewed by the Board on annual basis taking into account the various amendments to guidelines / regulations.

Prevention of Sexual Harassment

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during financial year 2024-25 is provided in the Corporate Governance Report.

The POSH Policy is periodically communicated to all employees and is available on the Bank's website https://www.utkarsh.bank/uploads/policy/Prevention_of_Sexual_Harassment_Policy.pdf

Human Resources

The Bank's Human Resources Policy (HR Policy) is aligned for the achievement of the Bank's vision and mission and constant efforts are made to motivate its employees for excellence in performance and at the same time endeavors to provide a better work-life balance through various employee welfare activities.

In its constant endeavor to promote learning and capacity building of all its employees, the Bank utilised its "Learning Management System (Utkarsh U-Learn)" to engage its employees through continuous educational programs delivered via e-modules and virtual classrooms.

Technology

In today's rapidly evolving technological landscape, meeting shifting customer expectations is paramount. Automation and digitization are key enablers in leveraging technology to address the unique needs and preferences of our customers, thereby driving business growth.

As part of our digital transformation journey, the Bank has launched several initiatives this year to provide seamless access to our services. These include the introduction of new secured credit card products, a personal loan platform, Aadhaar Enabled Payment Systems (AEPS), and multiple automation initiatives within our Micro Banking segment. These efforts aim to expand our product offerings while embedding robust operational controls into our systems. Additionally, we introduced WhatsApp Banking to enhance customer service accessibility.

We have also strengthened our technological capabilities through collaborations with multiple fintech partners to enhance our liability, asset, and card product portfolios. Our Know Your Customer (KYC) process has been fortified with the integration of Video KYC (VKYC), biometric verification, and facial authentication. Furthermore, we have upgraded existing products with features such as cardless cash withdrawals at ATMs, eMandates for NACH, and ASBA functionalities via Internet and Mobile Banking. Enhancements to our Digi Onboarding platforms have significantly improved customer acquisition turnaround times (TAT). We have also enriched various features in our existing business applications to improve product offerings and customer service, while reinforcing operational controls and efficiency.

In line with our unwavering commitment to innovation, we have re-architected and refreshed our systems to enhance scalability, reliability, and security. Strategic technology acquisitions and investments in automation tools, analytics, and machine learning have been made to boost operational efficiency and risk management. Key focus areas include API banking and middleware platforms, low-code/no-code development platforms, cloud infrastructure, and extended collaboration through Office 365. Several infrastructure-led initiatives have been implemented to revamp and upgrade platforms, thereby enhancing business-critical applications to support increased business volumes.

We have also completed a comprehensive blueprint for our Business Transformation project, which includes a detailed review of existing products, operational processes, and our current technology stack. This initiative is being led by a specialized team known as the Transformation Management Office (TMO), which oversees the Bank's transformation

journey. The project is currently in the "Implementation" phase, during which various internal systems, processes, and applications are being modernized. As part of this effort, the Bank has embarked on a major Core Banking replacement project, transitioning to the Infosys Finacle Core Banking platform.

Compliance with Secretarial Standards

The Bank has complied with the provisions of Secretarial Standards specified by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs under Section 118(10) of the Companies Act, 2013.

Basis the Market Capitalization published by the BSE Limited and National Stock Exchange of India Limited, the Bank is in the Top 1000 listed entities.

The Business Responsibility and Sustainability Report ("BRSR") is annexed with Board's Report as **Annexure H** and disclosed on the website of the Bank at https://www.utkarsh.bank/investors

Compliance with Maternity Benefit Act

The Bank has complied with the provisions of Maternity Benefit Act, 1961

Basel III (Pillar 3) Disclosures

RBI Master Circular DBR.No.BP.BC.4/21.06.001/2015-16 dated July 01, 2015, on 'Prudential guideline on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF)' requires banks to make Pillar 3 disclosures, as applicable. These disclosures have not been subjected to audit or limited review. These disclosures are available on the Bank's website at https://www.utkarsh.bank/

Prospects

FY25 has been a challenging year from financial performance perspective for the Bank. The Bank reported annual profit after tax of ₹23 crore in FY 24-25. The Bank's JLG loan portfolio registered degrowth but deposits registered healthy business growth. The Directors are of the view that there is an immense opportunity to cater to the unserved and underserved sections of client base in the country, particularly the area in which the Bank is currently operating.

Directors' Responsibility Statement

As per the requirements of Section 134(3)(c) of the Act, the Directors hereby confirm and declare that:

- In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed, and there is no material departure from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2025, and of the profit of the Bank for the year ended March 31, 2025;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts for the financial year ended March 31, 2025 on a going concern basis.
- The Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and operating effectively.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

Acknowledgement

The Board expresses its gratitude to the Central and State Governments, Reserve Bank of India, Ministry of Corporate Affairs, SEBI, NABARD, SIDBI, MUDRA, NHB and all other Regulatory Authorities including Local Governing Bodies for the continuous support and guidance provided to the Bank.

The Board appreciates the precious support provided by the Auditors, Lawyers and Consultants. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth has been made possible by their hard work, solidarity, cooperation, and support.

The Directors wish to place on record their gratitude to Shareholders of the Bank for the confidence reposed by them and thank all the clients, dealers, and other business associates for their contribution to the Bank's growth and for extending their assistance and co-operation.

The Directors also express their gratitude to all stakeholders and partners for extending their support.

For and on behalf of the Board of Directors

Parveen Kumar Gupta
Part Time Non-Executive Chairman and Independent Director
DIN – 02895343

Govind Singh
Managing Director & CEO
DIN – 02470880

Place: Mumbai
Date: June 07, 2025

Annexures

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure A

Corporate Governance Report

1) A Brief statement on listed entity's philosophy on code of governance

The Bank believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice. The Bank understands and respects its role and responsibility towards its shareholders and strives hard to meet their expectations. The Bank's philosophy on corporate governance is to promote the culture of customer centricity, accountability, integrity, sustainability, transparency and ethics, which enables the Bank to conduct itself in the right way while dealing with all its stakeholders.

The Bank has a robust governance structure in place, led by an independent and diverse Board of Directors (Board). The Board believes in prompt and clear communication to its stakeholders, which reflects the internal functioning at the Bank.

The Bank believes that best board governance practices, transparent disclosures and shareholder empowerment are necessary for creating shareholder value. The Bank has infused the philosophy of corporate governance into all its activities.

The Bank's governance framework is based on the following principles:

1. Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains.
2. Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.
3. Timely disclosure of material operational and financial information to the stakeholders.
4. Systems and processes in place for internal control and proper business conduct by the Board, Senior Management and employees.

2) Board of Directors:

a. Composition and Category of directors:

The Board of Directors ("Board") of the Bank as on March 31, 2025 comprises of 7 (Seven) Directors. The composition and category of Directors is as follows:

Category of Directors	Name of Directors	DIN	Inter-se Relationship between Directors
Part Time Non – Executive Chairman and Independent Director	Mr. Parveen Kumar Gupta	02895343	None
Non-Executive - Independent Director including a Woman Independent Director	1. Mr. Ajay Kumar Kapur	00108420	
	2. Ms. Kalpana Prakash Pandey	06715713	
	3. Mr. Nagesh Dinkar Pinge	00062900	
Non-Executive and Non-Independent Director	Mr. Muralidharan Rajamani	01690363	
Managing Director and Chief Executive Officer	Mr. Govind Singh	02470880	
Whole Time Director	Mr. Pramod Kumar Dubey	10174154	

More than half of the Non-Executive Directors on the Board are Independent Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties independently and without any external influence. Independent Directors of the Bank have submitted their annual declarations with respect to the criteria of independence as stipulated under the provisions of the Companies Act, 2013, SEBI Listing Regulations, the Banking Regulation Act, 1949, and the guidelines issued by the Reserve Bank of India ("RBI") from time to time and in the opinion of Board the independent directors meet the criteria of independence laid down thereunder and are independent of the management.

None of the Non – Executive Directors hold shares and / or convertible instruments, if any, of the Bank as on March 31, 2025.

The details of changes that took place in the Board composition during FY 24-25 is mentioned in the Boards report

b. Board Meetings and attendance:

The Board assembles at regular intervals to discuss and decide crucial matters and strategies to attain the goal in efficient manner and to cope up with the dynamic and competitive environment.

During FY 2024-25 the Board met 10 (Ten) times and the gap between two consecutive meetings did not exceed 120 days. The meetings of the Board were held on following dates:

1. Friday, April 26, 2024
2. Saturday, June 15, 2024
3. Saturday, August 03, 2024
4. Wednesday, August 14, 2024
5. Friday, September 20, 2024
6. Saturday, November 09, 2024
7. Monday, December 16, 2024
8. Friday, February 14, 2025
9. Wednesday, February 26, 2025
10. Saturday, March 08, 2025

Sr. No.	Name of the Director	Attendance particulars for the year ended March 31, 2025		
		Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on July 22, 2024
1.	Mr. Parveen Kumar Gupta	10	10	Yes
2.	Mr. Ajay Kumar Kapur	10	10	Yes
3.	Mr. Chandra Shekhar Thanvi	04	03	Yes
4.	Mr. Kajal Ghose	07	07	Yes
5.	Ms. Kalpana Prakash Pandey	10	10	Yes
6.	Mr. Muralidharan Rajamani	10	10	Yes
7.	Mr. Nagesh Dinkar Pinge	10	10	Yes
8.	Mr. Govind Singh	10	10	Yes
9.	Mr. Pramod Kumar Dubey	06	06	NA

c. Other Directorships

Sr. No.	Name of the Director	Other Directorships[1] in other listed entities	Committee Memberships [2&3]	Committee Chairmanships[2]	Other Listed entities in which they hold Directorship	Category of Directorship in other Listed Entities	No. of Shares held by Directors in the Bank[4]
1.	Mr. Parveen Kumar Gupta	1	5	2	- India Shelter Finance Corporation Ltd	Non-Executive - Independent Director	Nil
2.	Mr. Ajay Kumar Kapur	0	3	0	-	-	Nil
3.	Ms. Kalpana Prakash Pandey	0	2	0	-	-	Nil
4.	Mr. Muralidharan Rajamani	1	4	1	-	-	Nil

Sr. No.	Name of the Director	Other Directorships[1] in other listed entities	Committee Memberships [2&3]	Committee Chairmanships[2]	Other Listed entities in which they hold Directorship	Category of Directorship in other Listed Entities	No. of Shares held by Directors in the Bank[4]
5.	Mr. Nagesh Dinkar Pinge	5	8	5	- Goa Carbon Limited - Arvind Fashions Limited - Automobile Corporation of Goa Limited - Arvind Limited - Aditya Birla Capital Limited	Non-Executive - Independent Director	Nil
6.	Mr. Govind Singh	0	1	0	-	-	501390
7.	Mr. Pramod Kumar Dubey	0	0	0	-	-	Nil

Notes:

1. The above number of other directorships does not include Directorships in Private Limited, Foreign and Section 8 Companies.
2. The Committee Memberships and Chairmanships in Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.
3. The Committee Memberships include Chairmanships as well.
4. Mr. Govind Singh holds 5,01,390 equity shares in the Bank

Familiarisation Programme

Regulation 25(7) of the SEBI Listing Regulations requires listed Companies to conduct familiarisation programme for the Independent Directors so as to familiarise them with the Bank, their roles, rights, responsibilities in the Bank, nature of the Bank in which the Bank operates, business model of the Bank, etc. Utkarsh Small Finance Bank Limited facilitates the members of its Board to familiarise themselves with the Bank and its operations to enable them to gain in-depth and thorough understanding about the perspective of the Bank. The web link of the Policy for Familiarisation is mentioned below: https://www.utkarsh.bank/uploads/pdf/our-policy/template_ten/Policy-for-familiarisation-Programme-for-Directors.pdf

d. Board skill matrix

The Board comprises of qualified members who bring in qualified skills, competence and expertise that enable them to make effective contributions to the Bank's working. The Board of Directors have expertise and extensive experience in the fields as given below. They uphold ethical standard, integrity and probity and exercise their responsibility in the best interest of the Bank and all stakeholders.

The expertise of the Board Members is as given below:

Name of the Director	Business	Finance	Enterprise	Technology
	Banking, NBFC, Public Financial Institution, Rural, MFI, SME, MSME, Retail, Liabilities.	Audit, Accountancy and Financial management	Risk Management, Governance, Compliance and Human resources	Technology and Digital banking
Mr. Parveen Kumar Gupta	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Kapur	Yes	Yes	Yes	Yes
Ms. Kalpana Prakash Pandey	Yes	Yes	Yes	Yes
Mr. Muralidharan Rajamani	Yes	Yes	Yes	Yes
Mr. Nagesh Dinkar Pinge	Yes	Yes	Yes	Yes
Mr. Govind Singh	Yes	Yes	Yes	Yes
Mr. Pramod Kumar Dubey	Yes	No	Yes	Yes

3) Audit Committee (AC)

Composition of the Audit Committee and the terms of reference are in compliance with the requirements under Section 177 of the Companies Act, 2013 ('Act') and of Regulation 18 of the Listing Regulations. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank.
2. Review and monitoring the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Scrutiny of inter-corporate loans and investments.
5. Evaluation of internal financial controls and risk management systems.
6. Monitoring the end use of funds raised through public offers and related matters.
7. Providing direction and to oversee the operation of the audit function.
8. Review of the internal audit system with special emphasis on its quality and effectiveness.
9. Review of internal and concurrent audit reports of large branches with a focus on all major areas of housekeeping, particularly inter branch adjustment accounts, arrears in the balancing of the books, unreconciled entries in inter-Bank accounts and frauds.
10. Discussion on the matters related to frauds.
11. Discussion and follow up for the audit observations relating to long form audit report.
12. Discussion and follow up for the observations relating to inspection report / risk assessment report of the RBI.
13. Review the system of appointment of concurrent auditors and external auditors.
14. Review of our Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
15. Approval of payments to statutory auditors for other services rendered by them.
16. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to modified opinion(s) in the draft audit report:
    - Review and Approval of matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies & practices and reasons for the same.
    - Review of major accounting entries involving estimates based on the exercise of judgment by the management.
    - Review of Significant adjustments made in the financial statements arising out of audit findings.
    - Review of Compliance with statutory and legal requirements relating to financial statements.
    - Review of disclosure of any related party transactions.
    - Review and discuss qualifications in the draft audit report.
17. Review, with the management, the quarterly financial statements before submission to the Board for approval along with Auditors Review Report.
18. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board for taking steps in the matter
19. Review with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
20. Obtain and review quarterly/half yearly reports of the Compliance Officer.
21. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage, and frequency of internal audit.

22. Discuss with internal auditors any significant audit findings and follow up thereon.
23. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board.
24. Discuss with statutory auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.
25. Analysis of the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
26. Review of the functioning of the whistle blower-cum-vigil mechanism.
27. Approval of the appointment of the head of internal audit / chief internal audit officer before finalisation of the same by the management. While approving the appointment, Audit Committee shall assess the qualifications, experience, background etc. of the candidate.
28. Approval or any subsequent modification of transactions of the Bank with related parties.
29. Valuation of undertakings or assets of the Bank, wherever it is necessary.
30. Review of information system audit and cyber security audit reports.
31. Discussion and follow up for audit observations relating to Information System audit and Cyber Security Audit.
32. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
33. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by our Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other applicable law.
34. Reviewing the utilisation of loans and/ or advances from/investment by the holding Bank in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
35. Discussion and follow up for audit observations relating to Information System audit and Cyber Security Audit.
36. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
37. Approval or any subsequent modification of transactions of the Bank with related parties provided that the Audit Committee make omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as may be prescribed.
38. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
39. The Audit Committee shall mandatorily review the following information.
    - Management's discussion and analysis of financial condition and results of operations.
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
    - Management letters/ letters of internal control weaknesses issued by the statutory auditors.
    - Internal audit reports relating to internal control weaknesses.
    - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject
    - to review by the Audit Committee and
    - Statement of deviations
        - » quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
        - » annual statement of funds utilised for purposes other than those stated in the document/ prospectus/notice in terms of the Listing Regulations

    The powers of the Audit Committee shall include the following:
    - To investigate any activity within its terms of reference.
    - To seek information from any employee.

- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

40. Review and assess the policy and processes established by the Bank to monitor conformance with its code of conduct policies by all employees of the Bank.
41. Review and approve the internal audit charter at least annually.
42. To forward to the board an annual report, summarizing the Internal Audit activities and recommendations. The report may include the summary of the work the audit performed, management's progress in addressing the result of internal and external audit reports, enhancing required control and compliance process, any other matters it deems of sufficient importance.
43. To have unrestricted access to the members of the management, employees, and relevant information it is considered necessary to discharge its duties. The committee will also have unrestricted access to records, data, and reports.

b. Meetings and Composition

Nine meetings of AC were held during the financial year ended March 31, 2025:

1. Friday, April 26, 2024
2. Friday, June 14, 2024
3. Saturday, August 03, 2024
4. Wednesday, August 14, 2024
5. Thursday & Friday, September 19- 20, 2024
6. Saturday, November 09, 2024
7. Monday, December 09, 2024
8. Friday, February 14, 2025
9. Saturday, March 08, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Nagesh Dinkar Pinge	Chairperson	09	09
2.	Mr. Ajay Kumar Kapur	Member	09	09
3.	Mr. Kajal Ghose#	Member	07	07
4.	Ms. Kalpana Prakash Pandey	Member	09	09
5.	Mr. Muralidharan Rajamani*	Member	02	02

Ceased to be Director w.e.f January 16, 2025

* Admitted as a Member to the Committee w.e.f January 16, 2025

4) Nomination and Remuneration Committee (NRC)

Composition of NRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 19 of the Listing Regulations. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Review the structure, size, composition, diversity of our Board and make necessary recommendations to our Board with regard to any changes as necessary and formulation of policy thereon.
2. Evaluate the skills that exist, and those that are absent but needed at our Board level, and search for appropriate candidates who have the profile to provide such skill sets.
3. Examine vacancies that will come up at our Board on account of retirement or otherwise and suggest course of action.
4. Undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a Director on our Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto.
5. Review and recommend to our Board for approval of the appointment of Managing Director & Chief Executive Officer and other Whole-Time Directors and the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and Key Managerial Personnel), the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & Chief Executive Officer, other Whole Time Directors and senior managers one level below our Board;

6. Review and recommend to our Board for approval of the total increase in manpower cost budget of our Bank as a whole, at an aggregate level, for the next year.
7. Recommend to our Board the compensation payable to the Chairman of our Bank.
8. Review the code of conduct and human resources strategy, policy and performance appraisal process within our Bank, as well as any fundamental changes in organisation structure, which could have wide ranging, or high-risk implications.
9. Review and recommend to our Board for approval of the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of Managing Director and chief executive officer, the other whole time Directors, senior managers one level below our Board and other key roles and their progression to our Board.
10. Review and recommend to our Board for approval:
    - the creation of new positions one level below Managing Director and CEO; and to approve job descriptions and key responsibility areas.
    - appointments, promotions and exits of senior managers one level below the Managing Director and chief executive officer.
11. Set the goals, objectives, and performance benchmarks for our Bank and for Managing Director and CEO, the other whole-time directors for the financial year and over the medium to long term.
12. Review the performance of the Managing Director and CEO and other whole time Directors at the end of each year.
13. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, RBI or by any other regulatory or statutory body.
14. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to our Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
15. Formulating of criteria for evaluation of the performance of the Independent Directors and our Board.
16. Devising a policy on Board diversity Identifying persons who qualify to become Directors or who may be appointed in Senior Management in accordance with the criteria laid down, recommending to our Board their appointment and removal, and carrying out evaluations of every Director's performance.
17. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
18. Performing such functions as are required to be performed by the Committee under the SEBI SBEB Regulations.
19. Performing such other activities as may be delegated by our Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority.
20. Recommend to our board, all remuneration, in whatever form, payable to Senior Management.
21. Performing such other functions as may be required for the performance of any of the above duties.
22. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - Use the services of an external agencies, if required.
    - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - Consider the time commitments of the candidates.
23. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down, recommend to Board their appointment and removal and to specify the manner for effective evaluation of performance of the Board, its committees and individual Directors.

b. Meetings and Composition

Seven meetings of NRC were held during the financial year ended March 31, 2025:

1. Friday, April 26, 2024
2. Saturday, June 15, 2024
3. Wednesday, August 14, 2024
4. Saturday, August 31, 2024
5. Friday, September 13, 2024
6. Friday, November 08, 2024
7. Tuesday, March 04, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Kajal Ghose#	Chairperson	06	06
2.	Mr. Muralidharan Rajamani	Member	07	07
3.	Mr. Parveen Kumar Gupta	Member	07	07
4.	Ms. Kalpana Prakash Pandey*	Chairperson	01	01

Ceased to be Director w.e.f January 16, 2025

* Admitted as a Member to the Committee w.e.f January 16, 2025

c. Performance evaluation criteria for independent directors

The Board evaluation framework is designed in compliance with the requirements under the 149(8) Section 178(2) read with Schedule IV, of Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI, The Board evaluation was conducted through questionnaire designed containing Qualitative & Quantitative parameters.

The Bank has a structured assessment process for evaluation of the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. Further, the Independent Directors met separately, without the presence of non-Independent Directors and Executive Management, and inter alia reviewed the performance of non-independent directors, and Board as a whole; and performance of the Chairman.

The evaluation of the Independent Directors, which was done by the Board of Directors, was based on the following assessment criteria as laid by the Nomination and Remuneration Committee:

- Attendance and participation in the meetings.
- Provides valuable input and suggestions for the overall benefit of the organization.
- Extend or continue the term of appointment of Independent Director, based on the report of performance evaluation of the Independent Directors.
- Any other function as may be required from time to time by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, Companies Act, 2013 and rules made there under and any other statutory, contractual, or other regulatory requirements to be attended by such Committee.

5) Stakeholders' Relationship Committee (SRC)

Composition of SRC and the terms of reference are in compliance with the requirements under Section 178 of the Act and Regulation 20 of the Listing Regulations. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Resolving the grievances of the security holders of the listed entity, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Allotment of securities, approval and rejection of transmission of shares, debentures or any other securities
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal etc
4. Overseeing requests for dematerialisation and rematerialisation of securities.
5. Spreading awareness amongst security holders for protection of their rights and interest(s).
6. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by our Bank in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by our Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Bank.
10. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
11. Carrying out other functions as provided for in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other roles and responsibilities as assigned by the Board of Directors related with security holders of the Bank, from time to time.

b. Meetings and Composition

Four meetings of SRC were held during the financial year ended March 31, 2025:

1. Tuesday, June 04, 2024
2. Friday, September 13, 2024
3. Tuesday, December 10, 2024
4. Saturday, February 14, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Muralidharan Rajamani	Chairperson	04	04
2.	Ms. Kalpana Prakash Pandey	Member	04	04
3.	Mr. Ajay Kumar Kapur	Member	04	04
4.	Mr. Govind Singh	Member	04	04

c. Name and designation of the Compliance officer

The Board has designated Mr. Muthiah Ganapathy as the Compliance Officer for the purposes of/ under rules, regulations etc. issued by the SEBI and Stock Exchanges.

d. Investor Complaints:

Particulars	No. of Complaints	
	Shareholders	Debenture holders
Pending at the beginning of the year i.e. April 1, 2024	0	0
Received during the year	2	0
Resolved during the year	2	0
Pending at the end of the year i.e. March 31, 2025	0	0

6) Risk Management Committee (RMC)

Composition of RMC and the terms of reference are in compliance with the requirements under Regulation 21 of the Listing Regulations. The terms of reference of the Committee, inter alia, include:

a. Brief description of terms of reference

1. To perform the role of Risk Management in pursuance of the Risk Management Guidelines issued periodically by RBI and Board.
2. To oversee and advise to the Board on:

   Defining risk appetite, tolerance thereof and review the same, as appropriate.

   - The systems of risk management framework, internal control and compliance to identify, measure, aggregate, control and report key risks.
   - The maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
3. To advise the Board on all high-level risk matters.
4. To require regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored by management; and give clear focus to current and forward-looking aspects of risk exposure.
5. To review the effectiveness of the Bank's internal control and risk management framework, in relation to its core strategic objectives, and to seek such assurance as may be appropriate.
6. To review the asset liability management (ALM) of the Bank on a regular basis.
7. To provide to the Board with such additional assurance as it may require regarding the quality of risk information submitted to it;
8. To decide the policy and strategy for integrated risk management containing various risk exposures of the Bank including the credit, market, liquidity, operational risks including IT risks, Cyber risks and reputation risks
9. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.

10. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
11. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
13. To formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.
14. Approve various Risk Management policies.
15. Measures for risk mitigation including systems and processes for internal control of identified risks.
16. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
17. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.
18. To formulate & approve and revise various Risk Management policies at such intervals as may be considered necessary.

b. Meetings and Composition

Five meetings of RMC were held during the financial year ended March 31, 2025:

1. Wednesday, June 05, 2024
2. Wednesday, August 14, 2024
3. Thursday, September 19, 2024
4. Tuesday, December 10, 2024
5. Monday, February 10, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Ajay Kumar Kapur	Chairperson	05	05
2.	Ms. Kalpana Prakash Pandey	Member	05	05
3.	Mr. Muralidharan Rajamani#	Member	04	04
4.	Mr. Parveen Kumar Gupta	Member	05	05
5.	Mr. Govind Singh#	Member	04	04
6.	Mr. Pramod Kumar Dubey*	Member	01	01

Ceased to be Director w.e.f January 16, 2025

*Appointed as Member of the Committee w.e.f January 16, 2025

7) Corporate Social Responsibility (CSR)

Composition of the Corporate Social Responsibility Committee and the terms of reference are in compliance with the requirements under section 135 of the Companies Act, 2013. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Formulation and recommendation to our Board, the Corporate Social Responsibility (CSR) strategy of the Bank including the CSR Policy and its implementation.
2. Formulation and recommendation to our Board, the CSR activities to be undertaken by our Bank, either directly or through Utkarsh Welfare Foundation or through any other entity working for the welfare of society and determining the CSR projects / programmes which our Bank plans to undertake during the year of implementation, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
3. Conducting an impact-assessment of the various initiatives undertaken in terms of the CSR Policy at periodic intervals.
4. Instituting a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by our Bank.
5. Reviewing and recommending the annual CSR report for our Board's approval and for public disclosure.

6. Our Corporate Social Responsibility Committee shall:
   - formulate, review and recommend to our Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Bank as specified in Schedule VII.
   - recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
   - monitor the Corporate Social Responsibility Policy of our Bank from time to time.
7. To consider and review the CSR Initiatives of our Bank with as per Section 135 of the Companies Act, 2013, Schedule VII of the Act and related circulars issued by the Ministry of Corporate Affairs from time to time.
8. To review annual CSR policy of our Bank and suggest changes within the purview of section 135 of the Companies Act, schedule VII of the act and related circulars issues by Ministry of corporate affairs.
9. To undertake CSR programmes/ projects with the approval of our Boards on the recommendations of their CSR Committees. Changes, if any, in the programme / project should also be undertaken only with the approval of the Committee / Board.
10. To consider and review the thematic areas under CSR initiatives of our Bank which currently comprises of Financial Awareness, Primary education, Health Camps, Health Awareness Programme, Skill development and Vocational Training, Supporting Orphanages and Support to Elderly Care.
11. To undertake the CSR activities to be undertaken by our Bank through Utkarsh Welfare Fund/ Identified CSR Implementing Partner.

b. Meetings and Composition

Four meetings of CSR were held during the financial year ended March 31, 2025:

1. Tuesday, June 04, 2024
2. Tuesday, October 01, 2024
3. Saturday, December 27, 2024
4. Saturday, February 28, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Muralidharan Rajamani	Chairperson	04	04
2.	Ms. Kalpana Prakash Pandey	Member	04	04
3.	Mr. Ajay Kumar Kapur	Member	04	04

8) IT Strategy Committee (ITSC)

Composition of the IT Strategy Committee and the terms of reference are in compliance with the requirements of directions, guidelines etc of Reserve Bank of India. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Approving IT strategy and policies.
2. Ensuring that management has an effective strategic planning process in place.
3. Ensuring that the business strategy is aligned with the IT strategy.
4. Ensuring that the IT organisational structure serves business requirements and direction.
5. Oversight over implementation of processes and practices that ensures IT delivers value to businesses.
6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
7. Ensuring proper balance of IT investments for sustaining Bank's growth.
8. Assess exposure to IT risks and its controls and evaluating effectiveness of management's monitoring of IT risks.
9. Assessing management's performance in implementing IT strategies.
10. Assessing if IT architecture has been designed to derive maximum business value.
11. Reviewing IT performance measurement and contribution to businesses.
12. To approve capital and revenue expenditure in respect of IT procurements.
13. To ensure that IT resources and infrastructure is available to meet required strategic business objectives and that a process is in place to record the resources available/ potentially available to the bank.

14. To monitor performance of IT function towards ensuring delivery on time and within budget, with appropriate functionality and with intended benefits.
15. Review of Information System audit and Cyber Security audit reports & Inspection reports
16. Discussion and follow up for audit observations relating to Information System Audit and Cyber Security Audit & Inspection reports.

b. Meetings and Composition

Eight meetings of ITSC were held during the financial year ended March 31, 2025:

1. Wednesday, April 10, 2024
2. Monday, April 24, 2024
3. Thursday, June 06, 2024
4. Wednesday, September 18, 2024
5. Thursday, December 12, 2024
6. Friday, December 27, 2024
7. Thursday, February 13, 2025
8. Wednesday, March 12, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Kajal Ghose#	Chairperson	06	06
2.	Ms. Kalpana Prakash Pandey*	Chairperson	08	08
3.	Mr. Nagesh Dinkar Pinge	Member	08	08
4.	Mr. Muralidharan Rajamani	Member	08	08
5.	Mr. Abhijeet Bhattacharjee^	Member	08	08

#Ceased to be Director w.e.f January 16, 2025

*Chairperson w.e.f January 16, 2025

^Mr. Abhijeet Bhattacharjee is the Chief Information Officer (CIO) of the Bank

9) Special Committee to Monitor Large Value Frauds (LVF)

Composition of the Special Committee to Monitor Large Value Frauds and the terms of reference are in compliance with the requirements of directions, guidelines etc of Reserve Bank of India. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. The major function of the Special Committee is to monitor and review all the frauds of ₹50.00 lakh and above; Identify systemic lacunae, if any that allowed perpetration of the fraud; and put in place measures to plug the same.
2. Identify reasons for delay, if any, in detection and reporting to top management of the Bank and RBI.
3. Monitor progress of CBI/Police investigation and recovery position.
4. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff related action, if required, is completed quickly.
5. Review efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.
6. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

b. Meetings and Composition

Two meetings of LVF were held during the financial year ended March 31, 2025:

1. Wednesday, June 05, 2024
2. Wednesday, August 28, 2024

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Govind Singh	Chairperson	02	02
2.	Mr. Chandra Shekhar Thanvi	Member	02	01
3.	Mr. Kajal Ghose	Member	02	02
4.	Mr. Nagesh Pinge	Member	02	02

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
5.	Mr. Parveen Kumar Gupta	Member	02	02

The Committee was dissolved w.e.f September 20, 2024 to align with the master direction issued by Reserve Bank of India on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institution vide letter RBI/DOS/2024-25/118 D.O.S.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024, wherein the banks were required to form Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF).

10) Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF)

In accordance with the Master Direction issued by Reserve Bank of India on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institution vide letter RBI/DOS/2024-25/118 D.O.S.CO.FMG.SEC. No.5/23.04.001/2024-25 dated July 15, 2024, the Board of Directors of the Bank had constituted Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF). The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. To monitor and review all the frauds of; Identify systemic lacunae, if any that allowed perpetration of the fraud; and put in place measures to plug the same.
2. Identify reasons for delay, if any, in detection and reporting to top management of the Bank and RBI.
3. Monitor progress of CBI/Police investigation and recovery position.
4. Ensure that staff accountability is examined at all levels in all the cases of frauds and stafrelated action, if required, is completed quickly.
5. Review efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.
6. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

b. Meetings and Composition

Two meetings of SCBMF were held during the financial year ended March 31, 2025:

1. Monday, December 09, 2024
2. Saturday, March 08, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Nagesh Pinge	Chairperson	02	02
2.	Ms. Kalpana Pandey	Member	02	02
3.	Mr. Parveen Kumar Gupta	Member	02	02
4.	Mr. Govind Singh	Member	02	02

The Committee was constituted w.e.f September 20, 2024.

11) Customer Service Committee (CSC)

Composition of the CSC and the terms of reference are in compliance with the requirements of directions, guidelines etc of Reserve Bank of India. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. Overseeing functioning of the Bank's Customer Service Standing Committee setup for customer service.
2. To review level of customer service in the Bank including customer complaints and the nature of their resolutions.
3. Provide guidance in improving customer service.
4. Review any award passed by the Banking Ombudsman in response to any customer complaint filed with the Ombudsman.
5. The Committee may address formulation of a Comprehensive Deposit.
6. Policy, incorporating issues such as the treatment of death of a depositor for operations of his account, product approval process, the annual survey of depositor satisfaction and the triennial audit of such services.
7. The Committee may also examine any other issues having a bearing on the quality of customer service rendered.
8. To ensure implementation of directives received from RBI with respect to rendering services to customers of the Bank.

b. Meetings and Composition

Four meetings of CSC were held during the financial year ended March 31, 2025:

1. Tuesday, June 04, 2024
2. Friday, September 13, 2024
3. Wednesday, December 04, 2024
4. Tuesday, March 04, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Kalpana Prakash Pandey[$]	Chairperson	04	04
2.	Mr. Chandra Shekhar Thanvi*	Member	02	Nil
3.	Mr. Muralidharan Rajamani[#]	Member	04	04
4.	Mr. Govind Singh^	Member	03	03
5.	Mr. Parveen Kumar Gupta	Member	04	04
6.	Mr. Pramod Kumar Dubey**	Member	01	01

[$] Ceased to be Chairperson w.e.f January 16, 2025

* Ceased to be Member cause of superannuation w.e.f. September 20, 2024

[#] Appointed as Chairperson w.e.f January 16, 2025.

^ Ceased to be Member w.e.f. January 16, 2025

** Admitted as a Member w.e.f. January 16, 2025

12) Capital Structuring & Fund Raise Committee (CSFRC)

The Board of Directors of the Bank had constituted CSFRC and approved the terms of reference which, inter alia, includes:

a. Brief description of terms of reference

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the RoC and any other governmental, statutory or regulatory authorities as may be required in connection with the Offer and accept on behalf of our Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus, as applicable.
2. To finalise, settle, approve, adopt and file in consultation with the Selling Shareholder(s) and BRLMs where applicable, the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant regulatory, governmental and statutory authorities or in accordance with Applicable Laws.
3. To decide in consultation with the Selling Shareholder(s) and /or the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer.
4. To appoint and enter into and terminate arrangements with the BRLMs, Underwriters to the Offer, Syndicate Members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, Sponsor Bank, Refund Bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalisation, execution and, if required, amendment of the offer agreement with the BRLMs.
5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, escrow and sponsor bank agreement, agreements with the Registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the Registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection

with the Offer with the power to authorise one or more officers of our Bank to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer.

6. To seek, if required, the consent and/or waiver of the lenders of our Bank, customers, parties with whom our Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith.

7. To open and operate bank accounts in terms of the escrow and sponsor bank agreement and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard.

8. To open and operate bank accounts of our Bank in terms of Section 40(3) of the Companies Act, and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard.

9. To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer.

10. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws.

11. To approve the implementation of any corporate governance requirements that may be considered necessary by our Board or the CSFR Committee or as may be required under the Applicable Laws or the Listing Regulations and listing agreement(s) to be entered into by our Bank with the relevant stock exchanges, to the extent allowed under law.

12. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more recognised stock exchanges in India, with power to authorise one or more officers of our Bank to sign all or any of the aforesaid documents.

13. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer.

14. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs.

15. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/ or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of our Bank to execute all or any of the aforesaid documents.

16. To make applications for listing of the Equity Shares in one or more recognised stock exchanges in India for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of our Bank, where necessary.

17. To settle all questions, difficulties or doubts that may arise with regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit.

18. To submit undertaking/certificates or provide clarifications to the SEBI, the RoC, RBI and the Stock Exchanges.

19. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the CSFR Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the CSFRC Committee shall be conclusive evidence of the authority of the CSFRC Committee in so doing.

20. To delegate any of its powers set out under (i) to (xx) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of our Bank.

21. To approve the list of 'group of company (ies)' of our Bank, identified pursuant to the materiality policy adopted by our Board, for the purposes of disclosure in the DRHP, RHP and Prospectus.

22. Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant

documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws.

23. Taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer.
24. To withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs.
25. To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.
26. To act in a non-executive role to take action in order to report to, and assist, our Board in fulfilling its responsibilities relating to capital structure and fund raise management.
27. To obtain outside legal or other professional advice/ services. Matters to be considered in relation to the above including but not limited to below:
    a. Capital restructuring strategy and execution.
    b. Rights issue, Pre-IPO and IPO.
    c. IPO allocation to domestic & international market and market timing.
    d. Appointment of financial advisor, investment bankers and book running lead manager(s)
    e. Appointment of legal and other advisors.
    f. Appointment of tax, regulatory & accounting advisors.
    g. Appointment of rating agencies.
    h. Valuation report from registered valuer.
    i. Offer document preparation and verification process.
    j. Legal documentation finalisation and sign off process.
28. To call any member of our Bank personnel, or outsiders with relevant experience and expertise, if it considers this necessary.
29. To select the stock exchange for listing of securities.
30. To authorise personnel to represent our Bank before regulatory bodies and filing/signing/execution of necessary application/documents.
31. To take other actions considered necessary or prudent to fulfill the responsibilities of the committee, provided that no other action is taken without the approval of our Board.
32. To act in a non-executive role to take action in order to:
    1. Be a forum to consult and report in relation to the capital structure and ongoing financing strategy.
    2. Review and recommend to our Board in relation to setting strategy for capital structuring management, equity fund raise and debt financing.
    3. Review and monitor the company's financing strategy and advise our Board whether the financing arrangements have been entered into on appropriate terms, at an appropriate cost and are appropriate financing arrangements for their purpose.
    4. Advise our Board of any matters identified during the course of carrying out its duties that might have a significant impact on the ability of our Bank to raise financing in the future or place restrictions on equity.
    5. Appointment of advisors as required for advice and / or execution of our Bank's capital structuring and fund raise strategy.
    6. Review and recommend to our board regarding terms of debt financing proposals/offers.

b. Meetings and Composition

Four meetings of CSFRC were held during the financial year ended March 31, 2025:

1. Friday, June 14, 2024
2. Friday, September 20, 2024
3. Monday, November 18, 2024
4. Sunday, February 23, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Parveen Kumar Gupta	Chairperson	04	04
2.	Mr. Nagesh Dinkar Pinge	Member	04	04
3.	Mr. Govind Singh	Member	04	04

13) Credit Approval Committee (CAC)

The Board of Directors of the Bank had constituted CAC and approved the terms of reference which, inter alia, includes

a. Brief description of terms of reference

1. To provide approvals for loans above certain stipulated limits, discuss strategic issues in relation to credit policy, and deliberate on the quality of credit portfolio.
2. To monitor credit exposures of the Bank.

b. Meetings and Composition

Fourteen meetings of CAC were held during the financial year ended March 31, 2025:

1. Saturday, May 25, 2024
2. Saturday June 22, 2024
3. Thursday, June 27, 2024
4. Tuesday, September 03, 2024
5. Friday, September 20, 2024
6. Friday ,September 27, 2024
7. Thursday, October 24, 2024
8. Thursday , October 31, 2024
9. Tuesday, November 26, 2024
10. Monday, December 16, 2024
11. Saturday, December 28, 2024
12. Saturday, February 01, 2025
13. Friday, March 07, 2025
14. Friday, March 28, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Parveen Kumar Gupta	Chairperson	14	14
2.	Mr. Kajal Ghose#	Member	11	11
3.	Mr. Ajay Kumar Kapur	Member	14	14
4.	Mr. Muralidharan Rajamani*	Member	03	03

Ceased to be Member of the Committee w.e.f January 16, 2025

• Appointed as Member of the Committee w.e.f January 16, 2025

14) Special Committee for Corporate Office Building Project (SCCBOP)

The Board of Directors of the Bank had constituted SCCBOP and approved the terms of reference which, inter alia, includes

a. brief description of terms of reference

1. To receive, shortlist, reject proposals from Landowners for the proposed purchase of land by the Bank.
2. To meet and negotiate with the landowners regarding proposed acquisition of land.
3. To finalise the terms of land purchase including but not limited to cost of acquisition, manner of payment, etc.
4. To authorise official(s) of the Bank to do certain acts, deeds and things in relation to purchase of land by the Bank.
5. To deal with all matters related to award of contracts, obtaining requisite.
6. Approvals and monitoring progress of the Corporate Office Building project.

c. Meetings and Composition

One meeting of this Committee was held during financial year ended March 31, 2025.

1. Friday, June 14, 2024

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
01	Mr. Praveen Kumar Gupta*	Chairperson	-	-
02	Mr. Kajal Ghose#	Chairperson	01	01
03	Mr. Nagesh Dinkar Pinge	Member	01	01
04	Mr. Govind Singh	Member	01	01

* Appointed as Member & Chairperson of the Committee w.e.f January 16, 2025

Ceased to be Member of the Committee w.e.f January 16, 2025

15) Review Committee for Identification of Wilful Defaulters (RCIWD)

Composition of the RCIWD and the terms of reference are in compliance with the requirements of directions, guidelines etc of Reserve Bank of India. The terms of reference of the Committee, inter alia, includes:

a. Brief description of terms of reference

1. To review, confirm and take decision about classifying a borrower as "Wilful Defaulter" based on the inputs/decisions of Wilful Defaulters Identifying Committee, classifying a borrower as Wilful Defaulter.
2. To set-up and review the policies and process of the Bank vis-à-vis regulatory guidelines about identification of "Wilful defaulter."

b. Meetings and Composition

One Meeting of RCIWD were held during the financial year ended March 31, 2025.

1. Wednesday, September 18, 2024

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Govind Singh	Chairperson	01	01
2.	Mr. Nagesh Dinkar Pinge	Member	01	01
3.	Mr. Chandra Shekhar Thanvi#	Member	01	Nil
4.	Mr. Muralidharan Rajamani*	Member	Nil	Nil

Ceased to be Director w.e.f November 09, 2024

*Inducted as Member w.e.f November 09, 2024

16) Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year.

Particulars	Details	Details	Detail	Detail	Detail
Name of the Employee	Mr. Alok Pathak *	Mr. Amit Acharya	Mr. Umesh Arora	Mr. Rahul Dey	Ms. Suchita Chatterjee
Reason for change	Change in role from Chief Risk Officer to Head Assets	Change in role from Head Credit to Chief Risk Officer	Change in role from Head Assets to Head Credit	Change in role from Head Internal Audit to Head Operations	Appointed as Interim Head Internal Audit
Date of appointment / cessation (as applicable) & term of appointment	August 14, 2024	August 14, 2024	August 14, 2024	August 14, 2024	August 14, 2024
Disclosure of Relationships between Directors (in case of Appointment of a Director)	Nil	Nil	Nil	Nil	Nil

Note: Mr. Alok Pathak resigned from the Bank w.e.f the closure of business hours on June 04, 2025

17) Remuneration of directors:

a. The Non-Executive Directors of the Bank are entitled to sitting fees for attending each meeting of the Board and/or of a committee.

b. criteria of making payments to non-executive directors – This is forming a part of Nomination and Remuneration Policy of the Bank which is displayed on the website at: https://www.utkarsh.bank/uploads/template_forty_pdf/NRC_Policy.pdf

c. disclosures with respect to remuneration

Remuneration - Mr. Govind Singh (MD & CEO)

Fixed Pay (including perquisites)	₹2.57 crore w.e.f. April 01, 2024
Variable Pay	₹1.76 crore (cash ₹0.704 crore and non-cash ₹1.056 crore) for FY 23-24, for FY 24-25 - no variable bonus is approved as of now.
Total Remuneration	₹4.33 crore

Remuneration - Mr. Pramod Kumar Dubey (Whole Time Director)

Fixed Pay (including perquisites)	₹1.63 crore w.e.f. September 20, 2024
Variable Pay	₹1.93 crore of joining bonus in the form of ESOPs on the date of grant using Black- Scholes model
Total Remuneration	₹3.56 crore

Remuneration of Non- Executive Directors:

Sr. No.	Name of Director	Sitting Fees (in ₹)	Annually Honorarium (in ₹)
1.	Mr. Parveen Kumar Gupta	32,80,000	14,82,258
2.	Mr. Ajay Kumar Kapur	33,40,000	9,00,000
3.	Mr. Chandra Shekhar Thanvi	-	-
4.	Mr. Kajal Ghose	28,20,000	7,11,290.32
5.	Ms. Kalpana Prakash Pandey	34,00,000	9,00,000
6.	Mr. Muralidharan Rajamani	32,00,000	9,00,000
7.	Mr. Nagesh Dinkar Pinge	28,00,000	12,00,000

Notes:

- None of the Independent Directors of the Bank holds shares in the Bank.
- The Bank has not entered in any service contracts with the Managing Director or any other Director.

18) General body meetings:

a. location and time, where last three annual general meetings held:

Year	Particulars of Meeting	Date & Time	Location	Special Resolution passed, if any
2023-24	8th AGM	July 22, 2024	Through Video Conferencing (VC) /Other Audio-Visual means (OAVM)	• Re-appointment of Mr. Parveen Kumar Gupta - Part Time Non-Executive Chairman (DIN: 02895343) w.e.f. October 12, 2024 till August 31, 2026 (both days inclusive). • Approval of payment of variable pay to Mr. Govind Singh - Managing Director & CEO (DIN: 02470880) for FY 2023-24. • Re-appointment of Mr. Govind Singh as Managing Director & CEO (DIN: 02470880) for a further period of three years w.e.f. September 21, 2024 to September 20, 2027 (both days inclusive) and approval of remuneration payable for FY 2024-25.
2022-23	7th AGM	June 12, 2023 at 01:00 pm		Revision in remuneration of Mr. Govind Singh, Managing Director & CEO (for FY 22-23)
2021-22	6th AGM	July 30, 2022 at 01:00 pm		Nil

b. Resolutions passed through Postal Ballot during FY 24-25

Sr. No.	Meeting Date	Resolution	Nos. of Votes		Percentage of votes (%)		Result
			In favour	Against	In favour	Against	
1.	June 13, 2024	Amendments to the Articles of Association of the Bank	39,33,15,087	1,86,11,528	95.4818	4.5182	Resolution passed with requisite majority
2.	June 13, 2024	Payment of Compensation/Remuneration to the Non-Executive Directors of the Bank	41,18,71,384	52,406	99.9873	0.0127	
3	December 17, 2024	Appointment of Mr. Pramod Kumar Dubey (DIN: 10174154) as a Whole-time Director of the Bank and fixation of his remuneration	40,76,73,555	24,309	99.9040	0.0060	
4	December 17, 2024	Approval for the increase in the limit of share pool of USFBL Employee Stock Option Plan 2020 and implementation of USFBL Employee Stock Option 2024 - Scheme II	34,86,96,129	2,43,56,374	93.4711	6.5289	
5	March 30, 2025	To Raise Funds Through Issue of Equity Shares	35,23,84,196	65,19,469	98.1835	1.8165	

The Bank had appointed CS Avinash Bagul (FCS No.5578, COP No.19862), Partner of M/s BNP & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot through remote e-voting in a fair and transparent manner.

c. Special resolution(s) proposed to be conducted through postal ballot:

The Bank proposes to pass special resolution through postal ballot for:

- Re-appointment of Ms. Kalpana Prakash Pandey (DIN: 06715713) as an Independent Director of the Bank
- Appointment of Ms. Gauri Rushabh Shah (DIN: 06625227) as an Independent Director of the Bank

The postal ballot notice would be circulated on June 12, 2025 and the results of the same would be announced on or before July 15, 2025.

d. Procedure of Postal Ballot:

The Postal Ballot procedure followed by the Bank is as stipulated under the provisions of Section 108 and Section 110 of the Companies Act, 2013 read with applicable Rules and SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through e-Voting. The Scrutiniser submits his report after the completion of the scrutiny of the e-Voting results. Considering the results and report of the Scrutiniser of the Postal Ballot, the resolution is considered approved or rejected. The necessary intimations as required under the applicable SEBI Listing Regulations are submitted to the Stock Exchanges and post declarations of the results the same are displayed on the website of the Bank.

19) Means of Communication

The Board believes that effective communication of information is an essential component of corporate governance. The Bank regularly interacts with Shareholders through multiple channels of communication such as Bank's website and stipulated communications to Stock Exchanges where the Bank's shares/other instruments are listed for announcement of Financial Results, Annual Report, Bank's policies, notices and outcome of meetings etc.

Quarterly/Half Yearly/Annual Results:	The Bank being listed is required to submit the quarterly, half-yearly/annually unaudited/ audited financial results to the Stock Exchange. The financial results of the Bank were submitted to the Stock Exchanges and were published in one English daily newspaper circulating Nationally and other daily newspaper published in the vernacular language, where the registered office of the Bank is situated.
Newspapers wherein results are normally published:	The Financial Results are generally published in daily newspapers – Financial Express (English Newspaper) and other newspapers circulating widely in whole of India
Website:	The Bank has a website addressed as https://www.utkarsh.bank/. It contains the basic information about the Bank - details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Bank who are responsible for assisting and handling investor grievances and such other details as may be required under regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. The Bank ensures that the contents of this website are periodically updated.
Investors Presentation:	The presentations made at the analyst/ institutional investors meetings are filed with the stock exchanges and hosted on the Bank's website at https://www.utkarsh.bank/

20) General shareholder information

Sr. No.	Particulars	Disclosure
a.	Annual General Meeting	Friday, August 22, 2025
b.	Financial year	The Bank follows the financial year starting from 1st April to ending on 31st March every year.
c.	Dividend payment date	Not applicable for FY 24-25
d.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India. Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.
e.	Stock code	BSE – 543942 NSE – UTKARSHBNK
f.	Registrar to an issue and share transfer agents	**For Equity Shares:** **M/s. KFIN Technologies Limited** Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana **For Debt Securities** **M/s. NSDL Database Management Limited** 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra
g.	Share transfer system	All shares of the Bank are held in dematerialised form.
h.	Dematerialization of shares and liquidity	All shares of the Bank are held in dematerialised form.
i.	Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The Bank has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity
j.	Commodity price risk or foreign exchange risk and hedging activities	The Bank has not dealt in commodity for FY 24-25 or hedging commodity activities for FY 24-25 and therefore, there was no need to take forward cover in respect of its foreign currency exposure for import of raw materials and traded goods during the financial year ended March 31, 2025.
k.	Plant locations	This clause is not applicable on the Bank.
l.	Address for correspondence	The Company Secretary & Compliance Officer 22nd Floor, Rupa Sapphire, Plot No.12, Sector 18, Sion - Panvel Expressway, Sanpada, Navi Mumbai – 400 705, Maharashtra
m.	Disclosures with respect to demat suspense account/ unclaimed suspense account	Not applicable.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

Nature of Instrument	Nature of Term	Credit Rating Agency	Credit Rating Assigned (as on March 31, 2025)	Revised on	Credit Rating Assigned (Earlier)
Subordinated Debt	Long term	ICRA	[ICRA] A+ (Stable)*	Rating remains reaffirmed during FY 24-25	[ICRA] A (Positive)
Certificate of Deposit	Short term	ICRA	[ICRA] A1+	Rating remains reaffirmed during FY 24-25	[ICRA] A1+
Subordinated Debt	Long term	CARE	CARE A+ (Stable)**	Rating remains reaffirmed during FY 24-25	CARE A (Positive)

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

** On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

21) Other disclosures

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

The policy on dealing with Related Party Transactions as approved by the Board is available on the website of the Bank.

https://www.utkarsh.bank/uploads/template_forty_pdf/Related_Party_Transaction.pdf

All contracts/ arrangements/ transactions entered by the Bank during the year under review with the related parties were in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus and specific approvals, are reviewed periodically by the Audit Committee.

Transactions with related parties includes monetary transactions or relationships between the Bank and its Directors, the management or relatives is disclosed in the Note to accounts forming part of financial statements of this report for the year ended March 31, 2025.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Entity	Non – Compliance	Penalty / Fine	Date of Payment
SEBI	For non-compliance of Regulations 4(3), 5(2)(b), 6, 7, 8, 9, 12, 14 and 26 of e SEBI (Issue and Listing of Debt Securities) Regulations, 2008	₹1,00,000.	September 25, 2023
SEBI	Fine as per SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022-Regulation 60(2) -For Month ended September 2023	₹11,800	November 09, 2023
SEBI	Settlement Order against violations of certain provisions of the LODR Regulations https://www.bseindia.com/xml-data/corpfiling/AttachHis/9db0b893-450e-4021-80fb-5a53bd2c6146.pdf	₹1,24,23,600	March 27, 2024

c. Details of establishment of vigil mechanism, whistle blower policy

The Bank has a Whistle Blower Policy/ Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee or external stakeholders blows the whistle for any wrongdoing in the Bank. The policy is available on the website of the Bank, https://www.utkarsh.bank/uploads/template_forty_pdf/Whistle_Blower_Policy_Revised_13_12_2022.pdf. No personnel have been denied access to the Audit Committee.

The details on Whistle Blower Policy and Vigil Mechanism are forming the part of Board Report.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

- The Bank complies with all the mandatory requirements specified under Listing Regulations.
- The non-mandatory requirements have been adopted to the extent and in the manner as stated at the appropriate positions in this report.

e. Disclosure of commodity price risks and commodity hedging activities

The Bank has not dealt in commodity for FY24-25 or hedging commodity activities for FY24-25and therefore, there was no need to take forward cover in respect of its foreign currency exposure for import of raw materials and traded goods during the financial year ended March 31, 2025.

f. Certificate from a Company Secretary in Practice

Certifying that none of the directors on the board of the Bank have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority has been annexed as **Annexure C** to this report.

g. During the year under review, the recommendations made by the Board Committees to the Board, were accepted by the Board.

h. Total fees paid to Statutory Auditors of the Bank

Total fees of ₹1,33,06,494.2 (includes remuneration and certification fees) were paid by the Bank for Financial Year 2024-25 for the services rendered by the Statutory Auditors.

i. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	Information
number of complaints filed during the financial year	13
number of complaints disposed of during the financial year	12
number of complaints pending as on end of the financial year	01
Number of complaints pending as on the date of this report	00

j. During the year under review, the Bank has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations, as applicable. A certificate of compliance of said regulation is annexed as **Annexure B** to this Report.

Annexure B

Certificate on compliance with the corporate governance requirements under SEBI (listing obligation and disclosure requirements) regulations, 2015

To,
The Members of,
Utkarsh Small Finance Bank Limited,
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai,
Harhua, Varanasi, Uttar Pradesh, PIN – 221105

We, BNP & Associates, Practicing Company Secretaries have examined all relevant records of **Utkarsh Small Finance Bank Limited having CIN: L65992UP2016PLC082804** (hereinafter referred to as "the Bank") as provided to us for the purpose of certifying the compliance ensured by the Bank of the disclosure requirements and corporate governance norms as specified for Listed Companies, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') , for the financial year ended 31st March 2025. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of this certification.

We state that completing compliance requirements of Corporate Governance is the responsibility of the management of the Bank, and our examination is limited to procedures and implementation thereof as adopted by the Bank for ensuring the compliance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as specified for a listed entity in LODR for FY 2024-25.

We further state that the above certification is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank during the financial year.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 6316/2024]

Avinash Bagul
Partner
FCS No.: - F5578 COP No.: - 19862
UDIN:- F005578G000259524

Date: - May 03, 2025
Place: Mumbai

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure C

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
UTKARSH SMALL FINANCE BANK LIMITED,
Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur,
Kazi Sarai, Harhua, Varanasi,
Uttar Pradesh-221105

We, BNP & Associates have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UTKARSH SMALL FINANCE BANK LIMITED,** having CIN L65992UP2016PLC082804 and having its registered office at Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh-221105 (hereinafter referred to as "**the Bank**"), which have been produced before us through the virtual data room by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors' Identification Number ("DIN") status] in terms of the portal of Ministry of Corporate Affairs Government of India ("MCA") www.mca.gov.in as considered necessary and pursuant to explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below, for the financial year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	DIN	Name of the Directors	Designation	*Date of Appointment
1	02895343	Mr. Parveen Kumar Gupta	Non-Executive - Independent Director-Chairperson	[1]01-09-2021
2	02470880	Mr. Govind Singh	Executive Director-CEO-MD	[2]31-05-2018
3	00062900	Mr. Nagesh Dinkar Pinge	Non-Executive - Independent Director	20-07-2020
4	06715713	Ms. Kalpana Prakash Pandey	Non-Executive - Independent Director	29-04-2020
5	01690363	Mr. Muralidharan Rajamani	Non-Executive - Non-Independent Director	02-03-2021
6	00108420	Mr. Ajay Kumar Kapur	Non-Executive - Independent Director	02-03-2021
7	10174154	Mr. Pramod Kumar Dubey	Whole Time Director - Executive Director	[3]20-09-2024

*Date of appointment of all the Directors are original date of appointment as they appear on MCA Portal.

1. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Bank at the 8th Annual General Meeting (AGM) held on July 22, 2024 approved the re-appointment of Mr. Parveen Kumar Gupta, Independent Director (Non-Executive) (DIN:02895343) as Part-Time Non- Executive Chairman of the Bank, with effect from October 12, 2024 till August 31, 2026. The Reserve Bank of India RBI vide its letter dated August 02, 2024 & September 26, 2024 has conveyed its approval for re-appointment of Mr. Parveen Kumar Gupta (DIN: 02895343) Part Time Non-Executive Chairman with effect from October 12, 2024 till August 31, 2026, subject to fulfilment of certain conditions, as may be necessary for effecting his re-appointment as approved by RBI. Further RBI, vide its letter dated March 27, 2025, have further given time upto June 30, 2025 to comply with the conditions/directions as mentioned in RBI letters.
2. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Bank at the 8th Annual General Meeting (AGM) held on July 22, 2024 approved the Re-appointment of Mr. Govind Singh (DIN-02470880) as the Managing Director & CEO for a period of 3 years w.e.f. September 21, 2024 to September 20, 2027 (both days inclusive).
3. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Bank approved the appointment of Mr. Pramod Kumar Dubey as the Whole-time Director of the Bank for a period of 3 (three) years effective from September 20, 2024 to September 19, 2027. The Reserve Bank of India (RBI) vide its letter dated September 19, 2024 approved the proposal for appointment of Mr. Pramod Kumar Dubey as (DIN: 10174154) as Whole Time Director.

Ensuring the eligibility of every director for appointment / continuity on the Board is the responsibility of the Management of the Bank. Our responsibility is to express an opinion based on the verification of the records maintained by the Bank. We further state that this certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management of the Bank has conducted the affairs of the Bank.

This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 6316/2024]

Avinash Bagul
Partner
FCS No.: - F5578 COP No.: - 19862
UDIN: F005578G000259361

Date: May 03, 2025
Place: Mumbai

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure D

Secretarial Audit Report

For the period ended March 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Utkarsh Small Finance Bank Limited,
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai,
Harhua , Varanasi, Uttar Pradesh, PIN – 221105

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Utkarsh Small Finance Bank Limited having CIN: - L65992UP2016PLC082804** (hereinafter called the 'the Bank') for the financial year ended on March 31, 2025 (the "Audit Period").

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Bank's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the Bank's books, papers, minutes books, forms and returns filed, records provided through virtual data room and other records maintained by the Bank;

(ii) Compliance certificates confirming compliance with corporate laws applicable to the Bank given by the Key Managerial Personnel / Senior Managerial Personnel of the Bank and taken on record by the Bank's Board of Directors; and

(iii) Representations made, documents produced and information provided by the Bank, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period covering the period ended on March 31, 2025 the Bank has:

(i) Complied with the statutory provisions listed hereunder; and

(ii) The Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The Board of directors are requested to read this report along with our letter of even date annexed to this report as **Annexure-A**.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Bank during the audit period in terms of the applicable provisions / clauses of:

(i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021.

(vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial

Standards) which have mandatory application to the Bank.

1.2 During the period under review the Bank:

(i) has complied with all the applicable provisions of the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards.

(ii) Generally complied with the applicable provisions / clauses of:

(a) FEMA to the extent of Foreign Direct Investment mentioned under paragraph 1.1 (iv);

(b) The Secretarial Standards on meetings of Board of Directors (SS-1) mentioned under paragraph 1.1 (vi) above as applicable to the meetings of the Board, Committees constituted by the Board held during the year. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Bank.

The Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, as applicable to the Eighth (8TH) Annual General Meeting (AGM) held on 22nd July 2024, and the postal ballots conducted by the Bank as on June 13, 2024, December 14, 2024 and March 30, 2025.

1.3 During the Audit Period under review, provisions of the following Acts /Regulations were not applicable to the Bank:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Bank and provided to us with respect to the following statutes which are applicable to the Bank and found that the Bank has generally complied with the applicable requirements: -

(i) The Banking Regulations Act, 1949;

(ii) Reserve Bank of India Act, 1934 and guidelines made there under;

(iii) Master circulars, directions, guidelines issued to Small Finance Banks by the Reserve Bank of India from time to time;

(iv) The Negotiable Instruments Act, 1881;

(v) The Bankers' Book Evidence Act, 1891;

(vi) The Unlawful Activities (Prevention) Act, 1967;

(vii) The Payment and Settlement Systems Act, 2007;

(viii) The Deposit Insurance and Credit Guarantee Corporation Act, 1961;

(ix) The Prevention of Money Laundering Act, 2002 and The Prevention of Money- Laundering (Maintenance of Records, etc.,) Rules, 2005;

2. Board processes of the bank:

We further report that:

2.1 The Board of Directors of the Bank as on March 31, 2025 comprised of:

1. Two Executive Directors -Mr. Govind Singh (DIN: 02470880) and Mr. Pramod Kumar Dubey (DIN: 10174154);

2. One Non-Executive, Non-Independent Director – Mr. Muralidharan Rajamani (DIN: 01690363);

3. Four Non-Executive Independent Directors, including a Woman Independent Director- Mr. Parveen Kumar Gupta (DIN: 02895343), Mr. Ajay Kumar Kapur (DIN: 00108420), Mrs. Kalpana Prakash Pandey (DIN: 06715713) and Mr. Nagesh Dinkar Pinge (DIN: 00062900).

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act:

1) The members of the Bank at its AGM held on July 22, 2024 approved the Re-appointment of Mr. Muralidharan Rajamani (DIN-01690363), Non-Executive Non-Independent Director, as a director liable to retire by rotation.

2) Based on the recommendations of the Nomination and the Remuneration Committee, the Board of Directors of the Bank at their meeting held on January 27, 2024, and upon the receipt of Reserve Bank of India approval vide their letter dated July 08, 2024 and approval of the members of the Bank at their AGM held July 22, 2024, Mr. Govind Singh was re-appointed as the Managing Director & CEO (DIN: 02470880), pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re- enactment thereof, for the time being in force),

Section 10B(1A)(ii) and Section 35B of the Banking Regulation Act, 1949 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the rules, guidelines, circulars and notifications issued by the Reserve Bank of India (the "RBI"), from time to time, the provisions of the Articles of Association of the Bank, for a further period of three years w.e.f. September 21, 2024 to September 20, 2027 (both days inclusive) and approval of remuneration payable for FY 2024-25.

3) Based on the recommendations of the Nomination and the Remuneration Committee, the Board of Directors of the Bank at their meeting held on April 26, 2024 and Board Meeting held on September 20, 2024 and upon the receipt of Reserve Bank of India approval vide their letter dated September 19, 2024 and approval of the members of the Bank by way of Postal ballot which concluded on December 14, 2024, Mr. Pramod Kumar Dubey (DIN: 10174154) was appointed as the Whole-time Director of the Bank, pursuant to Sections 152, 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Section 35B and other relevant provisions, if any, of the Banking Regulation Act, 1949, and the relevant circulars and notifications issued by the Reserve Bank of India ("RBI") from time to time including any amendments, modifications, variations or re-enactments thereof and the provisions of the Articles of Association and/or such other approval(s) as may be necessary, for a period of 3 years w.e.f. September 20, 2024 to September 19, 2027, on such terms and conditions as approved by the members.

4) Cessation of office of Directorship of Mr. Chandra Shekhar Thanvi (DIN: 00563531) as Nominee Director of the Bank with effect from September 20, 2024, due to superannuation from SIDBI.

5) Cessation of office of Directorship of Mr. Kajal Ghose (DIN: 07702190) as an Independent Director of the Bank with effect from January 16, 2025, due to completion of his 2 (two) consecutive term as an Independent Director with the Bank.

6) Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on March 08, 2025, pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('Act') read with Schedule IV of the Act and read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Section 10A(2A)(i) of the Banking Regulation Act, 1949 and other applicable provisions of the Banking Regulation Act, including any statutory or regulatory modifications/amendments thereto as may be applicable from time to time approved the re-appointment of Mrs. Kalpana Prakash Pandey (DIN 06715713) as Independent Director of the Bank, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, for a second term of three years commencing from April 29, 2025 till April 28, 2028 (both days inclusive), and she would not be liable to retire by rotation, subject to approval of the Shareholders.

2.3 Adequate notices have been given to all the directors of the Bank to enable them to plan their schedules for the Board meeting(s), except in respect of a few meetings which were convened at a shorter notice to transact urgent business(es) for which necessary consent was received, which were compliant with the provisions of the Act as prescribed.

2.4 Notice for the Board meetings has been given to all the directors at least seven days in advance except in respect of a few meetings convened at a shorter notice, at which at least one Independent Director was present as required under Section 173 (3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda circulated to all the directors for at least seven days before the Board meetings, except for few meetings and in respect of certain matters considered to be price sensitive in nature at such meetings which were convened at a shorter notice.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.7 We note from the minutes examined that, at the Board meetings held during the year:

(i) Decisions were taken through the majority of the Board; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. Compliance Mechanism

There are reasonably adequate systems and processes prevalent in the Bank, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. Specific Events / Actions

4.1 During the year under review, the following specific events/ actions, having a major bearing on the Bank's affairs took place: -

1. The Members of the Bank through Postal Ballot approved the following by way of Special Resolution on June 13, 2024: -

   a. Amendments to the Articles of Association of the Bank by addition of Articles 12.4 and 15.2 and renumbering the clauses thereof;

   b. Payment of Compensation/Remuneration to the Non-Executive Directors of the Bank.

2. The Bank, during the year, had allotted Equity Shares to the employees of the Bank pursuant to exercise of vested ESOPs under USFBL Employee Stock Option Plan 2020 (USFBL – ESOP Plan, 2020) from time to time as mentioned below:

Sr. No.	Date of Allotment	No. of Equity Shares allotted of face value of ₹10/- each
1	April 12, 2024	1,05,250
2	April 25, 2024	1,94,500
3	May 18, 2024	3,31,000
4	June 07, 2024	54,750
5	July 06, 2024	3,18,763
6	August 05, 2024	4,47,032
7	August 23, 2024	2,73,550
8	September 12, 2024	1,87,250
9	October, 08, 2024	95,750
10	November 24, 2024	61,250
11	December 13, 2024	60,500
12	January 18, 2025	5,000
13	February 05, 2025	17,845

3. The Board of Directors of the Bank at their meeting held on June 15, 2024 and the members at their EIGHTH (8TH) ANNUAL GENERAL MEETING of the Bank held on July 22, 2024 and Reserve Bank of India ("RBI") vide their letter dated August 08, 2024 had accorded their approval for increase in the Authorised Share Capital of the Bank from ₹15,00,00,00,000/- (Rupees One Thousand Five Hundred Crore) divided into ₹13,00,00,00,000/- (Rupees One Thousand Three Hundred Crores only) comprising of 1,30,00,00,000 (One Hundred & Thirty Crore only) Equity Shares of ₹10/- (Rupees ten only) each and ₹2,00,00,00,000/- (Rupees Two Hundred Crore only) comprising 20,00,00,000 (Twenty Crore only) preference shares of face value of ₹10/- (Rupees Ten only) each to ₹20,00,00,00,000/- (Rupees Two Thousand Crore only) divided into ₹18,00,00,00,000/- (Rupees One Thousand Eight Hundred Crore only) comprising of 18,000,00,000 (One Hundred and Eighty Crore only) equity shares of face value of ₹10/- (Rupees Ten only) each; and ₹2,00,00,00,000/- (Rupees Two Hundred Crore only) comprising 200,000,000 (Twenty Crore only) preference shares of face value of ₹10/- (Rupees Ten only) each. Pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act, read with the Companies (Incorporation) Rules, 2014, including any statutory modification(s) thereof, the existing Clause V of the Memorandum of Association of the Bank was substituted with the following new Clause: Clause V. "The authorized share capital of the Bank is ₹20,00,00,00,000/- (Rupees Two Thousand Crore only) divided into ₹18,00,00,00,000/- (Rupees One Thousand Eight Hundred Crores only) comprising 18,000,00,000 (One Hundred and Eighty Crore only) equity shares of face value of ₹10/- (Rupees Ten only) each; and ₹2,00,00,00,000/- (Rupees Two Hundred Crore only) comprising 200,000,000 (Twenty Crore only) preference shares of face value of ₹10/- (Rupees Ten only) each, with the power to increase and reduce the capital of the Bank and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Companies Act, 2013."

4. The Board of Directors of the Bank pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") and the members at their EIGHTH (8TH) ANNUAL GENERAL MEETING of the Bank held on July 22, 2024 had accorded their approval for Re-appointment of Mr. Parveen Kumar Gupta - Part Time Non-Executive Chairman (DIN: 02895343) w.e.f. October 12, 2024 till August 31, 2026 (both days inclusive) pursuant to Section 10A, 10B(1A), 35B of the Banking Regulation Act, 1949, RBI Notification RBI/2019-20/204 DoR.Appt.No. 58/29.67.001/2019-20 dated March 31, 2020 and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines, circulars, notifications issued by the Reserve Bank of India ("RBI") from time to time and to the extent applicable in this regard, applicable provisions of the Companies Act, 2013 (the "Act") read with the rules made thereunder and any other applicable laws (including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in consonance with the provisions of the Articles of Associations. The Reserve Bank of India ("RBI") vide their letters dated August 02, 2024 and September 25, 2024 had approved the said re-appointment subject to such conditions as mentioned therein. Further, the RBI,

vide its letter dated March 27, 2025, have further given time upto June 30, 2025 to comply with the conditions/directions as mentioned in RBI letters.

5. The Capital Structuring & Fund Raise Committee ("CSFRC") upon the authority given by the Board of Directors of the Bank, had considered and approved allotment of 20,000 (Twenty Thousand) Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier II Bonds in the form of Non-Convertible Debentures (NCDs) of face value of ₹1,00,000/- (Rupees One lakh only) each on June 28, 2024, aggregating ₹200,00,00,000 (Indian Rupees Two Hundred Crore) , at the coupon rate of 11% (Eleven percent) per annum payable quarterly.

6. The Board of Directors of the Bank at their meeting dated September 20, 2024 approved the scheme of amalgamation ("Scheme") of Utkarsh CoreInvest Limited ("Transferor Company") / ("UCL") with Utkarsh Small Finance Bank Limited ("Transferee Company") / ("USFBL") and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment or amendment thereof) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, regulations issued by the Securities and Exchange Board of India (SEBI) and any amendment thereunder and enabling clauses of the memorandum of association and articles of association of USFBL and subject to the receipt of the requisite approvals, sanctions, consents, observations and no objection letters from: (i) the shareholders and creditors (if any) of USFBL, ii) the Reserve Bank of India (iii) the stock exchanges, and (iv) the National Company Law Tribunal (the NCLT), or such other competent authority as may be applicable. The Reserve Bank of India ("RBI") vide its letter dated January 02, 2025 granted its 'No-Objection' to the proposal of voluntary amalgamation of Utkarsh CoreInvest Limited with Utkarsh Small Finance Bank Limited subject to certain conditions as mentioned therein.

7. The Capital Structuring & Fund Raise Committee ("CSFRC") upon the authority given by the Board of Directors of the Bank, had considered and approved allotment of 10,500 (Ten Thousand Five Hundred) Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier II Bonds in the form of Non-Convertible Debentures (NCDs) of face value of ₹1,00,000/- (Rupees One lakh only) each on November 27, 2024, aggregating ₹105,00,00,000 (Indian Rupees One Hundred Five Crore) , at the coupon rate of 10.90% (Ten point nine zero percent) per annum payable quarterly.

8. The Members of the Bank through Postal Ballot approved the following by way of Ordinary and Special Resolutions on December 14, 2024: -

   a. Ordinary Resolution: Appointment of Mr. Pramod Kumar Dubey (DIN: 10174154) as a Whole-time Director of the Bank and fixation of his remuneration;

   b. Special Resolution: Approval for the increase in the limit of share pool of USFBL Employee Stock Option Plan 2020 and implementation of USFBL Employee Stock Option 2024 - Scheme II;

9. The Capital Structuring & Fund Raise Committee ("CSFRC") upon the authority given by the Board of Directors of the Bank, accorded its approval for Raising of Tier - I capital of the Bank through issuance of Securities for an aggregate amount not exceeding INR 750 crore or an equivalent amount thereof (inclusive of such premium as may be fixed on such Equity Shares) at such price or prices as may be permissible under applicable law by way of one or more permitted means, through qualified institutions placement ("QIP"). The Board of Directors of the Bank ("Board") at its meeting held on February 26, 2025, inter alia approved to raise further capital up to an amount not exceeding INR 750 crore and to create, offer, issue and allot Equity Shares, (which are hereinafter referred to as "Equity Shares"), in accordance with the SEBI ICDR Regulations and all other applicable laws, subject to the applicable regulations issued by the Securities and Exchange Board of India and any other governmental, regulatory or statutory approvals as may be required, in one or more tranches through a qualified institutions placement ("QIP") or preferential issue, private placements, further public offer and/or other permitted mode or a combination of the permitted modes thereof under applicable laws. The Members of the Bank through Postal Ballot approved the said raising of funds by way of Special Resolution on March 30, 2025.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 6316/2024]

Avinash Bagul
Partner
FCS No.: -F5578
COP No.: - 19862
UDIN: F005578G000259425

Place: Mumbai
Date: - May 03, 2025

Annexure A to the Secretarial Audit Report for the year ended 31th March, 2025

To,
The Members of,
Utkarsh Small Finance Bank Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Bank's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Bank based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Bank. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 6316/2024]

Avinash Bagul
Partner
FCS No.: -F5578
COP No.: - 19862
UDIN: F005578G000259425

Place: Mumbai
Date: - May 03, 2025

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure E

Compliance Certificate

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members of,
Utkarsh Small Finance Bank Limited,
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai,
Harhua, Varanasi, Uttar Pradesh, PIN – 221105

We, **BNP & Associates**, Company Secretaries in Practice, were appointed as the Secretarial Auditors of **Utkarsh Small Finance Bank Limited (hereinafter referred to as 'the Bank')**, having CIN L65992UP2016PLC082804 having its registered office at Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105, vide a resolution passed by the Board of Directors of the Bank at its meeting held on March 16, 2024, for the financial year ended 31st March, 2025.

The Management of the Bank has requested us to issue the required certificate with respect to the Utkarsh Small Finance Bank Limited ("USFBL") – Employee Stock Option 2020 – (Scheme 1) and USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") (hereinafter referred to as the 'Schemes'). This Certificate of compliance, for the year ended 31st March, 2025, is issued under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations").

Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Scheme including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Bank has the following Utkarsh Small Finance Bank Limited (USFBL) – Employee Stock Option 2020 – Scheme 1 and USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") ("Schemes") which is in operation viz:

- USFBL Employee Stock Option 2020- Scheme 1 which is a part of USFBL Employee Stock Option Plan 2020 of the Company, as noted above, have been approved by the Shareholders of the Company by way of a Special Resolution at their General Meeting held on December 28, 2020 and the same was amended on July 19, 2022 to ensure compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The approval granted by the Shareholders through Special resolutions dated December 28, 2020 and July 19, 2022 and the USFBL Employee Stock Option 2020- scheme 1 which is a part of USFBL Employee Stock Option Plan 2020 of the Company are in strict compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") which is a part of USFBL Employees Stock Option Plan 2024 of the Company, as noted above, have been approved by the Shareholders of the Company by way of a Special Resolution at their Postal Ballot Meeting held on December 14, 2024 to ensure compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The approval granted by the Shareholders through Special resolutions dated December 14, 2024 and the USFBL Employee Stock Option 2024 - Scheme II which is a part of USFBL Employees Stock Option Plan 2024 of the Company are in strict compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For the purpose of verifying compliance of the Regulations, we have examined the following:

1. Schemes received from/ furnished by the Bank.
2. Articles of Association of the Bank.
3. Resolutions passed at the meeting of the Board of Directors.
4. Shareholders' Resolution passed at the General Meeting by the members and Postal ballot for approving/ratification of the schemes respectively;
5. Detailed terms and conditions of the scheme as approved by Nomination and Remuneration Committee.
6. Stakeholders' Relationship Committee's resolution(s) for allotment of equity shares during the Financial Year 2024-25.
7. Valuation Report;
8. Certificate of Compliance from PCS under Regulation 10(b) of the Regulations;

9. Bank Statements towards Application money received under the Schemes during Financial Year 2024-25;
10. Disclosures by the Board of Directors in their Report.
11. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder, as applicable.
12. Other relevant documents/ filings/ records/ information as sought and made available to us for issuing this Certificate.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Bank and its officers, we certify that the Bank has implemented the aforesaid Scheme in accordance with the applicable provisions of the Regulations and the Shareholders Resolutions.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Bank.
2. Our responsibility is to give a certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 6316/2024]

Avinash Bagul
Partner
FCS No.: - 5578 COP No.: - 19862
UDIN: -F005578G000259469

Date: May 03, 2025
Place: Mumbai

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure F

Declaration of Compliance with Code of Conduct for the year ended March 31, 2025

I, Govind Singh, Managing Director and Chief Executive Officer of Utkarsh Small Finance Bank Limited ("the Bank") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Bank have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Bank.

For **Utkarsh Small Finance Bank Limited**

Sd/-
Govind Singh
Managing Director and Chief Executive Officer
(DIN: 02470880)

Date: April 01, 2025
Place: Varanasi

Annexure G

Annual Report on Corporate Social Responsibility (CSR) Activities for Financial Year 2024-25

1. Brief outline on CSR Policy of the Company:

The Bank's CSR aims to contribute to the social and economic development of the underprivileged and underserved community in low-income geographies. Through impact-oriented interventions the Bank seeks to mainstream economically, physically, and socially challenged groups and to draw them into the cycle of growth, development, and empowerment. Initiatives have been largely focused on education, health, promoting livelihoods through skill building and vocational training. The Bank shall also promote initiatives that preserve, restore and enhance environment, ecological balance, and natural resources, and improve sanitation and hygiene. All the projects or programs activities shall be as per areas or subjects as specified in Schedule VII under Section 135 of the Companies Act, 2013.

The Bank's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Muralidharan Rajamani	Chairperson	4	4
2	Ms. Kalpana Pandey	Member	4	4
3	Mr. Ajay Kumar Kapur	Member	4	4

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - https://www.utkarsh.bank/investors

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Impact assessment of CSR projects is not applicable to the Bank for Financial Year 2024-25

5. Details of CSR spent during the financial year

a. Average net profit of the company as per section 135(5): ₹4,24,97,10,234

b. Two percent of average net profit of the company as per section 135(5): ₹8,49,94,204.68 (rounded off to ₹8.50 Cr)

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Not applicable

d. Amount required to be set off for the financial year, if any - Not applicable

e. Total CSR obligation for the financial year (7a+7b-7c) – 8.50 crore

6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

a. Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Interest earned on SB account & Other Income							14,37,037	-		Utkarsh Welfare Foundation	CSR00000763
2.	Financial Literacy, Digital Financial Literacy, women empowerment,	Schedule VII (ii) & (iii)	Yes	1. Bihar (Bhojpur, Madhubani, Gopalganj, Katihar, Rohtas, Samastipur, Siwan) 2. Jharkhand (Garhwa, Giridih, Palamu, Ranchi) 3. Madhya Pradesh (Rewa) 4. Odisha (Khordha) 5. Uttar Pradesh (Chandauli, Gorakhpur, Prayagraj, Sonebhadra, Varanasi) 6. Uttarakhan (Almora, Dehradun, Haridwar, Udhamsingh Nagar)			70,81,650	73,05,596	-	No	Utkarsh Welfare Foundation	CSR00000763
3.	Health Program (Health Awareness, Polyclinic Camps & Special Health Camps)	Schedule VII (i)	Yes	1. Bihar (Bhojpur, Buxar, Kaimur, Madhubani, Patna, Samastipur) 2. Jharkhand (Hazaribagh, Palamu, Giridih) 3. Madhya Pradesh (Chhindwara, Jabalpur, Rewa, Maihar, Satna) 4. Uttar Pradesh (Chandauli, Gorakhpur, Mirzapur, Prayagraj, Sonebhadra, Varanasi) 5. Uttarakhand (Almora, Dehradun, Haridwar, Udhamsingh Nagar) 6. Odisha (Khordha)			2,48,79,490	2,50,03,123	-	No	Utkarsh Welfare Foundation	CSR00000763

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
4.	Education Program	Schedule VII (ii)	Yes	1. Uttar Pradesh (Gorakhpur, Varanasi) 2. Uttarakhand (Dehradun, Haridwar, Almora, Udhamsingh Nagar)			68,78,000	68,91,543	-	No	Utkarsh Welfare Foundation	CSR00000763
5.	Village & Entrepreneurship Development Program	Schedule VII (i) ,(ii) (iii), (iv) & (x)	Yes	1. Bihar (Bhojpur) 2. Uttar Pradesh (Varanasi, Gorakhpur) 3. Uttarakhand (Almora, Haridwar) 4. Jharkhand (Palamu, Giridih) 5. Madhya Pradesh (Chhindwara, Rewa)			1,57,20,000	1,61,52,216	-	No	Utkarsh Welfare Foundation	CSR00000763
6	E-clinic	Schedule VII (i) & (xi)	Yes	1. Uttar Pradesh (Ayodhya, Gorakhpur, Varanasi, Mirzapur, Sonbhadra) 2. Bihar (Bhojpur, Buxar, Darbhanga, Madhubani, Samastipur, Patna) 3. Uttarakhand (Almora, Dehradun, Haridwar, Udhamsingh Nagar)			1,31,00,000	1,31,91,306	-	No	Utkarsh Welfare Foundation	CSR00000763
10	Other Philanthropy program	Schedule VII (i) & (x)	Yes	1. Uttar Pradesh (Varanasi, Prayagraj)			30,00,000	31,14,224	-	No	Utkarsh Welfare Foundation	CSR00000763
10	Skill Centre Program	Schedule VII (i), (ii) & (x)	Yes	1. Uttar Pradesh (Varanasi)			1,45,25,000	55,57,029	92,22,000	No	Utkarsh Welfare Foundation	CSR00000763
	Total						**8,66,21,177**	**7,72,15,037**	**92,22,000**			

Note: The Annual Budget of FY24 was ₹8,51, 84,140 as against the amount received being ₹8,50,00,000.

a. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.

b. Amount spent in Administrative Overheads: Not applicable

c. Amount spent on Impact Assessment, if applicable: Not applicable

d. Total amount spent for the Financial Year (8b+8c+8d+8e): 7,72,15,037

e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
7,72,15,037	92,22,000*	April 05, 2025	NA	NA	NA
1,73,23,735^	15,93,000	April 08, 2025	NA	NA	NA

^Unspent sum of ₹188.00 lakh relating to FY2023-24 along with interest earned of ₹1.17 lakh, out of which ₹173.24 lakh spent in FY2024-25.

*Pursuant to on-going Skill development project vide Board approval dated February 28, 2025.

f. Excess amount for set-off, if any: Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2024-25	92,22,000	7,57,78,000*	Unspent CSR Account	92,22,000	April 05, 2025	92,22,000
2.	2023-24	1,88,00,000	3,24,00,000#	Unspent CSR Account	1,88,00,000	April 29, 2024	1,88,00,000
3.	2022-23		3,22,00,000^	NA	NA	NA	-
	Total						

-Unspent sum of ₹188 lakh relating to FY2023-24 along with interest earned of ₹1.17 lakh, out of which ₹173.24 lakh spent in FY2024-25.

*During Financial Year 2024–2025, a sum of ₹14.37 lakh earned as interest and other income, was also spent during the financial year.

#During Financial Year 2023–2024, a sum of ₹16.58 lakh earned as interest and other income, was also spent during the financial year.

^During Financial Year 2022–2023, a sum of ₹18.31 lakh earned as interest and other income, was also spent during the financial year.

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in ₹).**	**Amount spent on the project in the reporting Financial Year (in ₹).**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed /Ongoing.**
1		Skill Development Centre	2023-24		1,88,00,000	1,73,23,735^	1,73,23,735	Ongoing

^Unspent sum of ₹188 lakh relating to FY2023-24 along with interest earned of ₹1.17 lakh, out of which ₹173.24 lakh spent in FY2024-25.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

Sd/-
Govind Singh
Managing Director & CEO
DIN – 02470880

Sd/-
Muralidharan Rajamani
Chairman of CSR Committee
DIN – 01690363

Annexure H

Business Responsibility and Sustainability Reporting by Listed Entities

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65992UP2016PLC082804
2	Name of the Listed Entity	UTKARSH SMALL FINANCE BANK LIMITED
3	Year of incorporation	2016
4	Registered office address	Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105
5	Corporate address	Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105
6	E-mail	secretarial.usfb@utkarsh.bank
7	Telephone	0542-6605555
8	Website	www.utkarsh.bank
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹11,01,60,99,000
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Indra Deo Pandey (9598069282 & indradeo.pandey@utkarsh.bank)
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	All offices and branches of Utkarsh small finance Bank across India (only for the entity).
14	Name of Assurance Provider	NA
15	Type of Assurance obtained	NA

II. Products / Services

16 Details of business activities (accounting for 90% of the turnover):

Sl.No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Banking and financial services	The Bank provides a range of commercial banking products and services, including loan products, fee and commission based products and services, deposit products. The Bank's retail operations primarily consist of retail lending, payments, deposit taking and distribution of third party insurance and investment products.	100

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Banking activities by Central, Commercial and Saving banks	65191	100

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	1092	1092
International	0	0	

19 Market Served by the entity:

a.	Number of locations	
	Locations	**Number**
	National (No. of States)	27
	International (No. of Countries)	0
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	NA to SFB - 0.00%
C.	A brief on type of customers	The Bank's cater to a diverse group of customers under its Retail Banking and Wholesale Banking segments. Under Retail Banking: The Bank offers banking services to our urban, semi-urban and rural consumers with an expansive range of products and services in loans, payments, savings, insurance and investments. Under Wholesale Banking: The Bank provides service to leading corporates and MSMEs with a range of products and services including loans, deposits.

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
	Employees					
1	Permanent (D)	19769 *	16918	86%	2851	14%
2	Other than Permanent (E)	17	17	100%	0	0%
3	**Total employees (D+E)**	**19786**	**16935**	**86%**	**2851**	**14%**
	Workers					
4	Permanent (F)	10	10	100%		
5	Other than Permanent (G)	1429	1357	95%		
6	**Total workers (F+G)**	**1439**	**1367**	**95%**		

*Total no. of employees as of March 2025 is 19779 out of which 10 permanent workers have been excluded and added in the Permanent worker TAB as unskilled employees. Out of 19769, 16918 are Males and 2851 are females.

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
	Employees					
1	Permanent (D)	8	6	75 %	2	25 %
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	**Total employees (D+E)**	**8**	**6**	**75 %**	**2**	**25 %**

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
	Workers					
4	Permanent (F)	NA				
5	Other than Permanent (G)					
6	**Total differently abled workers (F+G)**					

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28
Key Management Personnel	4 (As per Companies Act)	0	0

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023- 24 (Turnover rate in previous FY)			FY 2022 - 23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30%	5%	35%	28.51%	5.21%	33.73%	25.28%	4.63%	29.90%
Permanent Workers	9%	0%	9%	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Utkarsh CoreInvest Limited	Holding Company	68.92%	No

VI. CSR Details

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) 37,64,92,60,000

(iii) Net worth (in ₹) 27,75,84,20,563

VII. Transparency and Disclosure Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

		FY 2024 – 25			FY 2023 - 24		
Stakeholder group from whom complaint is received	**Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) Link for Grievance Redressal policy : Our Policies | Utkarsh Small Finance Bank**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
The list of the stakeholders	Employees and workers, Customers, Other	5799	110	Out of 110 open complaints reported to RBI by 15-04-2025. Only 25 complaints are pending for Resolution by 15-04-2025. Out of 25 complaints, 18 complaints are related to Transaction Dispute, 05 are related to Fraud & 02 are related to Utkarsh BHIM UPI pin creation(IT Production movement required).	7199	72	All Complaints were resolved within TAT.
Communities	The Bank and its implementation partners engage with the community periodically. Any complaints/ grievances raised by the community are resolved on site as on when required basis. Link For Policy available at our Bank website Grievance_Redressal_Policy.pdf (utkarsh.bank)						
Investors (other than shareholders) *	Yes	0	0	NA	0	0	NA
Shareholders*	Yes	2	0	NA	2	0	NA
Employees and workers	Yes	351	0	NA	980	8	All Complaints were resolved within TAT.

		FY 2024 – 25			FY 2023 - 24		
Stakeholder group from whom complaint is received	**Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) Link for Grievance Redressal policy : Our Policies | Utkarsh Small Finance Bank**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
Customers	Yes	5325	107	Out of 107 open complaints, only 25 complaints are pending for Resolution by 15-04-2025. Out of 25 complaints, 18 complaints are related to Transaction Dispute, 05 are related to Fraud & 02 are related to Utkarsh BHIM UPI pin creation(IT Production movement required).	6034	64	All Complaints were resolved within TAT.
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	Yes	123	3	All 03 complaints are resolved by 15-04-2025.	185	0	All Complaints were resolved within TAT.

* Details of Investors (including Bond Holders) /Shareholder are covered)

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Sustainable Resource Consumption	Opportunity	Sustainable Resource Consumption has a direct bearing on Bank's bottom line. It is necessary to adopt sustainable resource consumption to reduce environmental impact & acknowledge social responsibility.	-	Sustainable Resource Consumption has a direct bearing on Bank's bottom line, it has positive impact.

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Customer Satisfaction	Opportunity	Customer satisfaction could directly affect stickiness of customers, Bank's reputation and brand value. It is vital for business expansion, as they aid in preserving customer trust and ensuring they feel appreciated. Bank's rapid growth trajectory and flexibility create opportunities for adapting to evolving customer needs and addressing emerging preferences.	-	it has positive impact.
3.	Financial Inclusion	Opportunity	Financial inclusion is widely recognized as a key catalyst for economic empowerment and social development through poverty reduction. Embracing both financial and digital inclusion enhances not only the social and economic progress of India but also positions the Bank as a fundamental promoter of inclusive growth. The Bank perceives vast potential in financial and digital inclusion. Focusing on strategies can help the Bank achieve its goals of increasing client base size, increasing customer loyalty, diversifying revenue streams, cutting costs, and fostering partnerships.	-	it has positive impact.
4.	Data Privacy & Security	Risk	Data Privacy & Security has direct regulatory implications from MeitY (Ministry of Electronics and Information Technology) & RBI. A breach of customer privacy and data security systems can result in reputational damage, a decrease in customer trust, and the imposition of legal and regulatory penalties.	Bank has a Data Privacy Policy in place. Data_Privacy_Policy.pdf (utkarsh.bank) Cyber-Security framework available. Bank is ISO 27001:2013 (Information Security Management System) certified. Strong governance around information security and data privacy. Cyber Risk Insurance coverage is in place for the bank as a fallback against the risks of cyber incidents.	it has negative impact if not addressed properly.

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Regulatory Compliance	Risk	Regulatory Compliance has direct bearing on Bank's operations & reputation. The expanding footprint has accelerated the hiring process, leading to more manual interventions across different banking operations. Consequently, there is a risk of unintended errors, resulting in non-compliance.	The Bank's processes, policies, procedures, systems, and tools ensure that regulatory compliance is maintained across all operations. Additionally, the Bank adheres to all statutory reporting requirements.	it has negative impact if not addressed properly.
6.	Corporate Governance & Ethics	Risk	Corporate Governance & Ethics has direct bearing on Bank's operations, regulatory performance & brand value. Corporate conduct and ethical practices are essential for protecting the reputation and ensuring the success for the bank.	By fostering a robust ethical culture, Bank upholds its reputation as a trusted financial institution. Bank has implemented effective governance practices which minimizes exposure to business and ethics-related risks. Bank rigorously manages its compliance mechanisms and consistently monitors its performance.	it has negative impact if not addressed properly.
7.	Developing & Managing robust Risk Management Framework	Risk	Increased vulnerability to economic downturns or market crashes can result in heightened regulatory scrutiny, reputational harm, and decline in investor confidence. Hence developing and managing a robust risk management framework is crucial for the bank.	Bank prioritizes robust risk management, focusing on credit assessment and monitoring across various risk categories. Bank adopts a structured risk management approach, ensuring qualified and experienced officials that lead risk management independently from business functions.	it has negative impact if not addressed properly.
8.	Transparency and Disclosure	Opportunity	Transparency and Disclosure is essential for increasing stakeholder confidence. It guarantees adherence to regulatory obligations, reinforce market positioning, and enhance relationships with stakeholders.	-	Opportunity

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	ESG Governance and Board Oversight	Opportunity	Incorporating ESG risks into banking operations is imperative for building a resilient organization. These risks are increasingly becoming uncertain and volatile. Therefore, establishing robust ESG governance and ensuring board oversight is essential for a bank to navigate these evolving challenges effectively and sustainably. ESG Governance and Board Oversight helps create a brand as good corporate citizen & creates visibility. It may reduce possibility of regulatory actions on ESG ground.	-	Opportunity
10.	Business Ethics	Risk	Business Ethics has direct moral and regulatory bearing. It is crucial for achieving bank's objectives, mitigating risks, fostering stakeholder trust, and ensuring business continuity. By placing emphasis on ethical behaviour, the Bank not only seeks to retain its current clientele but also to draw in new customers.	Bank recognizes that it is a trustee and custodian of public money and in order to fulfil its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of public at large. Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations.	Risk

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	https://www.utkarsh.bank/								
2		Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3		Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4		Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 22301 : 2019 Management of Business Continuity of branch banking, micro banking, ATM's, information technology, CPC, HR, Administration, call centre, Accounts & Finance, Disaster recovery sites and support processes.								
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight											
7		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Detail content is provided in Annual Report								
8		Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9		Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No								

10 Details of Review of NGRBCs by the Bank:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or the Bank's internal requirements and best practices.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board																	

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No
	No. The various Head of Departments are responsible for effective implementation of the pertinent policies. The Bank's Internal Audit Department, among its mandates, assesses each department's adherence to their respective policies. In addition, the Bank's Compliance Department monitors the adherence to implementation of policies mandated by RBI.								

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

a.	The entity does not consider the Principles material to its business (Yes/No)	Not applicable
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable
d.	It is planned to be done in the next financial year (Yes/No)	Not applicable
e.	Any other reason (please specify)	Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	6 Board of Directors were covered in 5 training programs	IIA - Golden Jubilee National Conference, IICA Director's Certification Master Class, Program for Non-Executive Chairman & Directors on the Boards of Banks, NBFCs, Fis, IICA/MCA-Director Certification in ESG in accordance w/ SEBI LODR Compliance for BFSI, Effective Risk Governance and Boards program.	75%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	51 participants covered in 24 training programs	IT Governance, Risk and Compliance, AI/MI And The Emerging Cyber Risk Landscape, Business Catalyst, CAROS Training – IIBF, Conference of HR Heads of Banks and Financial Institutions, Conference of Treasury Heads – Emerging Trends, Customer Service Excellence, DAKSH-Reserve Bank's Advanced Supervisory Monitoring System etc.	34%
Employees	1973 participants were covered in 49 programmes	ESG Policy & Guidelines, Ethical conduct, Disciplinary, Procedures, Employee Benefits.	100%

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Penalty / Fine (1)	NA	0	NA	NA
Settlement	Penalty / Fine (1)	NA	0	NA	NA
Compounding fee		NA	0	NA	NA

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	
Punishment	NA	NA	NA	NA	

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	**Code of conduct policy in place covering every aspect of anti-corruption policy or anti-bribery policy. Brief summary is as follows:** **Code of Conduct Policy – Key Highlights** • **Objective:** Establishes ethical standards and professional behavior expected from all employees, coordinators, and officers, emphasizing integrity, transparency, and accountability. • **Scope:** Applies to all employees and associates, requiring adherence to laws, internal policies, and high ethical standards. • **Core Principles:** » **Integrity:** Upholding honesty and professionalism. » **Quality & Transparency:** Delivering efficient services with clear communication.

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Code of conduct policy in place covering every aspect of anti-corruption policy or anti-bribery policy. Brief summary is as follows:

Code of Conduct Policy – Key Highlights

- **Objective:** Establishes ethical standards and professional behavior expected from all employees, coordinators, and officers, emphasizing integrity, transparency, and accountability.
- **Scope:** Applies to all employees and associates, requiring adherence to laws, internal policies, and high ethical standards.
- **Core Principles:**
  - **Integrity:** Upholding honesty and professionalism.
  - **Quality & Transparency:** Delivering efficient services with clear communication.
  - **Fair Practices:** Ethical treatment of clients and fair recovery processes.
  - **Client Privacy:** Protecting client data and using it responsibly.
  - **Social Values:** Embedding governance and social responsibility in operations.
- **Conflict of Interest:** Employees must avoid situations where personal interests conflict with Utkarsh's interests and disclose any potential conflicts.
- **Confidentiality & Data Security:** Strict protection of proprietary and client information, with clear rules on IT asset usage and data handling.
- **Gifts & Bribery:** Zero tolerance for bribery or corruption; only token gifts allowed under specific conditions.
- **Asset Protection:** Employees must safeguard Bank assets and report misuse.
- **Workplace Conduct:**
  - **Fair Employment & Diversity:** Equal opportunity and non-discrimination.
  - **Harassment-Free Environment:** Zero tolerance for harassment or intimidation.
  - **Safety:** Commitment to a safe and healthy workplace.
  - **Fair Vendor Relations:** Ethical dealings with suppliers and third parties.
- **Raising Ethical Issues:** Encourages reporting of violations without fear of retaliation; ensures thorough investigation and corrective action.
- **Compliance:** Mandatory adherence to all laws, regulations, and internal policies.
- **Disciplinary Actions:** Categorized into habitual, gross, fraudulent, and high-risk irregularities with corresponding penalties.
- **Anti-Money Laundering:** Prohibits involvement in money laundering or terrorist financing; requires due diligence in client dealings.
- **Insider Trading:** Prohibits trading based on non-public information; mandates pre-clearance for certain trades.
- **External Activities:** Restrictions on engaging in non-official activities that may conflict with official duties.
- **Political/Charitable Activities:** Prohibited use of Bank resources for political purposes without approval.
- **Review & Disclosure:** Policy reviewed annually;

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

6 Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023- 24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	NA

8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Number of days of accounts payable	N.A	N.A
Open-ness of business		

9 Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	N.A	N.A
	b. Number of trading houses where purchases are made from	N.A	N.A
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	N.A	N.A
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	N.A	N.A
	b. Number of dealers / distributors to whom sales are made	N.A	N.A
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	N.A	N.A

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	N.A	N.A
	b. Sales (Sales to related parties/ total sales)	N.A	N.A
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	0	0
	d. Investments (Investments in related parties / total investments made)	0	0

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same	The Board has formulated and adopted the code of conduct and conflict of interest norms for the Board of directors, and the code of conduct and ethics of the Bank (The code of ethics), in terms of Regulation 17(5) of the SEBI Listing Regulations relating to corporate governance. The code of conduct and conflict of interest norms for the Board of directors provides for do's and don'ts to be followed by the directors of the Bank and also contains norms with respect to conflict of interest, skill development, health, confidentiality, insider trading and sexual harassment etc. During fiscal 2024, the amendments to the said code were reviewed and approved by the Board. The code of ethics is a statement of the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank. The code of ethics is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, (2) set forth basic parameters of ethical and acceptable social behaviour, and (3) establish a system for detection and reporting of known or suspected ethical or violations of regulations. During the fiscal 2024,the Bank has not entered into any materially significant transactions with its directors or relatives of the directors, which could lead to potential conflict of interest between the Bank

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R & D	Given the nature of operations as a financial service provider, this question is not applicable		
Capex			

2	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Yes
	b. If yes, what percentage of inputs were sourced sustainably?	100%

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging) (b) E-waste (c) Hazardous waste (d) other waste.	The Bank has a centralised and robust waste management system that helps segregate, collect, transport and recycle all the different categories of waste generated, The Bank has undertaken several initiatives that helped reduction in waste generation, responsible waste disposal & recycling and reduce the load on landfills. In fiscal 2024, The Bank has deployed necessary systems and processes to effectively and sustainably manage e-waste/ Hazardous waste. In addition, the Bank's digitization efforts across its office and branch locations are also helping rationalise its paper requirements. The e-waste generated by the Bank primarily consists of computers, monitors, modems, switches, laptops, scanners, routers, printers, and UPS systems. In addition to this, the Bank have engaged authorised vendors empanelled with SPCB (State Pollution Control Board) and CPCB (Central Pollution Control Board) for disposal of e-waste in compliance with pertinent government regulations

4	**Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**	NA

Leadership Indicators

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA					

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
NA		

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current Financial Year)			FY 2023- 24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA					
E-waste			4598			
Hazardous waste	2640 KGS/127 Nos					
Other waste						

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		1		a		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	16707	15193	91%	1514	9%	0	0%	431	3%		
Female	2828	2641	93%	187	7%	90	3%	0	0%		
Total	**19535**	**17834**	**91%**	**1701**	**9%**	**90**	**3%**	**431**	**3%**		
Other than Permanent employees											
Male	18	18	100%	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**18**	**18**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	ALL	Y
Gratuity	100%	100%	Y	100%	ALL	Y
ESI	100%	100%	Y	100%	As per ESIC ACT Eligibility and applicability	Y
Others - Please specify	100%	100%	Y	100%	As per State Eligibility and applicability	Y

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard	The Bank remains committed to being an organisation with strong respect for human rights, inclusive environment & safe work conditions and ethically sound business practices for employees. The Bank has employed person with disabilities. The Bank strives to create an inclusive and safe work environment for its employees. Ramp facility is provided at Utkarsh Policy.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. There is no purchases or sales transaction between Bank and any of its related parties, neither bank has given or received any loan & advances to/ from related parties and Bank has not made any investment in any of its related parties	As per Talent Acquisition policy, USFBL is an equal employer and does not discriminate based on caste, creed, relligion, gender etc.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	420	98.82%	NA	NA
Female	111	96.52%	NA	NA
Total	**531**	**98.33%**	**NA**	**NA**

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	The Bank has the grievance redressal mechanism in place to address the grievances of the employees in a transparent, equitable and judicious manner within a specified timeframe so that all the employees receive fair and equitable treatment and their grievances get resolved promptly and fairly. This mechanism covers the following scenarios: a) An employee or group of employees registering a complaint against another employee or group of employees. b) An employee or group of employees registering a complaint against an external party in a work related engagement with the Organization. c) An employee registering a complaint against his/her reporting manager or next level manager. The Bank has Employee Grievance Redressal Policy in place.
Other than Permanent Employees	NA

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity: The Bank does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8 Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	10609	NA	NA	7059	66.54%	9616	NA	NA	9475	98.53%
Female	1757	NA	NA	422	24.02%	1635	NA	NA	1973	120.67%
Total	**12366**	**NA**	**NA**	**7481**	**60.50%**	**11251**	**NA**	**NA**	**11448**	**101.75%**
Workers										
Male	NIL	NIL		NIL		NIL	NIL		NIL	
Female	NIL	NIL		NIL		NIL	NIL		NIL	
Total	**NIL**	**NIL**		**NIL**		**NIL**	**NIL**		**NIL**	

9 Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	10609	10609	100%	9616	9616	100%
Female	1757	1757	100%	1635	1635	100%
Total	**12366**	**12366**	**100%**	**11251**	**11251**	**100%**
Workers						
Male	NA	NA	NA	NA		
Female	NA	NA	NA	NA		
Total	**NA**	**NA**	**NA**	**NA**		

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. the bank conducts regular safety drill through Physical Security • Conducts Hands-on training on evacuation during emergency is conducted every year • Briefing on Fire safety is provided at the premises • Demonstration and Hands-on training of use of Fire extinguisher is imparted • Inspection of Fire Extinguishers is undertaken regularly • Refilling of Fire Extinguishers is conducted at regular intervals • Monthly Inspection of Detectors/ sensors is carried out.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The bank conducts regular fire drills during which the employees are briefed on identifying and eliminating hazards. Security Guards deployed at Bank premise are trained on fire safety equipment. Advisories are issued on various safety related aspects such as weather warnings or fire safety and security
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	At the Bank, it is our duty to provide necessary support to employees in their wellbeing. The Bank assess the risks related to occupational health and safety at periodic intervals and put in place mitigation measures to take corrective and preventive action against those risks.

d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, The Bank has in place, a Group Term Life Insurance and a Mediclaim policy to address the non-occupational medical and healthcare needs of its employees. Employees are educated about these policies during the induction .

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities	Employees		
	Workers		

12	**Describe the measures taken by the entity to ensure a safe and healthy work place.**	The Bank continues to focus on strengthening its policies, systems and processes to ensure the safety of its employees and physical assets in the face of unforeseen negative events. The Bank has in place, a Business Continuity Plan (BCP) Measures undertaken by the Bank for ensuring a safe and healthy workplace. • Fire Training is conducted every year • Evacuation drill is conducted every year • Fire safety advisories are released • Fire safety signage is provided at different points • Doctor Consultation (On call/Video) • Enrolment of dependents under Mediclaim • Annual Health Check-up for AVP & above

13 Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NA					
Health & Safety						

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working Conditions	

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	Bank takes various measures to ensure safety in its premises.

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).	Yes

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.	Ensure the checking mechanism with vendor

3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023- 24	FY 2024-25	FY 2023- 24
Employees	NA			
Workers				

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)	Subject to requirement

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	There are no cases or incidents related to health and safety practices of the value chain partners observed during the reporting period.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity

Utkarsh Small Finance Bank recognizes that its operations have a direct and indirect impact on a wide array of stakeholders, including customers, regulators, peers, business partners, and the broader community. The Bank believes that transparent communication and meaningful engagement are essential to building and sustaining strong, long-term relationships across this stakeholder spectrum.

By engaging with diverse stakeholders, the Bank gains valuable insights into the social, environmental, and economic implications of its activities. Their feedback, perspectives, and constructive critiques enable the Bank to act responsibly and enhance its role as a conscientious corporate citizen.

Utkarsh conducts proactive and targeted stakeholder engagements to identify material issues, refine its business strategies, assess the effectiveness of its products and services, mitigate reputational risks, and positively influence both internal and external environments.

The Bank's key internal stakeholders include senior management and employees, while its external stakeholders encompass shareholders and investors, customers, regulatory bodies, communities, industry peers, vendors, service providers, media, and academia. These engagements are carried out throughout the year through various channels and platforms, ensuring continuous dialogue and collaboration.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customer	No	• **Branch and On-Ground Interactions:** Direct, face-to-face communication at branches and field offices, enabling personalized service and real-time feedback. • **Social Media Platforms:** Active presence on social media to share updates, respond to queries, and engage with customers in a timely and interactive manner. • **Print and Television Campaigns:** Mass media outreach through advertisements and awareness campaigns to inform and educate customers about products, services, and initiatives. • **Customer Care Channels:** Multi-modal support through the mobile app, telephone helpline, email, and the official website to address customer needs and resolve issues efficiently. • **Financial Literacy Programs:** Educational initiatives aimed at empowering customers with knowledge about financial products, responsible banking, and digital tools		The Bank conducts a proactive and focused engagements with diverse sets of stakeholders which helps identify significant material issues for the Bank, evaluate business strategy and operations, products, services and solutions, minimises reputational risk and positively influence our internal and external environment

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
2	Employee	No	Utkarsh Small Finance Bank fosters a culture of openness, collaboration, and continuous engagement with its employees through multiple communication platforms, including: • **Town Halls and Internal Meetings:** Regular sessions led by senior leadership to share updates, recognize achievements, and align teams with the Bank's vision and goals. • **Internal Communication Platforms:** Use of intranet, internal newsletters, and email communications to disseminate important information, policy updates, and organizational announcements. • **Training and Development Programs:** Structured learning sessions, workshops, and e-learning modules to enhance employee skills and knowledge. • **Employee Feedback Mechanisms:** Surveys, suggestion boxes, and open-door policies to encourage feedback, ideas, and concerns from employees. • **HR and Managerial Interactions:** One-on-one discussions, performance reviews, and team meetings to support employee growth and address individual needs. • **Recognition and Engagement Initiatives:** Programs and events designed to celebrate employee contributions and foster a positive workplace culture.		
3	Investors/ Shareholders	No	**Investor and Shareholder Communication Channels** Utkarsh Small Finance Bank maintains transparent and consistent communication with its investors and shareholders through a variety of formal engagement platforms, including: • **Investor Meets:** Regularly organized sessions to share business updates, financial performance, and strategic direction. • **Top Management Roadshows:** Interactive events where senior leadership engages with institutional investors and analysts to discuss the Bank's vision and growth plans. • **Investor Grievance Channels:** Dedicated mechanisms such as email, helplines, and online portals to address and resolve investor concerns promptly and effectively. • **Face-to-Face Meetings:** Personalized interactions with key investors to foster trust and provide clarity on business performance and outlook. • **Annual General Meeting (AGM):** A statutory platform for shareholders to engage with the Board, vote on key resolutions, and receive updates on the Bank's performance. • **Annual Report:** A comprehensive document detailing the Bank's financial results, strategic initiatives, governance practices, and sustainability efforts, shared with all stakeholders.	Need-based Periodically Annual Ongoing	

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Regulators	No	**Regulatory Communication Channels** Utkarsh Small Finance Bank maintains a proactive and transparent relationship with regulatory authorities through multiple formal channels, including: • **One-on-One and Group Meetings:** Direct interactions with regulatory bodies to discuss compliance, policy updates, and operational matters. • **Correspondence via Telephone, Email, and Mail:** Regular communication to ensure timely responses and information exchange. • **Periodic Submissions:** Scheduled reporting of business and operational performance to meet regulatory expectations. • **Mandatory Regulatory Filings:** Compliance with statutory requirements through timely submissions to authorities such as the Reserve Bank of India (RBI) and the Securities, Exchange Board of India (SEBI) etc. • **Participation in Industry Platforms:** Active engagement in regulatory and banking forums, conferences, and meetings to stay aligned with evolving regulatory frameworks and contribute to sectoral dialogue.	Periodic Need-based	
5	Communities	No	Utkarsh Small Finance Bank actively engages with communities through structured and impactful initiatives aimed at social development and empowerment. Key channels include: • **Direct CSR Initiatives:** Implementation of community development programs across multiple locations, focusing on education, health, livelihood, and financial inclusion. • **CSR Interventions via Utkarsh Foundation:** Strategic execution of social responsibility projects through the Utkarsh Welfare Foundation and its network of implementation partners to ensure sustainable and scalable impact. • **Whistle Blower Mechanism:** A transparent and secure platform that allows community members and stakeholders to report unethical practices or grievances, reinforcing the Bank's commitment to accountability and ethical conduct.	Periodic Need-based Ongoing	

Leadership Indicators

1	**Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**	The Board Committees and Board-Delegated Committees regularly review progress on economic, environmental, and social matters through structured presentations made by respective department heads. These presentations provide updates on key initiatives, performance metrics, and stakeholder feedback, enabling the Board to stay informed and exercise effective oversight on sustainability and ESG-related topics

2	**Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).** **If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**	Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. Inputs received from stakeholders are communicated through departmental feedback mechanisms. Based on these insights, relevant processes and policies are formulated or updated to address emerging priorities and ensure alignment with stakeholder expectations. This approach enables the Bank to integrate stakeholder perspectives into its sustainability strategy and operational practices
3	**Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**	As a Small Finance Bank, Utkarsh is deeply committed to financial inclusion, extending its efforts well beyond regulatory obligations. The Bank continues to prioritize lending to the underserved, including small and marginal farmers and economically weaker sections, while also facilitating access to government-led financial initiatives aimed at improving financial service outreach. In addition to financial support, the Bank actively promotes financial literacy and digital education to ensure meaningful and inclusive participation in the financial ecosystem. Through its CSR initiatives, Utkarsh makes a significant impact by empowering socially, economically, financially, and physically disadvantaged communities. These initiatives are designed to foster self-reliance and contribute to sustainable and inclusive development. The Bank's community-focused programs emphasize livelihood enhancement, quality education, skill development, and public awareness on key issues such as financial and digital literacy. These efforts reflect Utkarsh's holistic approach to addressing the concerns of vulnerable and marginalized stakeholder groups.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1 **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Workers	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (D)	Equal to Minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	18,832	51	0.27%	18,781	99.73%	15,840	356	2.25%	15,484	97.75%
Male	16,074	30	0.19%	16,044	99.81%	13,583	283	2.08%	13,300	97.92%
Female	2,758	21	0.76%	2,737	99.24%	2,257	73	3.23%	2,184	96.77%
Other than permanent										
Male						NA				
Female										
Workers										
Permanent										
Male						-				
Female										
Other than permanent										
Male						NA				
Female										

3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

As an institution in the Banking sector, the Bank is compliant with the Labour laws of India, that stipulate minimum wages for employees falling under different categories. The Bank's remuneration of employees is in alignment with Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors / Employees of the Bank. The remuneration paid to all the employees / MD & CEO / Whole-Time Directors of the Bank, for the fiscal 2023, is in accordance with the Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	41,00,000	1	43,00,000
Key Managerial Personnel	4	1277062	nil	NIL
Employees other than BoD and KMP	16070	18842	2758	19132
Workers	-			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Safety Incident/Number	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Gross wages paid to females as % of total wages	12.03%	12.12%

4	**Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**	yes

5	**Describe the internal mechanisms in place to redress grievances related to human rights issues.**	The Bank has in place an employee HRMS portal through which employee can communicate their grievances or concerns to the Management in a confidential and secure manner. The Bank also has an Internal Complaints Committee for the Prevention of Sexual Harassment (POSH) to provide safe and secure environment for its female employees, also working on various aspects related to awareness, training and redressed. Bank's through its Code of Conduct lays down standards for acceptable employee behaviour on various professional and ethical aspects. The bank maintains highest standards of ethics, integrity, accountability and transparency and provide safeguards to various stakeholders including shareholders, depositors and employees.

6 Number of Complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	13	0	NA	10	0	
Discrimination at workplace	NA	NA	NA	NA	NA	NA
Child Labour	NA	NA	NA	NA	NA	NA
Forced Labour/ Involuntary Labour	NA	NA	NA	NA	NA	NA
Wages	NA	NA	NA	NA	NA	NA
Other Human rights related issues	NA	NA	NA	NA	NA	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	13	10
Complaints on POSH as a % of female employees / workers	0.2%	0.3%
Complaints on POSH upheld	6	6

8	**Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**	IC Quarterly Meeting: Awareness Sessions: Educating Employees through Posh Mandatory Certification.

9 Do human rights requirements form part of your business agreements and contracts (Yes/No)

Yes

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	No
Discrimination at workplace	No
Wages	-
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	NA

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	NA

2 Details of the scope and coverage of any Human rights due-diligence conducted.	NA

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	NA

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NA
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	NA

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	15899228	1078626
Total fuel consumption (B)	11200	7430
Energy consumption through other sources (C)	165115	173890
Total energy consumed from renewable sources (A+B+C)	16075543	1259946
From non-renewable sources		
Total electricity consumption (D)	NA	NA
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	NA	NA
Total energy consumed (A+B+C+D+E+F)	NA	NA
Energy intensity per rupee of turnover		
(Total energy consumed/ revenue from operations)	NA	NA
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	NA	NA
(Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	Given the nature of the Bank's business operations, this is not applicable to the Bank.

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	11899.36	11483.83
(iii) Third party water (tanker)	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Water from municipal corporation	NA	NA
(vi) Others- Water Bottles	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**11899.36**	**11483.83**
Total volume of water consumption (in kilolitres)	**11899.36**	**11483.83**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	NA	NA
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		
(Total water consumption / Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

4 Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	4784.57	2873.6
No treatment	NA	NA
With treatment – please specify level of treatment	STP	STP
(iii) To Seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties (Municipal Sewers)	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**4784.57**	**2873.6**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit KWH	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
NOx		0.186	0.218
Sox		0.044	0.041
Particulate matter (PM)		0.092	0.089
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		NA	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		NA	NA
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8	**Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**	• 140kW solar PV offset more than 20% of annual energy demand. • CO2 sensors have been installed at each floor level for monitoring and ensuring the CO2 level does not cross the threshold of 900 ppm which is eliminating the sick-building syndrome by maintaining good indoor air quality. • Energy efficient lighting fixtures are installed in the building which are reducing the lighting load of the building. • Building orientation and design of façade has been done in a way to reduce the 3% annual heat gain of the building compared to a conventional building. • By installing AAC blocks instead of red clay bricks, puff insulation in roof, double glaze unit, recessed windows, high COP chillers, thermostats, BMS, cooling tower with VFD, high efficiency motors, demand control ventilation, lighting management system, our building is 40% energy efficient than conventional building. • Lighting management system is provided that monitors and controls the lighting as per the occupancy patterns. Lighting control is also designed to schedule the interior & exterior lighting. • Low flow fixtures are installed which helps to reduce 70% water demand compared to a conventional building. • 90 KLD STP provided on-site is treating 100% wastewater generated on-site that leads to zero wastewater discharge from site. • More than 25% cement with fly ash and 100% AAC blocks & fly ash bricks are used in the building to reduce the need for virgin materials in the building structure

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	YES	YES
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	YES	YES
Radioactive waste (F)	NA	NA
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	**NA**	**NA**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	NA	NA
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	
(ii) Re-used	NA	
(iii) Other recovery operations	NA	
Total	**NA**	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	
(ii) Landfilling	NA	
(iii) Other disposal operations	NA	
Total	**NA**	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

10	**Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes**	NA

11 **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
N/A		

12 **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

13 **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	No such non-compliance			
2				

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): NA

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area **NA**

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
---No treatment	NA	NA
---With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
---No treatment		
---With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
---No treatment	NA	NA
---With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
---No treatment	NA	NA
---With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
---No treatment	NA	NA
---With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**NA**	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

3 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.	As an institution providing financial services, the Bank does not cause any significant, direct impact on biodiversity. However, as a part of its ESG Policy for Lending, the Bank assesses the environmental and social risks as part of its lending decisions under Wholesale Banking.

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
N/A		

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	NA
6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard	NA
7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations. (As below)

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Indian Bank Association (IBA) – Ordinary Member	National
2	FICCI – Associate Membership	National
3	ASFBI – Association of SFBs	National
4	MFIN	National

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1 Details of public policy positions advocated by the entity:

	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	There is no such public Policy				

PRINCIPLE 8 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3 Describe the mechanisms to receive and redress grievances of the community.	A link is provided at Utkarsh Bank website through which grievances can be received. https://www.utkarsh.bank/help-and-support/

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Safety Incident/Number	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers Directly sourced within India	The items which are acquired for consumption at requisite local branch/offices are preferably procured from MSMEs of the respective districts.	

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Parameter	FY 2024-25 (Current Financial Year)	FY 2023- 24 (Previous Financial Year)
Rural	24	23
Semi-urban	29	30
Urban	21	20
Metropolitan	26	27

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In INR)
1	Bihar	Katihar	1,59,635
2	Bihar	Muzaffarpur	6,549
3	Bihar	Purnea	73,159
4	Jharkhand	Garhwa	12,000
5	Jharkhand	Giridih	6,69,821
6	Jharkhand	Hazaribagh	71,231
7	Jharkhand	Palamu	31,19,870

Sl. No	State	Aspirational District	Amount spent (In INR)
8	Jharkhand	Ranchi	23,291
9	Uttar Pradesh	Chandauli	53,355
10	Uttar Pradesh	Sonbhadra	24,40,965
11	Uttarakhand	Haridwar	31,10,651
12	Uttarakhand	Udham Singh Nagar	4,00,966

3	**(a)** Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	No
	(b) From which marginalized /vulnerable groups do you procure?	NA
	(c) What percentage of total procurement (by value) does it constitute?	NA

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share	Web Link, if available
1	NA				
2					

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6 Details of beneficiaries of CSR Projects:

Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Financial Literacy	2,08,177	90%*
2	Health Initiatives	5,88,450	90%
3	Education	14,760	90%
4	Skill, Vocational and Entrepreneurship Development	1,756	90%
5	Village Development Program	5,004	90%

* Approximately 90% of the beneficiaries from our CSR projects belong to vulnerable and marginalized groups. However, since we work in the entire village(s) some percentage of the beneficiaries would be those who do not fall under Vulnerable and marginalised groups.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1	**Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**	Bank has Grievance Redressal Policy which aims to provide a structured mechanism for receipt/resolution of customer complaints and an efficient review mechanism to improve product/service delivery based on review/analysis of complaints. The Bank's policy on grievance redressal strives to ensure that: 1. Customers are always treated fairly, and the Bank's employees work in good faith without prejudice to the interests of customers. 2. Complaints received from customers are dealt with courtesy and resolved efficiently. 3. Complaint resolution by the Bank is fair, consistent and in accordance with applicable rules and regulations. 4. Customers are fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response/ resolution provided by the Bank. The Policy would be available on the notice board of all branches and also on the Bank's website to ensure that all customers are aware of the complaint submission and escalation process. Further, the Bank would ensure that the employees are aware about this Policy and the complaint resolution process. • A customer has full right to register his complaint if he is not satisfied with the services provided by the Bank. He can communicate his complaint in writing, orally or over telephone. If a customer's complaint is not resolved within a reasonable/ assured time frame or if he is not satisfied with the solution provided by the Bank, he may approach the Banking Ombudsman with his/her complaint or pursue other legal avenues available for grievance redressal, Detail Policy can be access through following Link- https://www.utkarsh.bank/uploads/policy/Grievance_Redressal_Policy.pdf • In line with RBI guidelines, all customer claims pertaining to unauthorized Electronic Banking transactions will be governed by the Consumer Protection Policy of the Bank, a copy of which is available on the Bank's website.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	388	0	NA	188	0	All Complaints were resolved within TAT.
Delivery of Products	0	0	NA	0	0	NA
Quality of Products	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	5411	110	Out of 110 open complaints reported to RBI by 15-04-2025. Only 25 complaints are pending for Resolution by 15-04-2025. Out of 25 complaints, 18 complaints are related to Transaction Dispute, 05 are related to Fraud & 02 are related to Utkarsh BHIM UPI pin creation(IT Production movement required).	6978	72	All Complaints were resolved within TAT.

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	Yes, Data Privacy Policy (utkarsh.bank)

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services	NA

7 Provide the following information relating to data breaches:

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	NA
c. Impact, if any, of the data breaches	NA

Leadership Indicators

1	**Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).**	Utkarsh Small Finance Bank provides affordable banking services, including savings and current accounts, fixed deposits, recurring deposits, and various loan products such as housing loans, business loans, and loans against property. The bank adheres to stringent norms set by the Reserve Bank of India, and its representatives follow key codes, policies, and commitments toward customers, which are accessible on the bank's website https://www.utkarsh.bank/
2	**Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**	Utkarsh Small Finance Bank consistently aims to offer seamless services. The bank actively engages with customers through Client meet and Finance literacy camp, providing valuable information for the safe and responsible use of its products and services.
3	**Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services**	The Bank has adequate measures in place towards informing its customers of any risks of disruption or discontinuation of its services, which are also guided by the appropriate regulations for the Bank as per Bank's Business Continuity.
4	**Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)**	The bank prioritizes transparency by ensuring that contracts and agreements are easily understood and well-communicated to customers. This includes providing information on product pricing, associated risks, terms and conditions, and customer responsibilities. The bank achieves this through various means, such as displaying product-related information on their website, offering clear communication channels, and training staff to provide accurate information.

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certificate

We, Govind Singh, Managing Director & Chief Executive Officer and Sarjukumar Pravin Simaria, Chief Financial Officer of Utkarsh Small Finance Bank Limited ("the Bank"), hereby certify to the Board that:

- We have reviewed financial statement and the cash flow statement of the year and that to the best of our knowledge and belief:
  - » These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - » These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
- We are responsible for establishing and maintaining internal controls for financial report in Bank and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee.
  - » Significant changes in internal control over financial reporting during the year;
  - » Significant changes in accounting policies during the year and the same have been disclosed in the Notes of the financial statements; and
  - » Instances of significant fraud of which we have become aware and involvement therein, if any, of the Management or an employee having a significant role in the Bank's internal control system over financial reporting.

Sd/-
Govind Singh
Managing Director & CEO

Sd/-
Sarjukumar Pravin Simaria
Chief Financial Officer

Date: May 03, 2025
Place: Mumbai

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Financial Statements

Independent Auditor's Report

To The Members of UTKARSH SMALL FINANCE BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have jointly audited the accompanying financial statements of **UTKARSH SMALL FINANCE BANK LIMITED** (the "Bank"), which comprise the Balance Sheet as at March 31, 2025, Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act ("Accounting Standards") as applicable to the Bank, the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Identification of and Provisioning against Non-performing Assets ("NPAs"):** Total Loans and Advances (Net of Provision) as at March 31, 2025: Rs. 18,71,648 Lakhs Provision for NPAs as at March 31, 2025: Rs. 94,910 Lakhs Refer Schedule 9, Schedule 17(B)(c) and Schedule 18.4.1	
	Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of NPA to the gross advances of the Bank. The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the' IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors. As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; • We have analysed and understood key IT systems/ applications used and tested the design and implementation as well as operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances; • We test checked advances to examine the validity and accuracy of the recorded amounts, impairment provision for NPAs, recognition of floating asset provision based on board approved policy and its utilisation based on RBI's approval, in compliance with IRAC norms and other RBI Guidelines.

Sr. No.	Key Audit Matter	Auditor's Response
Information Technology ('IT') Systems and Controls impacting Financial Reporting		
	As a Scheduled Commercial Bank that operates on core banking solution ("CBS") and other applications across its branches, the reliability and security of IT systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. The IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial accounting and reporting. Due to the pervasive nature and complexity of the IT environment we have ascertained Key Information technology ("IT") systems used in financial reporting process as a key audit matter.	In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT control environment, IT infrastructure and IT systems. We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: • We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; • We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; • We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and • We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Chairman's Statement, the Directors Report including annexures to the Directors report included in the Annual Report but does not include the financial statements and our auditors report thereon and the Basel II Disclosures under New Capital Adequacy Framework (Basel II Disclosures).
- Our opinion on the financial statements does not cover the other information and Basel II Disclosures and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by RBI, from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that

give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and Section 30(3) of the Banking Regulation Act, 1949, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the bank.

c) As explained in the paragraph 2 below, the financial accounting system of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches.

d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.

e) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable to the Banks.

g) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

h) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(k)(vi) below on reporting under Rule 11(g) of the Rules;

i) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements.

j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12 to the financial statements;

ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Schedule 18.28 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Schedule 18.28 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Bank during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Bank has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail

feature being tampered with and the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

2. We report that during the course of our audit we have visited and performed select relevant procedures at 40 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office based on the records and data required for the purpose of Audit being made available to us.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 25109839BMOFVH3118
Place: Mumbai
Date: May 03, 2025

For **Kirtane & Pandit LLP**
Chartered Accountants
(Firm Registration No.105215W/W100057)

Sandeep Welling
Partner
Membership No. 044576
UDIN: 25044576BMKQXS3892
Place: Mumbai
Date: May 03, 2025

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have jointly audited the internal financial controls with reference to financial statements of **UTKARSH SMALL FINANCE BANK LIMITED** (the "Bank") as of March 31, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, the Banking Regulation Act, 1949 and the guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Bank based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. the procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to financial statements

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial control with reference to financial statements

Because of the inherent limitations of internal financial control with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Bank has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 25109839BMOFVH3118
Place: Mumbai
Date: May 03, 2025

For **Kirtane & Pandit LLP**
Chartered Accountants
(Firm Registration No.105215W/W100057)

Sandeep Welling
Partner
Membership No. 044576
UDIN: 25044576BMKQXS3892
Place: Mumbai
Date: May 03, 2025

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Balance Sheet as at March 31, 2025

(₹ in '000s)

	Schedule	As at March 31, 2025 Audited	As at March 31, 2024 Audited
CAPITAL and LIABILITIES			
Capital	1	1,10,16,099	1,09,94,575
Reserves and Surplus	2	1,87,28,943	1,87,37,308
Deposits	3	21,56,56,989	17,47,25,981
Borrowings	4	2,35,47,658	1,99,50,808
Other Liabilities and Provisions	5	1,23,24,681	1,46,18,098
Total		**28,12,74,370**	**23,90,26,770**
ASSETS			
Cash and balances with Reserve Bank of India	6	2,63,82,821	1,24,69,002
Balances with banks and money at call and short notice	7	79,83,390	1,78,05,697
Investments	8	4,95,78,851	3,67,94,652
Advances	9	18,71,64,758	16,36,48,091
Fixed Assets	10	38,69,206	31,15,775
Other Assets	11	62,95,344	51,93,553
Total		**28,12,74,370**	**23,90,26,770**
Contingent Liabilities	12	**8,94,261**	**7,66,654**
Significant accounting policies	17		
Explanatory notes to financial statements	18		

Schedules referred to above form an integral part of the Financial statements. The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached

for **M/s Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No. 117365W

G.K. Subramaniam
Partner
Membership No. 109839

for **M/s Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No. 105215W/W100057

Sandeep D Welling
Partner
Membership No. 044576

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804

Parveen Kumar Gupta
Chairman
DIN : 02895343

Nagesh Pinge
Director
DIN: 00062900

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 03, 2025

Place : Mumbai
Date : May 03, 2025

Profit and Loss Account for the year ended March 31, 2025

(₹ in '000s)

		Schedule	For the year ended March 31, 2025 Audited	For the year ended March 31, 2024 Audited
I	**INCOME**			
	Interest Earned	13	3,76,49,260	3,17,84,115
	Other Income	14	59,98,343	40,03,434
	Total		**4,36,47,603**	**3,57,87,549**
II	**EXPENDITURE**			
	Interest Expended	15	1,74,20,624	1,29,26,090
	Operating Expenses	16	1,61,57,659	1,28,88,784
	Provisions and Contingencies	18.14.5	98,32,315	49,96,393
	Total		**4,34,10,598**	**3,08,11,267**
III	**PROFIT**			
	Net Profit for the year		**2,37,005**	**49,76,282**
	Balance in Profit and Loss account brought forward from previous year		**93,66,953**	**56,94,147**
	Total		**96,03,958**	**1,06,70,429**
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		59,251	12,44,071
	Transfer to / (from) Investment Fluctuation Reserve		1,35,298	59,405
	Transfer to Capital Reserve		66,748	-
	Balance carried over to Balance Sheet		**93,42,661**	**93,66,953**
	Total		**96,03,958**	**1,06,70,429**
V	**EARNINGS PER EQUITY SHARE**	18.15		
	Basic EPS (₹)		**0.22**	**4.79**
	Diluted EPS (₹)		**0.22**	**4.75**
	Face Value per share (₹)		**10**	**10**

Schedules referred to above form an integral part of the Financial statements. The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached

for **M/s Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No. 117365W

G.K. Subramaniam
Partner
Membership No. 109839

Place : Mumbai
Date : May 03, 2025

for **M/s Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No. 105215W/W100057

Sandeep D Welling
Partner
Membership No. 044576

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804

Parveen Kumar Gupta
Chairman
DIN : 02895343

Nagesh Pinge
Director
DIN: 00062900

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 03, 2025

Cash Flow Statement for the year ended March 31, 2025

(₹ in '000s)

S.No	Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
I	**Cash flow from operating activities**			
	Profit before taxes		2,76,472	65,93,863
	Adjustments for:-			
	Depreciation on fixed assets		7,65,691	6,52,665
	Depreciation on investments, net		3,61,110	-
	Amortization of premium on Held to Maturity Investment		1,93,123	1,98,154
	Profit on sale & Redemption of HTM investment		(1,18,930)	-
	Write-off of non performing advances		24,61,663	31,34,217
	Provision for standard advances and other contingencies		(12,09,312)	5,25,275
	Provision for non performing advances (net of reversal)		68,46,383	(2,38,701)
	(Profit)/Loss on sale of fixed assets (Net)		(2,396)	578
	ESOP expenses		2,50,194	35,549
	Other provisions and write off		34,639	(38,375)
	Other Income / Operating Expenses (written back / off)		(11,61,163)	-
		(i)	**86,97,474**	**1,08,63,225**
	Adjustments for:-			
	Decrease in available for sale (AFS) investments		(71,25,993)	(29,70,252)
	(Increase) in advances		(3,28,24,714)	(3,58,55,951)
	Increase in deposits		4,09,31,009	3,76,24,580
	(Increase) in other assets		(20,77,849)	(32,24,409)
	(Decrease) / Increase in other liabilities and provisions		47,485	41,11,083
		(ii)	**(10,50,062)**	**(3,14,949)**
	Payment of direct taxes	(iii)	**11,08,370**	**(6,35,936)**
	Net cash flow (used in) / generated from operating activities (A)		**87,55,782**	**99,12,340**
II	**Cash flow from/(used in) investing activities**			
	Purchase of fixed assets including capital work in progress and advances		(15,89,615)	(7,04,126)
	Proceeds from sale of fixed assets		12,770	2,323
	Purchase of HTM investments		(1,10,79,163)	(54,96,190)
	Proceeds from sale of HTM investments		48,87,200	-
	Net cash flow (used in) investing activities (B)		**(77,68,808)**	**(61,97,993)**
III	**Cash flow from/(used in) Financing Activities**			
	Proceeds from issue of share capital		57,919	51,36,088
	Share issue expenses		-	(1,95,421)
	Payment of dividend		(5,50,231)	-
	Borrowings taken		1,46,07,004	54,60,000
	(Repayments) of borrowings		(1,10,10,154)	(90,03,945)
	Net cash flow generated from financing activities (C)		**31,04,538**	**13,96,722**
IV	**Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)**		**40,91,512**	**51,11,069**
V	**Cash and cash equivalents at the beginning of the year**		**3,02,74,699**	**2,51,63,630**
VI	**Cash and cash equivalents at the end of the year**		**3,43,66,211**	**3,02,74,699**

Cash Flow Statement for the year ended March 31, 2025

(₹ in '000s)

S.No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Notes to the Cash Flow Statement:		
	Cash and cash equivalents includes the following:		
(i)	Cash in hand (Refer Schedule 6)	**7,92,732**	**7,90,208**
(ii)	Balances with Reserve Bank of India (Refer Schedule 6)	**2,55,90,089**	**1,16,78,794**
(iii)	Balance with banks and money at call and short notice (Refer Schedule 7)	**79,83,390**	**1,78,05,697**
	Cash and cash equivalents at the end of the year	**3,43,66,211**	**3,02,74,699**

The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 - Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As per our report of even date attached

for **M/s Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No. 117365W

G.K. Subramaniam
Partner
Membership No. 109839

Place : Mumbai
Date : May 03, 2025

for **M/s Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No. 105215W/W100057

Sandeep D Welling
Partner
Membership No. 044576

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804

Parveen Kumar Gupta
Chairman
DIN : 02895343

Nagesh Pinge
Director
DIN: 00062900

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 03, 2025

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 1 - Capital

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
Authorised Capital		
1,800,000,000 Equity shares of ₹10/- each (March 31, 2024: 1,300,000,000 Equity shares of ₹10/- each)	1,80,00,000	1,30,00,000
200,000,000 Preference shares of ₹10/- each (March 31, 2024: 200,000,000 Preference shares of ₹10/- each)	20,00,000	20,00,000
Issued, subscribed and fully paid-up capital		
1,10,16,09,900 Equity shares of ₹10/- each (March 31, 2024: 1,09,94,57,460 Equity shares of ₹10/- each)	1,10,16,099	1,09,94,575
TOTAL	**1,10,16,099**	**1,09,94,575**

Note:

The Bank had completed the process of initial public offer (IPO) and raised ₹50,000 lakhs by issue of 2,000 lakhs equity shares which got listed on BSE Limited (""BSE"") and National Stock Exchange of India Limited (""NSE"") on July 21, 2023.

Schedule 2 - Reserves and Surplus

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
1. Statutory Reserve		
Opening balance	34,02,181	21,58,110
Addition during the year	59,251	12,44,071
Deduction during the year	-	-
Total	**34,61,432**	**34,02,181**
2. Capital Reserve		
Opening balance	90,207	90,207
Addition during the year *	66,748	-
Deduction during the year	-	-
Total	**1,56,955**	**90,207**
3. Share Premium **		
Opening balance	55,42,778	28,61,462
Addition during the year	61,443	31,00,560
Deduction during the year	(5,063)	(4,19,244)
Total	**56,09,284**	**55,42,778**
4. Investment Fluctuation Reserve		
Opening balance	1,19,218	59,813
Addition during the year	1,35,298	59,405
Deduction during the year	-	-
Total	**2,54,516**	**1,19,218**
5. General Reserve		
Opening balance	-	-
Addition during the year	17,198	-
Deduction during the year	-	-
Total	**17,198**	**-**

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 2 - Reserves and Surplus (Contd.)

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
6. ESOP Outstanding		
Opening balance	2,15,971	1,80,422
Addition during the year	2,50,194	75,371
Deduction during the year	(29,037)	(39,822)
Total	**4,37,128**	**2,15,971**
7. Balance in Profit and Loss Account	87,92,430	93,66,953
TOTAL (1+2+3+4+5+6+7)	**1,87,28,943**	**1,87,37,308**

* Refer schedule 18.3.3

** For addition and deduction in share premium refer schedule 18.1.3

Schedule 3 - Deposits

(₹ in '000s)

			As at March 31, 2025	As at March 31, 2024
A.	**1.**	**Demand Deposits**		
	i)	From banks	14,03,378	11,01,034
	ii)	From others	50,39,325	44,67,612
Total			**64,42,703**	**55,68,646**
	2.	**Savings Bank Deposits**	**4,05,48,851**	**3,02,54,477**
	3.	**Term Deposits**		
	i)	From banks	4,72,48,226	4,09,05,409
	ii)	From others	12,14,17,209	9,79,97,449
Total			**16,86,65,435**	**13,89,02,858**
TOTAL (1 to 3)			**21,56,56,989**	**17,47,25,981**
B.	i.	Deposits of branches in India	21,56,56,989	17,47,25,981
	ii.	Deposits of branches outside India	-	-
TOTAL			**21,56,56,989**	**17,47,25,981**

Schedule 4 - Borrowings

(₹ in '000s)

			As at March 31, 2025	As at March 31, 2024
1.	**Borrowings in India**			
	i)	Reserve Bank of India	-	15,00,000
	ii)	Other banks	-	-
	iii)	Other institutions and agencies		
		a) Government of India	-	-
		b) Financial institutions	1,83,37,640	1,62,93,120
	iv)	Capital instruments		
		a) Borrowing in the form of bonds and debentures * (subordinated debt included in Tier 2 capital)	51,50,000	21,00,000
	v)	Other borrowings**	60,018	57,688
Total borrowings in India			**2,35,47,658**	**1,99,50,808**

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 4 - Borrowings (Contd.)

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
2. Borrowings outside India	-	-
TOTAL (1 + 2)	**2,35,47,658**	**1,99,50,808**
Secured borrowings included in 1 and 2 above	-	15,00,000

Refinance borrowings of ₹1,833.76 crore (March 31, 2024: ₹1,629.31 crore)

* Represents unsecured non-convertible debentures

** Represents payable under lease obligation

Schedule 5 - Other Liabilities and Provisions

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
1. Bills payable	12,96,567	18,39,849
2. Inter office adjustments (net)	-	-
3. Interest accrued	73,62,018	59,95,618
4. Others (including provisions)	36,66,096	67,82,631
TOTAL (1 to 4)	**1,23,24,681**	**1,46,18,098**

Schedule 6 - Cash and balances with Reserve Bank of India

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
1. Cash in hand	7,92,732	7,90,208
2. Balances with Reserve Bank of India		
i) In current account	67,50,089	66,88,794
ii) In other accounts	1,88,40,000	49,90,000
TOTAL (1 + 2)	**2,63,82,821**	**1,24,69,002**

Schedule 7 - Balance with banks and money at call and short notice

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
1. In India		
i) Balances with banks		
a) In current accounts	4,35,294	7,42,505
b) In other deposit accounts	10,50,317	18,15,329
ii) Money at call and short notice		
a) With banks	12,50,000	10,00,000
b) With other institutions	52,47,779	1,42,47,863
Total (i+ii)	**79,83,390**	**1,78,05,697**
2. Outside India		
In current accounts	-	-
In other deposits accounts	-	-
Money at call and short notice	-	-
Total	**-**	**-**
TOTAL (1 + 2)	**79,83,390**	**1,78,05,697**

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 8 - Investments

(₹ in '000s)

			As at March 31, 2025	As at March 31, 2024
1.	**Investments in India (net of provisions)**			
	i)	Government securities *	4,22,01,075	3,33,16,322
	ii)	Other approved securities	-	-
	iii)	Shares	67,890	-
	iv)	Debentures and bonds	-	-
	v)	Subsidiaries / joint ventures	-	-
	vi)	Others (certificate of deposits and security receipts)	73,09,886	34,78,330
Total			**4,95,78,851**	**3,67,94,652**
2.	**Investments Outside India (net of provisions)**			
	i)	Government securities	-	-
	ii)	Subsidiaries / joint ventures	-	-
	iii)	Others	-	-
Total			**-**	**-**
TOTAL (1 + 2)			**4,95,78,851**	**3,67,94,652**
3.	**Investments**			
	i)	**Gross value of investments**		
		a) In India	4,99,39,961	3,67,94,652
		b) Outside India	-	-
			4,99,39,961	**3,67,94,652**
	ii)	**Provision for depreciation**		
		a) In India **	3,61,110	-
		b) Outside India	-	-
			3,61,110	**-**
	iii)	**Net value of investments**		
		a) In India	4,95,78,851	3,67,94,652
		b) Outside India	-	-
			4,95,78,851	**3,67,94,652**

* Include securities of ₹150.22 crore (March 31, 2024: ₹115.76 crore) pledged for clearing facilities and margin requirement

** Refer schedule 18.3.2

Schedule 9 - Advances (net of provisions)

(₹ in '000s)

			As at March 31, 2025	As at March 31, 2024
A.	i)	Bills purchased and discounted	**-**	**-**
	ii)	Cash credits, overdrafts and loans repayable on demand	68,57,371	46,28,029
	iii)	Term loans	18,03,07,387	15,90,20,062
Total			**18,71,64,758**	**16,36,48,091**
B.	i)	Secured by tangible assets (includes advances against fixed deposits and book debts)	8,40,18,747	6,26,46,268
	ii)	Covered by Bank/Government guarantees	2,90,828	192
	iii)	Unsecured	10,28,55,183	10,10,01,631
Total			**18,71,64,758**	**16,36,48,091**

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 9 - Advances (net of provisions) (Contd.)

(₹ in '000s)

		As at March 31, 2025	As at March 31, 2024
C.1	**Advances in India**		
i)	Priority sector	13,52,41,411	12,37,04,676
ii)	Public sector	-	-
iii)	Banks	-	-
iv)	Others	5,19,23,347	3,99,43,415
Total		**18,71,64,758**	**16,36,48,091**
C.2	**Advances Outside India**		
i)	Due from banks	-	-
ii)	Due from others	-	-
a)	Bills purchases and discounted	-	-
b)	Syndicated loans	-	-
c)	Others	-	-
Total		**-**	**-**
TOTAL (C.1 + C.2)		**18,71,64,758**	**16,36,48,091**

Schedule 10 - Fixed Assets

(₹ in '000s)

		As at March 31, 2025	As at March 31, 2024
1.	**Premises**		
i)	At cost at 31st March of the preceding year	11,22,502	11,22,502
ii)	Additions during the year	-	-
iii)	Deductions during the year	-	-
iv)	Accumulated depreciation to date	50,886	34,198
Total		**10,71,616**	**10,88,304**
2.	**Other Fixed Assets (including furniture and fixtures)**		
i)	At cost at 31st March of the preceding year	39,91,466	34,35,883
ii)	Additions during the year	9,85,284	6,43,009
iii)	Deductions during the year	81,952	87,426
iv)	Accumulated depreciation to date	27,78,014	21,15,684
Total		**21,16,784**	**18,75,782**
3.	**Leased Assets**		
i)	At cost at 31st March of the preceding year	2,73,271	2,62,698
ii)	Additions during the year	17,004	10,573
iii)	Deductions during the year	1,050	-
iv)	Accumulated depreciation to date	2,38,464	2,24,419
Total		**50,761**	**48,852**
4.	**Capital Work in Progress**	6,30,045	1,02,837
TOTAL (1 to 4)		**38,69,206**	**31,15,775**

Schedules forming part of the Balance Sheet

as at March 31, 2025

Schedule 11 - Other Assets

(₹ in '000s)

		As at March 31, 2025	As at March 31, 2024
1.	Inter-office adjustment (net)	-	-
2.	Interest accrued	19,88,954	16,49,106
3.	Tax Paid in advance/tax deducted at source (net of provision)	5,88,628	83,477
4.	Stationery and stamps	-	-
5.	Non-banking assets acquired in satisfaction of claims	-	-
6.	Deferred Tax Asset (net)	11,73,446	10,51,033
7.	Others	25,44,316	24,09,937
TOTAL (1 to 7)		**62,95,344**	**51,93,553**

Schedule 12 - Contingent Liabilities

(₹ in '000s)

		As at March 31, 2025	As at March 31, 2024
1.	Claims against the bank not acknowledged as debts	-	-
2.	Liability for partly paid investment	-	-
3.	Liability on account of outstanding forward exchange contracts	-	-
4.	Liability on account of outstanding derivative contracts	-	-
5.	Guarantees given on behalf of constituents		
	i) In India	3,08,228	2,62,413
	ii) Outside India	-	-
6.	Acceptances, endorsements and other obligations	-	-
7.	Other items for which the bank is contingently liable *	5,86,033	5,04,241
TOTAL (1 to 7)		**8,94,261**	**7,66,654**

* Includes capital commitment of ₹ 55.30 crore (31 March 2024: ₹47.87 crore)

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Schedule forming part of the Profit and Loss Account

for the year ended March 31, 2025

Schedule 13 - Interest Earned

(₹ in '000s)

		For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Interest / discount on advances / bills	3,33,69,612	2,88,00,559
2.	Income on investments	27,80,110	20,93,328
3.	Interest on balance with Reserve Bank of India and Other inter bank funds	14,99,394	8,90,006
4.	Others	144	222
TOTAL (1 to 4)		**3,76,49,260**	**3,17,84,115**

Schedule 14 – Other Income

(₹ in '000s)

		For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Commission, exchange and brokerage*	28,12,267	11,06,588
2.	Profit/(Loss) on sale/redemption of Investments (net)	1,18,930	-
3.	Profit/(Loss) on revaluation of investments	(22,110)	-
4.	Profit/(Loss) on sale of land, building and other assets (net)	2,396	(578)
5.	Profit/(Loss) on exchange transactions (net)	-	-
6.	Income earned by way of dividends from Subsidiaries / Associates and /or Joint Venture abroad / in India	-	-
7.	Miscellaneous Income	30,86,860	28,97,424
TOTAL (1 to 7)		**59,98,343**	**40,03,434**

*Refer Schedule 18.30

Schedule 15 – Interest Expended

(₹ in '000s)

		For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Interest on deposits	1,56,50,918	1,12,08,722
2.	Interest on Reserve Bank of India / Inter-bank borrowings	45,367	63,294
3.	Others	17,24,339	16,54,074
TOTAL (1 to 3)		**1,74,20,624**	**1,29,26,090**

Schedule 16 – Operating Expenses

(₹ in '000s)

		For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Payments to and provisions for employees	84,55,955	73,69,513
2.	Rent, taxes and lighting	8,21,030	6,82,862
3.	Printing and stationery	1,26,835	1,42,538
4.	Advertisement and publicity	1,60,038	1,05,223
5.	Depreciation on Bank's property	7,65,691	6,52,665
6.	Director's fees allowances and expenses	33,016	29,558
7.	Auditors' fees and expenses	24,924	22,060
8.	Law charges	2,97,909	2,85,439
9.	Postage, telegrams, telephones, etc.	3,60,186	3,09,198
10.	Repairs and maintenance	2,64,521	2,34,343
11.	Insurance	2,03,795	1,48,370
12.	Other expenditure*	46,43,759	29,07,015
TOTAL (1 to 12)		**1,61,57,659**	**1,28,88,784**

* Includes professional charges, service charges for core banking software and ATM, traveling, incentives / commission to business correspondent and outsourced agencies and other expenses

Auditors' fees and expenses includes payment towards statutory audit fee ₹1.98 crore (March 31, 2024: ₹1.80 crore) and other expenses ₹0.51 crore (March 31, 2024: ₹0.40 crore)

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies

17.1 Background

Utkarsh Small Finance Bank Limited ("Company" or "the Bank"), incorporated on April 30, 2016 in India, is a Small Finance Bank ('SFB') engaged in providing banking and financial services and governed by the Banking Regulation Act, 1949. The Bank had commenced its banking operations from January 23, 2017. Scheduled Bank status was accorded by Reserve Bank of India vide notification no. DBR.NBD. (SFB-UMFL). No.2689/16.13.216/2017-2018 dated October 04, 2017 and was published in the Gazette of India on November 07, 2017.

The Bank has completed the Process of initial public offer (IPO) and listed its equity shares on BSE Limited (""BSE"") and National Stock Exchange of India Limited (""NSE"") on July 21, 2023 as per the relevant regulatory requirement."

17.2 Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting and the Accounting Standards specified under section 133 of the Companies Act, 2013 including the provisions of the Banking Regulation Act, 1949, the Master Direction on Financial Statements - Presentation and Disclosures issued by Reserve Bank of India dated on August 30, 2021, as amended from time to time and various other orders/circulars/directions issued by the RBI in this regard to the extent applicable and practices prevailing in the Banking industry in India and other accounting principles generally accepted in India.

17.3 Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that are considered in the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and reported income and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements and the management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

17.4 Significant accounting policies

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year read with Schedule 18.30A and 18.30B.

The accompany financial statements have been prepared as prescribed under the historical cost.

A Revenue Recognition

a) Interest income on performing assets is recognised on accrual basis. Interest income on non-performing assets is recognised on realisation;

b) For other than Micro Finance (JLG) Loans and Relationship Management based products, recoveries in respect of all EMI based performing assets is appropriated towards interest, principal of each EMI followed by charges. For Non-performing assets, appropriation is made towards principal, interest of each EMI followed by oldest charges for the product defined;

c) For Micro Finance (JLG) Loans recoveries would be appropriated towards instalment(s) outstanding and on partial collection appropriation will be in the sequence of first Interest component of oldest EMI followed by Principal component of oldest EMI, and so on both for standard and NPA accounts;

d) Relationship Management Based products, recoveries is appropriated towards Outstanding;

e) Penal Charge or Overdue Principal and charges are recognized on collection basis except in case of Relationship Management based products where such penal charges are recognized on accrual basis;

f) Loan processing fee is accounted as income when it becomes due;

g) Documentation and monitoring charges collected from borrowers are accounted upfront when it becomes due;

h) Recoveries in respect of debts written off are recognized in the year in which such amounts is recovered and the same are disclosed under "Other Income";

i) Fees paid / received for priority sector lending certificates (PSLC) is recognised upfront;

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

j) Profit / premium arising at the time of securitization / assignment of loan portfolio is amortized over the life of the underlying loan portfolio / securities and any loss arising therefrom is recognized immediately. Income from interest strip (excess interest spread) is recognized in the profit and loss account net of any losses when redeemed in cash. Interest retained under assignment of loan receivables is recognized on realization basis over the life of the underlying loan portfolio;

k) Interest on term deposits is accrued on time proportion basis, using the underlying interest rate.

l) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis;

m) Dividend is accounted on an accrual basis when the right to receive the dividend is established;

n) Income from distribution of third party products is recognised on the basis of business booked;

o) Recoveries in respect of purchase of Direct Assignment pools are to be appropriated as per appropriation methodology followed by the originators; and

p) All other fees are accounted for as and when they become due and when service is rendered.

B Advances

a) Accounting and Classification

Advances are classified as performing and non-performing (NPA) as per RBI guidelines. Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

b) Inter Bank Participation Certificates

The Bank enters into Inter Bank Participation Certificate with Risk Sharing as issuing Bank and the aggregate amount of participation are reduced from the aggregate loan outstanding.

c) Provisioning

Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time.

The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines. However, provisioning rates prescribed by RBI are the regulatory minimum, and Bank made additional provisions in respect of advances to stressed sectors of the economy as approved by the Board from time to time. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

Loans reported as fraud are classified appropriately as per relevant RBI guidelines and fully provided for immediately without considering the value of security.

d) Floating Provision

The Bank recognises floating provision as per the Board approved policy, which is in addition to the specific, contingent and general provisions made by the Bank. The floating provision will be utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement of extant RBI guidelines or any regulatory guidance / instructions. Floating provisions are netted off for NNPA Ratio and is included in 'Other Liabilities and Provisions'.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

C Investments

Policies applicable for the year ended March 31, 2025

a) Classification

In accordance with Reserve Bank of India ('RBI') Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 ('RBI Directions') issued on 12 September 2023 which is applicable from April 01,2024, the Bank classifies its entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity ('HTM'), Available for Sale ('AFS') and Fair Value through Profit and Loss ('FVTPL'). Held for Trading ('HFT') is a separate investment sub-category within FVTPL.

Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures, and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities, except in the case of equity shares where 'Trade Date' accounting is followed.

Basis of classification

The Bank classifies its investments as subsequently measured into the above categories based on the business model for managing the investments and the contractual cash flow characteristics of the investments.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an investment is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

i) The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the investments to the duration of the liabilities that are funding those investments or realising cash flows through the sale of the investments;

ii) The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the investments is achieved and how cash flows are realised; and

iii) The risks that affect the performance of the business model, the investments held within that business model and how those risks are managed.

Assessment whether contractual cashflows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the investment on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

i) Reset terms;

ii) Contingent events that would change the amount and timing of cash flows;

iii) Leverage features;

iv) Prepayment and extension terms;

v) Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and

vi) Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Investments at HTM

An investment is classified at HTM only if both of the following conditions are met:

i) It is held with the objective to collect the contractual cash flows; and

ii) The contractual terms of the investment give rise to cash flows that are Solely Payments of Principal and Interest ('SPPI' criterion) on principal outstanding on the specified dates.

Investments at AFS

An investment is classified at AFS only if both of the following conditions are met:

i) It is acquired with an objective that is achieved by both collecting contractual cash flows and selling investment; and

ii) The contractual terms of the investment meet SPPI criteria.

For equity instruments not held with the objective of trading, the Bank has an option on initial recognition to classify such instruments under AFS. The Bank makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investments at FVTPL

Any investment, which does not meet the criteria for categorization as at HTM or as AFS, is classified at FVTPL.

Investments at HFT

HFT is a separate investment sub-category within FVTPL consisting of instruments that meet the specifications for HFT instruments or are held with the intention of trading or short-term gains is classified under HFT as set out in the RBI Circular dated 12th September 2023.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures are held in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL)."

Acquisition Cost:

The cost of investments is determined on "weighted average cost" ('WAC') basis. Broken period interest paid to seller is not capitalized but treated as an item of expenditure under Profit and Loss Account in respect of investment in securities. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Disposal of investments:

Investments classified as AFS

i) Debt instruments: Upon sale or maturity, the accumulated gain/ loss in the AFS Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account.

ii) Equity instruments: Any gain or loss on sale is transferred from AFS Reserve to the Capital Reserve.

Investments classified as FVTPL/ HFT

Any gain or loss on sale of investments is recognised in the Profit and Loss Account.

Investments in subsidiaries, associates and joint ventures

Profit or loss on sale of investments is recognised in the Profit and Loss Account and profit, if any, is appropriated to the Capital Reserve Account after adjustments for tax and transfer to Statutory Reserve.

Investments classified as HTM

Profit on sale or redemption of investments is recognised in the Profit and Loss Account and profit if any, on sale is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale is recognised in the Profit and Loss Account.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Valuation:

The valuation of investments is performed in accordance with the RBI guidelines as follows:

i) **Investments classified as HTM –** These are carried at cost and not Marked-to-Market ('MTM') after initial recognition. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using by straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account.

ii) **Investments classified as AFS –** These are fair valued on a quarterly basis. The valuation gains and losses are aggregated, and the net appreciation or depreciation directly gets credited or debited to AFS reserve (net of effect of applicable taxes). Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument by using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account.

iii) **Investments classified as FVTPL/HFT -** These are fair valued and the net gain or loss arising on such valuation is directly credited/debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on daily basis, whereas other securities in FVTPL are fair valued on a quarterly basis. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and loss Account."

iv) **Investments in subsidiaries, associates, and joint ventures -** All investments in subsidiaries, associates and joint ventures are held at acquisition cost. Any discount or premium on the acquisition of debt instruments of subsidiaries and associates are amortised over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account. The Bank assesses these investments for impairment and provides for the same, in accordance with RBI Directions.

v) The fair value of the quoted securities are the prices declared by the Financial Benchmarks India Private Ltd. ('FBIL'). For securities whose prices are not published by FBIL, the fair value of the quoted securities is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorised by RBI or Securities and Exchange Board of India ('SEBI') or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA').

vi) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

vii) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.

viii) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:

- In case of unquoted bonds, debentures, Pass Through Certificates (PTCs) and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet which shall not precede the date of valuation by more than 18 months In case the latest Balance Sheet is not available, the shares are valued at ₹1 per investee company;
- Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower.
- Units of Alternate Investment Funds (AIF) are valued at the NAV published by the AIFs. If AIF fails to carry out and disclose valuation of its investments by an independent valuer as per the frequency mandated by the SEBI regulations, the value of units shall be treated as ₹1. If the AIF is not registered under the applicable SEBI regulations and the latest disclosed valuation of its investments by an independent valuer is not available for a period beyond 18 months, the

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

investment shall be valued at ₹1 per unit. Further, the Bank provides for investments in Alternate Investments Funds (AIFs) in line with RBI circular dated 19th December, 2023 and 27th March 2024.

ix) Non-performing investments (NPIs) are identified and depreciation / provision are made thereon based on RBI guidelines. Subsequent, MTM gains on NPIs are ignored. NPIs are segregated from rest of the portfolio and are not considered for netting valuation gains and losses. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.

x) Repurchase and reverse repurchase transactions - Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

Day 1 gain/ loss on initial recognition

All investments are measured at fair value on initial recognition.

Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value. Situations where the presumption is tested include:

- The transaction is between related parties.
- The transaction is done outside the principal market for that class of securities.
- The transaction is taking place under duress where one party is forced to accept the price in the transaction.

The Bank does not expect day 1 gain/ loss in case of investments which are executed through trading platforms like Recognized Stock Exchange or through online investment platforms whereby the prices are determined in an orderly transaction between market participants on the measurement date. Day 1 gain/ loss is tested when transactions are conducted outside the principal market or transactions are done with related parties.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, spread, etc.) any day 1 gain/ loss is recognised in the Profit and Loss Account.

Any day 1 loss arising from Level 3 investments is recognised immediately in the Profit and Loss Account.

Any day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the day 1 gain is amortized on a straight-line basis up to the maturity date, while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

The management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible.

Fair values are categorized into different levels (Level 1, Level 2, or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. The levels are described as follows:

Level 1: The inputs used for valuation of financial instruments are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.

Level 2: The valuation of financial instruments is based on inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: The valuation of financial instruments is based on unobservable inputs i.e. not based on observable market data.

Transition date accounting as on April 1, 2024

In line with the RBI Circular dated September 12, 2023, the fair value as on March 31, 2024 is the revised carrying value of investments. Further, the difference between the fair value as on March 31, 2024 and previous carrying value has been adjusted in the General Reserve.(Refer Schedule 18.30B)"

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Classification and valuation of Bank's Investments is carried out in accordance with relevant RBI guidelines/directions and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines prescribed in this regard from time to time.

Policies applicable for the year ended March 31, 2024

a) Classification

Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' (HTM) categories at the time of purchase.

Investments that are acquired with an intention to hold till maturity are classified as "HTM".

Investments that are held primarily for sale within 90 days from the date of purchase are classified as "HFT".

Investments, which are not classified in the above two categories, are classified as "AFS". Further, as per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

The Bank follows value date method of accounting for purchase and sale of investments, except for Government of India and state government securities where settlement date method of accounting is followed in accordance with RBI guidelines.

For the purpose of disclosure in the financial statements, the Investments are classified under six groups a) Government Securities b) Other Approved Securities c) Shares d) Debentures and Bonds e) Subsidiaries / Joint Ventures and f) Others.

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to prudential norms for Classification, valuations and Operation of Investment Portfolio by Banks prescribed from time to time.

b) Valuation

Investments classified as "Held to Maturity" securities need not to be marked to market and will be carried at acquisition cost, unless it is more than the face value, in which the premium should be amortised over the period remaining to maturity. Where in the opinion of the management, a diminution, other than temporary in the value of investments classified under HTM has taken place, appropriate provisions are made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accrued for the holding period.

Quoted investments are valued at traded quoted price available on the recognised stock exchanges, subsidiary general ledger account transactions are valued as per the price list of RBI or prices declared by Primary Dealers Association of India ("PDAI") jointly with FIMMDA / FBIL applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), yields / mark-up rates (reflecting associate credit risk) declared by the FIMMDA / FBIL are considered.

Quoted Mutual Fund units are valued as per stock exchange quotes and un-quoted mutual fund units are valued at last available re-purchase price or Net Asset Value where re-purchase price is not available."

c) Disposal of investments

Profit / Loss on sale of investments under the aforesaid three categories is recognized in the Profit and Loss account. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Profit and Loss account to "Capital Reserve" in accordance with the RBI Guidelines.

d) Transfer between categories

Transfer of investments between categories is accounted in accordance with the extant RBI guidelines:

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

b) Transfer from HTM to AFS/HFT is made at acquisition price/ amortised cost if originally placed in HTM at par or at a discount and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

e) Repurchase and Reverse repurchase transactions

Repurchase ('Repo') and reverse repurchase ('Reverse Repo') transactions including liquidity adjustment facility (with RBI) are accounted for as borrowing and lending transactions respectively. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. The Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted for as interest expense and income on reverse repo transactions are accounted for as interest income.

f) Broken period interest, brokerage etc.

Broken period interest and costs such as brokerage paid at the time of acquisition of the investments are charged to the Profit and Loss account.

Investment Fluctuation Reserve.

Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the (a) net profit on sale of investments during the year (b) net profit for the year less mandatory appropriations, till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate FVTPL, HFT and AFS portfolio. Draw down from the Investment Fluctuation Reserve has been made in accordance with the applicable RBI guidelines.

D Fixed assets and depreciation / amortisation

Tangible assets

Tangible fixed assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost includes freight, duties, taxes and all other directly attributable expenditures towards acquisition and installation of assets before it is ready for commercial use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Tangible fixed assets under construction and tangible fixed assets acquired but not ready for their intended use will be disclosed as capital work-in-progress.

Capital work in progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets. Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset.

For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Bank. Depreciation on assets sold during the year is charged to the Profit and Loss account up to the date of sale. Assets costing less than ₹5,000 are fully depreciated in the year of purchase. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Leasehold improvements are amortised on straight line basis over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Profit and Loss account.

Intangible assets

Intangible assets that are acquired by the Bank are measured initially at cost. The cost of an intangible asset comprises its purchase price including after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Intangible assets are amortized in the Profit and Loss account over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are amortized on straight line basis. Computer software are amortized on straight line basis over their estimated useful life of three years.For assets purchased/ sold during the year, amortisation is being provided on pro rata basis by the Bank.

Impairment of Assets

In accordance with Accounting Standard 28- Impairment of assets, the Bank assesses at each balance sheet date whether there is any indication of impairment of assets based on internal / external factor If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount will be reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Depreciation is provided on the revised carrying amount of the asset over its remaining useful life

E Foreign Currency transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date based on exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the Profit and Loss account.

F Derivatives

The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting dates.

Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss account.

Derivative contracts designated as hedges are not marked to market unless their underlying transaction is marked to market. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss account in the relevant period.

The Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge and periodically thereafter. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Profit and Loss account. Contingent liabilities on account of derivative contracts denominated in foreign currencies are reported at closing rates of exchange notified by FEDAI as at the balance sheet date.

G Employee benefits

a. Defined Contribution Plan –

The Bank makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Bank's contribution is recognised as an expense in Profit and loss account during the period in which the employee renders the related service.

b. Defined Benefit Plan and Compensated absences-

The Bank provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is covered under a scheme administered by Life Insurance Corporation of India through gratuity trust (Group Gratuity scheme) and the contributions made by the Bank to the scheme is recognised in the Profit and loss account. The liability recognised in the Balance Sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The calculation of the Bank's obligation under the plan is performed annually by qualified independent actuary using projected unit credit method. Actuarial gains and losses arising during the year is immediately recognised in the Profit & Loss account.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Compensated absence, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method at the balance sheet date, carried out by an independent actuary. Compensated absence is covered under a scheme administered by Life Insurance Corporation of India. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period and are not deferred.

H Share Issue Expenses

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

I Employee Stock Option Scheme

The holding company of the Bank has formulated Employees Stock Option Scheme. The scheme provides that subject to continued employment with the Bank, employees of the Bank are granted an option to acquire equity shares of the Holding Company that may be exercised within a specified period. The compensation cost for all options granted to employees by the Holding company is computed based on valuation of shares of Holding company as per intrinsic value method and is amortised over the period of vesting. Measurement and disclosure of the Employee Share-based Payment Schemes are done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India ('ICAI').

The Bank has formulated Employees Stock Option Schemes, and the policy will be applicable to all scheme. The Bank measures compensation cost relating to employee stock options using the Fair value method as per the Guidance Note on 'Accounting for Employee Share based Payments' issued by the ICAI and same is charged to Profit & Loss Account.

J Lease transactions

A lease is classified at the inception date as finance lease or an operating lease. Assets taken on lease where the Bank acquires substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance lease is capitalised at the commencement of the lease at an amount equal to lower of its fair value and present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve constant rate of interest on the remaining balance of the liability. The rental obligations, net of finance charges, are reflected as borrowings. Finance charges are recognised as finance costs in the profit and loss account.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as and when the payments are made over the lease terms.

K Taxation

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the period (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognized in accordance with the provisions of the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty (supported by convincing evidence of future taxable income) of realization of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/ virtually certain to be realized.

L Provisions and contingencies

The Bank recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 17 – Significant accounting policies (Contd.)

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

M Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

N Cash and cash equivalents

Cash and Cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

O Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

P Segment reporting

The disclosures relating to segment reporting is done as per guidelines issued by the RBI.

Q Priority Sector Lending Certificates

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in Priority Sector portfolio by selling or buying Priority Sector Lending Certificates (PSLCs). There is no transfer of risk on loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received for the sale of PSLCs is recognised upfront and is treated as 'Miscellaneous Income'.

Schedule 18

18.1.1 Regulatory Capital

Capital Adequacy Ratio is computed as per operating guidelines issued by RBI for Small Finance Banks and amended thereafter.

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Common Equity Tier 1 (CET) capital	2,775.84	2,722.25
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	2,775.84	2,722.25
iv)	Tier 2 capital	473.53	210.25
v)	Total capital (Tier 1+Tier 2)	3,249.37	2,932.50
vi)	Total Risk Weighted Assets (RWAs)	15,525.96	12,993.69
vii)	Common Equity Tier 1 (CET) capital ratio (%)	17.88%	20.95%
viii)	Tier I capital ratio (%)	17.88%	20.95%
ix)	Tier II capital ratio (%)	3.05%	1.62%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%)	20.93%	22.57%
xi)	Leverage Ratio	9.90%	11.42%
xii)	Percentage of the shareholding of the Government of India in public sector banks	-	-
xiii)	Amount of paid-up equity capital raised during the year *	5.79	509.63

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
xiv) Amount of additional Tier I capital raised	-	-
xv) Amount of Tier II capital raised (Refer 18.1.2) below)	305.00	-

* includes share premium ₹3.64 crore (March 31, 2024: ₹306.07 crore against the fresh issue of equity shares)

Notes:

1. The Bank has followed Master Circular No. DBR.No.BP.BC.4/21.06.001/2015-16 (as amended from time to time) on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF) issued by RBI dated July 01, 2015 for the purpose of computing Capital Adequacy Ratio.
2. As per RBI, letter DBR.NBD. No. 4502/16.13.218/2017-18 (as amended from time to time) dated November 08, 2017, it is clarified that no separate capital charge is being prescribed for market risk and operational risk for the time being.

18.1.2 Tier II Capital

The Bank has acquired Basel II compliant debt capital instruments in the form of NCD of ₹200 crore on June 28, 2024 and ₹105 crore on November 27, 2024 during the year ended March 31, 2025 (March 31, 2024: NIL).

18.1.3 Capital Infusion

During the year ended March 31, 2025, the Bank has allotted 21,52,440 equity shares of ₹10 each under ESOP scheme exercised for cash aggregating to ₹5,79,19,323. Accordingly, share capital increased by ₹2.15 crore and share premium increased by ₹3.64 crore (Previous year ended March 31, 2024, the Bank had completed the process of initial public offer (IPO) and raised ₹500 crore by issue of 20 crore equity shares which got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on July 21, 2023. Further the Bank has allotted 35,52,797 equity shares of ₹10 each under ESOP scheme exercised for cash aggregating to ₹9,62,66,189. Accordingly, share capital increased by ₹203.55 crore and share premium increased by ₹306.07 crore. Expense towards the public issue of equity shares amounting to ₹41.92 crore had been adjusted with Securitries Premium Account.)

(₹ in crore except share data)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	1,09,94,57,460	1,099.46	89,59,04,663	895.91
Shares issued during the year*	21,52,440	2.15	20,35,52,797	203.55
Outstanding at the end of the year	**1,10,16,09,900**	**1,101.61**	**1,09,94,57,460**	**1,099.46**

* including employee stock option plan

18.1.4 Draw down from Reserves

There has been no draw down from reserves during the year ended March 31, 2025 and March 31, 2024 other than those disclosed under Schedule 2.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.2.1 Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities is given below:

(₹ in crore)

	As at March 31, 2025											
	1 day	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	120.22	1,082.35	213.04	455.10	362.74	412.75	1,671.17	4,914.53	10,632.56	1,662.48	38.76	**21,565.70**
Loans & Advances*	216.52	166.11	150.02	378.62	713.64	682.37	2,064.46	3,477.12	5,121.37	1,989.62	3,756.63	**18,716.48**
Investments	440.01	471.77	33.84	122.00	142.57	77.49	612.12	850.19	1,880.16	266.34	61.40	**4,957.89**
Borrowings	-	0.02	0.02	0.05	67.11	75.12	249.20	438.41	1,205.32	14.44	305.08	**2,354.77**
Foreign currency Assets	-	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	**-**

(₹ in crore)

	As at March 31, 2024											
	1 day	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	92.28	654.83	121.43	270.65	668.31	433.53	1,926.08	6,047.82	6,823.99	390.96	42.72	**17,472.60**
Loans & Advances*	120.67	132.48	145.34	365.02	678.18	609.80	1,948.33	3,489.31	5,431.15	940.55	2,503.98	**16,364.81**
Investments	239.69	204.48	19.38	117.84	240.33	130.09	357.77	1,065.13	1,200.54	96.13	8.09	**3,679.47**
Borrowings	-	0.03	0.03	0.07	60.78	73.12	315.87	626.75	699.05	211.41	7.97	**1,995.08**
Foreign currency Assets	-	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	**-**

* amounts disclosed are net off provision for non-performing assets

Note:

1. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.2.2 Liquidity Coverage Ratio (LCR)

Qualitative disclosure around LCR

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank's liquidity. The ratio aims to ensure that a bank has an adequate stock of unencumbered High - Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar days of severe liquidity stress scenario.

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks. It does this by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) to total estimated net outflows over a stressed period of 30 calendar days.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, partially offset by inflows from assets maturing within 30 days.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk.

The Board has constituted Risk Management Committee (RMC), which reports to the Board, and consisting of Chief Executive Officer (CEO) /Chairman and certain other Board members. The Committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Bank in line with Bank's risk management objectives and risk tolerance. A dedicated desk within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management.

ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.

The Bank has been maintaining HQLA (Level 1) primarily in the form of Excess CRR, excess SLR investments over and above mandatory requirement. LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30 day period. The present minimum regulatory requirement, as on March 31, 2025 is 100%.

In order to determine cash outflows, the Bank segregates its deposits into various customer segments, viz., Retail (which include deposits from individuals), Small Business Customers (those with deposits upto ₹7.5 crore) and Wholesale (which would cover all residual deposits). Other contractual funding, including a portion of other liabilities which are expected to run down in a 30 day time frame are included in the cash outflows. These classifications, based on extant regulatory guidelines, are part of the Bank's LCR framework, and are also submitted to the RBI. The LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30 day stress period. The present minimum requirement, as on March 31, 2025 is 100%.

In the Indian context, the run-off factors for the stressed scenarios are prescribed by the RBI, for various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related exposures, and offset with inflows emanating from assets maturing within the same time period. Given below is a table of run-off factors and the average LCR maintained by the Bank quarter-wise over the past two years as below:

Particulars	Run-Off Factors
Retail Deposits	5%-10%
Small Business Customers	5%-10%
Operational Deposits	5%-25%
NFC, Sovereigns, Central Banks, MDBs & PSEs	40%
Other Legal Entitities (OLE)	100%

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Quarter ended	LCR Maintained (Average)	LCR Required
March 31, 2025	168.71%	100%
December 31, 2024	172.89%	100%
September 30, 2024	184.58%	100%
June 30, 2024	187.05%	100%
March 31, 2024	159.50%	100%
December 31, 2023	180.91%	100%
September 30, 2023	211.70%	100%
June 30, 2023	427.23%	100%

The average LCR for the quarter ended March 31, 2025 was at 168.71% as against 159.50% for the quarter ended March 31, 2024, and above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2025 was ₹5,902.85 crore as against ₹3,774.63 crore for the quarter ended March 31, 2024.

Quantitative Disclosures

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2025, wherein the amounts are average of daily positions during the quarter:

(₹ in crore)

		Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	5,902.85	5,902.85	5,546.83	5,546.83	5,392.68	5,392.68	5,012.05	5,012.05
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	12,097.97	1,196.97	11,039.29	1,092.27	9,920.59	979.50	8,862.24	872.43
	(i) Stable Deposits	256.52	12.83	233.10	11.66	251.26	12.56	275.91	13.80
	(ii) Less Stable Deposits	11,841.45	1,184.14	10,806.18	1,080.62	9,669.33	966.93	8,586.33	858.63
3	Unsecured wholesale funding, of which:	4,121.97	3,249.78	3,787.64	2,997.76	3,658.95	2,971.70	3,450.26	2,832.61
	(i) Operational deposits (all counterparties)	716.78	71.06	668.11	66.24	587.10	58.24	519.45	51.54
	(ii) Non-operational deposits (all counterparties)	377.45	150.98	313.35	125.34	264.01	105.60	249.56	99.82
	(iii) Unsecured debt	3,027.74	3,027.74	2,806.18	2,806.18	2,807.85	2,807.85	2,681.25	2,681.25
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

		Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	860.23	149.42	1,029.97	154.48	868.09	135.32	828.77	170.56
7	Other contingent funding obligations	91.05	91.05	60.90	60.90	76.51	76.51	63.47	63.47
8	TOTAL CASH OUTFLOWS	17,171.22	4,687.22	15,917.80	4,305.41	14,524.14	4,163.03	13,204.74	3,939.07
Cash Inflow									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,746.61	1,177.01	1,658.91	1,085.80	1,814.63	1,232.77	1,821.99	1,251.00
11	Other cash inflows	22.84	11.42	22.68	11.34	20.45	8.60	18.95	8.60
12	TOTAL CASH INFLOWS	1,769.45	1,188.43	1,681.59	1,097.14	1,835.08	1,241.37	1,840.94	1,259.60
13	TOTAL HQLA	-	5,902.85	-	5,546.83	-	5,392.68	-	5,012.05
14	Total Net Cash Outflows (8-12)	-	3,498.79	-	3,208.27	-	2,921.66	-	2,679.47
	Liquidity Coverage Ratio (%)		168.71%		172.89%		184.58%		187.05%

(₹ in crore)

		Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	3,774.63	3,774.63	3,580.43	3,580.43	3,563.86	3,563.86	3,237.13	3,237.13
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	8,302.21	821.88	7,623.23	757.70	-	675.48	-	637.39
	(i) Stable Deposits	166.90	8.35	92.47	4.62	83.00	4.15	76.56	3.83

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

		Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	(ii) Less Stable Deposits	8,135.31	813.53	7,530.76	753.08	6,713.27	671.33	6,335.65	633.57
3	Unsecured wholesale funding, of which:	3,330.50	2,482.49	3,153.13	2,035.76	-	-	-	-
	(i) Operational deposits (all counterparties)	616.04	61.12	651.59	64.80	655.48	65.22	638.52	63.56
	(ii) Non-operational deposits (all counterparties)	488.49	195.39	884.31	353.72	1,068.33	427.33	533.80	213.52
	(iii) Unsecured debt	2,225.97	2,225.97	1,617.23	1,617.23	1,922.47	1,922.47	1,425.19	1,425.19
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	767.87	172.78	38.85	38.85	51.18	51.18	52.00	52.00
7	Other contingent funding obligations	56.00	56.00	742.60	36.59	678.01	33.33	969.65	47.96
8	TOTAL CASH OUTFLOWS	-	3,533.14	-	2,873.11	-	3,175.00	-	2,439.63
Cash Inflow									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	-	1,157.95	-	885.43	-	1,483.61	-	1,674.02
11	Other cash inflows	-	8.60	-	8.60	-	7.93	-	7.89
12	TOTAL CASH INFLOWS	-	1,166.55	-	894.03	-	1,491.54	-	1,681.92
13	TOTAL HQLA	-	3774.63	-	3580.43	-	3563.86	-	3237.13
14	Total Net Cash Outflows (8-12)	-	2366.59	-	1979.08	-	1683.46	-	757.71
	Liquidity Coverage Ratio (%)		159.50%		180.91%		211.70%		427.23%

Note:

1. Average for all the quarters is simple average of daily observations for the quarter.
2. Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.2.3 Net Stable Funding Ratio (NSFR)

Qualitative disclosure around NSFR

In the backdrop of the global financial crisis that started in 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector. In this regard, comes into picture – "Basel III: International framework for liquidity risk measurement, standards and monitoring" which presented two minimum standards, viz., Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for funding liquidity.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon of one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Minimum Requirement: ASF (Available Stable Funding)/RSF (Require Stable Funding)>=100. The Bank is required to maintain the NSFR on an ongoing basis on a standalone basis. The minimum NSFR requirement set out in the RBI guideline effective October 1, 2021 is 100%.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Bank in line with Bank's risk management objectives and risk tolerance. A dedicated desk within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management.

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended March 31, 2025, wherein the amounts are average of daily positions during the year:

(₹ in crore)

		NSFR Disclosure				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	2,775.84	-	-	590.53	3,366.37
2	Regulatory capital	2,775.84	-	-	473.53	3,249.37
3	Other capital instruments	-	-	-	117.00	117.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,795.69**	**1,049.02**	**1,519.78**	**7,132.31**	**13,172.40**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,795.69	1,049.02	1,519.78	7,132.31	13,172.40
7	**Wholesale funding: (8+9)**	**893.47**	**2,542.44**	**3,963.74**	**2,524.01**	**5,369.29**
8	Operational deposits	98.76	-	-	-	49.38
9	Other wholesale funding	794.71	2,542.44	3,963.74	2,524.01	5,319.91
10	**Other liabilities: (11+12)**	**3,591.50**	**-**	**-**	**-**	**-**
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,591.50	-	-	-	-
13	**Total ASF (1+4+7+10)**	**-**	**-**	**-**	**-**	**21,908.06**

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

		NSFR Disclosure				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	2,488.05	600.00	146.18	3,473.93	3,521.95
15	Deposits held at other financial institutions for operational purposes	718.54	175.65	50.46	3.92	93.03
16	**Performing loans and securities: (17 to 22)**	**-**	**4,371.73**	**3,477.12**	**9,962.35**	**12,195.71**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	344.94	229.83	365.00	531.66
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,011.60	3,230.56	8,737.14	11,047.65
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	3.25	3.65	206.53	179.00
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	11.94	13.08	653.68	437.40
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	730.99	-	-	365.49
24	**Other assets: (sum of rows 25 to 29)**	-	-	-	-	-
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,023.24	-	-	905.27	1,928.52
30	Off-balance sheet items	-	758.95	-	-	37.33
31	**Total RSF**					**18,142.03**
32	**Net Stable Funding Ratio (%)**					**120.76%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.3 Investments

18.3.1 Composition of Investments

Composition of Investments as at March 31, 2025

(₹ in crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others *	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	3,685.31	-	-	-	-	-	3,685.31	-	-	-	-	3,685.31
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,685.31	-	-	-	-	-	3,685.31	-	-	-	-	3,685.31
AFS												
Gross	534.80	-	9.00	-	-	764.89	1,342.59	-	-	-	-	1,342.59
Less: Provision for depreciation and NPI	-	-	2.21	-	-	33.90	36.11	-	-	-	-	36.11
Net	534.80	-	6.79	-	-	730.99	1,272.58	-	-	-	-	1,272.58
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	4,220.11	-	9.00	-	-	764.89	4,994.00	-	-	-	-	4,994.00
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	2.21	-	-	33.90	36.11	-	-	-	-	36.11
Net	4,220.11	-	6.79	-	-	730.99	4,957.89	-	-	-	-	4,957.89

* Other investments comprises of security receipts (Refer schedule 18.4.7) and Certificate of Deposits (CD)

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.3.1 Composition of Investments

Composition of Investments as at March 31, 2024

(₹ in crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others **	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	3,083.37	-	-	-	-	-	3,083.37	-	-	-	-	3,083.37
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,083.37	-	-	-	-	-	3,083.37	-	-	-	-	3,083.37
Available for Sale												
Gross	248.26	-	-	-	-	347.83	596.09	-	-	-	-	596.09
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	248.26	-	-	-	-	347.83	596.09	-	-	-	-	596.09
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	3,331.63	-	-	-	-	347.83	3,679.46	-	-	-	-	3,679.46
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI							-	-	-	-	-	-
Net	3,331.63	-	-	-	-	347.83	3,679.46	-	-	-	-	3,679.46

** Other investments comprises of Certificate of Deposits (CD)

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	**Movement of provisions held towards depreciation on investments**		
a)	Opening balance	-	-
b)	Add: Provisions made during the year *	2.21	-
c)	Less: Write off/write back of excess provisions during the year	-	-
d)	Closing balance	2.21	-
ii)	**Movement of Investment Fluctuation Reserve**		
a)	Opening balance	11.92	5.98
b)	Add: Amount transferred during the year	14.93	5.94
c)	Less: drawdown during the year	-	-
d)	Closing balance	26.85	11.92
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

* Refer schedule 18.4.7

18.3.3 Sale and transfers to/from HTM category

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
A	Opening carrying value of securities in HTM	3,083.37	2,560.36
B	Carrying value of all HTM securities sold during the year	418.72	-
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	266.71	-
D	Carrying value of securities sold (D=B-C)	152.01	-
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	4.93%	0.00%
	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	6.67	-

18.3.4 Non-SLR investment portfolio

The Bank does not have any Non performing Non-SLR investment as on March 31, 2025 and March 31, 2024

18.3.5 Issuer Composition of Non-SLR investments:

Issuer composition as at March 31, 2025 of non-SLR investments

(₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	730.99	113.59	-	-	-
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	42.90	9.00	-	33.90	5.00

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Issuer composition as at March 31, 2025 of non-SLR investments (₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
7	Provisions held towards depreciation	(36.11)	(2.21)	-	(33.90)	(2.21)
	Total	**737.78**	**120.38**	**-**	**-**	**2.79**

Issuer composition as at March 31, 2024 of non-SLR investments (₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	PSUs	-	-	-	-	-
2	FIs	74.63	-	-	-	-
3	Banks	273.20	-	-	-	-
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	-	-	-	-	-
7	Provisions held towards depreciation	-	-	-	-	-
	Total	**347.83**	**-**	**-**	**-**	**-**

SIDBI is included in Financial Institutions (FIs)

18.3.6 Repo/Reverse Repo/MSF Transactions for the year ended March 31, 2025 (In Face Value & Market Value Terms)

(₹ in crore)

Sl. No.	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2025	
		Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
A	Securities sold under repo/ MSF								
	i. Government securities	144.53	152.70	144.53	152.70	144.53	152.70	-	-
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-
B	Securities purchased under reverse repo								
	i. Government securities	207.88	195.78	1,692.58	1,684.65	791.28	762.79	-	-
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Repo/Reverse Repo/MSF Transactions during the year ended March 31, 2024 (In Face Value & Market Value Terms)

(₹ in crore)

Sl. No.	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March 31, 2024	
		Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
A	Securities sold under repo/ MSF								
	i. Government securities	144.53	152.70	144.53	152.70	144.53	152.70	144.53	152.70
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-
B	Securities purchased under reverse repo								
	i. Government securities	95.83	97.86	643.33	601.07	454.93	425.65	-	-
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-

(i) The days on which there were Nil outstanding have been ignored while arriving at the amount of minimum outstanding during the year.

(ii) Actual number of days of transactions have been considered in computation of daily average outstanding during the year.

(iii) In respect of triparty repo and triparty reverse repo transactions, amount of funds borrowed or lent have been disclosed in the tables above.

18.3.7 Government Security Lending (GSL) transactions

In reference to the RBI Notification No: FMRD.DIRD.No.06/14.03.061/2023-2024 dated December 27, 2023 with respect to the disclosure related to Government securities lending and borrowing transactions undertaken Over-the-Counter markets, the bank has not entered into any such type of transactions in the current year.

18.4 Asset Quality

18.4.1 Classification of advances and provisions held

(₹ in crore)

Particulars	As at March 31, 2025					
	Standard Advances	Non-performing Advances				Total
		Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(i) Gross Standard Advances and NPAs						
Opening balance	16,211.70	341.28	76.30	-	417.58	16,629.28
Add: Additions during the year					2,108.16	
Less: Reductions during the year *					671.36	
Closing balance #	17,811.21	1,788.48	65.90	-	1,854.38	19,665.59
* Reductions in Gross NPAs due to						

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.4.1 Classification of advances and provisions held (Contd.)

(₹ in crore)

Particulars	As at March 31, 2025					
	Standard Advances	Non-performing Advances				Total
		Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(i) Up – gradations					158.44	
(ii) Recoveries (excluding recoveries made from up-graded accounts)					42.62	
(iii) Technical/ Prudential Write-offs during the year					237.69	
(iv) Sale of NPA to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)					224.13	
(v) Write-offs / Waiver other than those under (iii) above					8.48	
(ii) Provisions (excluding Floating Provisions)						
Opening balance of provisions held	78.33	192.19	72.28	-	264.47	342.80
Add: Fresh provisions made during the year					1,229.78	
Less: Excess provision reversed/ Write-off loans **					545.14	
Closing balance of provisions held	65.07	892.69	56.42	-	949.11	1,014.18
(iii) Net NPAs (after adjusting floating provisions)						
Opening balance		149.09	4.02	-	4.49	
Add: Fresh additions during the year					837.03	
Less: Reductions during the year					(63.75)	
Closing balance		895.79	9.48	-	905.27	
(iv) Floating Provision						
Opening balance						148.62
Add: Additional provision made during the year						41.35
Less: Amount drawdown during the year (Refer schedule 18.26)						189.97
Closing balance of floating provision						-
(v) Technical write-offs and the recoveries made thereon						
(a) Opening balance Technical/ Prudential written-off accounts						992.96
(b) Add: Technical/ Prudential write-offs during the year						237.69
(c) Less: Recoveries made from previously technical/ prudential written-off accounts during the year						63.79
(d) Less: Sale of Technical/ prudential written off accounts to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)						130.40
(e) Closing balance						1,036.46

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

Particulars	As at March 31, 2024					
	Standard Advances	Non-performing Advances				Total
		Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(i) Gross Standard Advances and NPAs						
Opening balance	12,925.61	352.67	78.83	-	431.50	13,357.11
Add: Additions during the year					469.19	
Less: Reductions during the year *					483.11	
Closing balance #	16,211.70	341.28	76.30	-	417.58	16,629.28
* Reductions in Gross NPAs due to						
(i) Up – gradations					129.80	
(ii) Recoveries (excluding recoveries made from up-graded accounts)					39.89	
(iii) Technical/ Prudential Write-offs					304.93	
(iv) Write-offs / Waiver other than those under (iii) above					8.49	
(ii) Provisions (excluding Floating Provisions)						
Opening balance of provisions held	63.25	210.63	77.71	-	288.34	351.59
Add: Fresh provisions made during the year					376.59	
Less: Excess provision reversed/ Write-off loans **					400.46	
Closing balance of provisions held	78.33	192.19	72.28	-	264.47	342.80
(iii) Net NPAs (after adjusting floating provisions)						
Opening balance		142.04	1.12	-	50.51	
Add: Fresh additions during the year					36.63	
Less: Reductions during the year					82.65	
Closing balance		149.09	4.02	-	4.49	
(iv) Floating Provision						
Opening balance						92.65
Add: Additional provision made during the year						55.97
Less: Amount drawdown during the year						-
Closing balance of floating provision						148.62
(v) Technical write-offs and the recoveries made thereon						
(a) Opening balance Technical/ Prudential written-off accounts						764.53
(b) Add: Technical/ Prudential write-offs during the year						304.93
(c) Less: Recoveries made from previously technical/ prudential written-off accounts during the year						76.50
(d) Closing balance						992.96

** Write back includes excess provision ₹74.84 crore and Reversal on account of write off ₹470.30 crore (including NPA portfolio sale to ARC of ₹224.13 crore) (March 31, 2024: Write back includes excess provision ₹87.04 crore and Reversal on account of write off ₹313.42 crore)

Closing balance is net of IBPC of Nil as on March 31, 2025 (March 31, 2024: ₹1,670 crore)

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Ratios (in %)	As at March 31, 2025	As at March 31, 2024
Gross NPA to Gross Advances	9.43%	2.51%
Net NPA to Net Advances	4.84%	0.03%
Provision coverage ratio (PCR)*	51.18%	98.92%

* PCR for the previous year includes floating provision.

18.4.2 Sector Wise Advances and Gross NPAs:

(₹ in crore)

Sl. No.	Sector	As at March 31, 2025		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector***			
1	Agriculture and allied activities	6,299.29	1,020.18	16.20%
2	Advances to industries sector eligible as priority sector lending	1,341.08	26.44	1.97%
	Other Industries	1,166.27	25.72	2.21%
3	Services	3,719.77	107.38	2.89%
	Trade	1,839.21	57.93	3.15%
	Other Services	1,735.30	49.01	2.82%
4	Personal loans & Others	2,971.75	446.46	15.02%
	Housing	285.57	10.46	3.66%
	Others	2,686.18	436.00	16.23%
	Sub-total (A)	**14,331.89**	**1,600.46**	**11.17%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	-	-	-
2	Industry	-	-	-
3	Services	1,568.71	24.21	1.54%
	Other NBFC	1,337.27	24.00	1.79%
4	Personal loans & Others	3,764.99	229.71	6.10%
	Housing	648.85	17.79	2.74%
	Loans against Properties	635.74	12.05	1.90%
	Others retail loans	1,225.76	189.36	15.45%
	Sub-total (B)	**5,333.70**	**253.92**	**4.76%**
	Total (A+B)	**19,665.59**	**1,854.38**	**9.43%**

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

Sl. No.	Sector	As at March 31, 2024		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector***			
1	Agriculture and allied activities	6,554.39	208.44	3.18%
2	Advances to industries sector eligible as priority sector lending	872.79	9.81	1.12%
	Other Industries	662.06	9.08	1.37%
3	Services	2,409.40	24.23	1.01%
	Trade	1,060.13	12.54	1.18%
	Other Services	1,184.16	11.68	0.99%
4	Personal loans & Others	2,772.13	130.31	4.70%
	Housing	241.48	10.28	4.26%
	Others	2,530.65	120.03	4.74%
	Sub-total (A)	**12,608.71**	**372.79**	**2.96%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	-	-	-
2	Industry	39.16	-	-
3	Services	1,318.80	-	-
	Other NBFC	1,285.81	-	-
4	Personal loans & Others	2,662.61	44.79	1.68%
	Housing	450.90	18.85	4.18%
	Loans against Properties	535.21	8.30	1.55%
	Others retail loans	1,103.66	13.81	1.25%
	Sub-total (B)	**4,020.57**	**44.79**	**1.11%**
	Total (A+B)	**16,629.28**	**417.58**	**2.51%**

For loans disbursed prior to July 01, 2020, the existing circular before the below mentioned revised circular was considered for classification of loan under Priority Sector Lending.

The Bank has classified loan under Priority Sector Lending (PSL) across various categories based on Master Directions FIDD.CO.Plan. BC.5/04.09.01/2020-21 dated September 04, 2020 with effect from July 01, 2020.

* This includes underlying advances of Priority Sector Lending Certificates sold and does not include underlying advances of Priority Sector Lending Certificates purchased during the year. Refer Schedule 18.14.4

The Bank has compiled the data for the purpose of this disclosure from its internal MIS / reports.

18.4.3 Overseas Assets, NPAs and Revenue

During the year ended March 31, 2025 and March 31, 2024, there are no overseas assets, NPAs and revenue.

18.4.4 Particulars of Restructured Accounts:

During the year ended March 31, 2025 and March 31, 2024, the Bank has not implemented Resolution Plan for any of the borrowers in accordance with the RBI Circular dated June 7, 2019 on Prudential Revised Framework for Resolution of Stressed Assets ("Framework").

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.4.5 Divergence in asset classification and provisioning:

RBI vide circular no. DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022, has directed that banks shall make suitable disclosures, wherever (a) the additional provisioning requirement assessed by RBI exceeds 5 percent of the reported profit before provisions and contingencies for the reference period, or (b) the additional Gross NPA identified by RBI exceeds 5 percent of the published incremental Gross NPA for the reference period, or both. Based on the annual inspection conducted with respect to the Bank's position as at March 31, 2024 there are no reportable matters under (a) and (b) of the above-mentioned circular.

18.4.6 Transfer of loans exposures

Details of loans transferred / acquired during the year ended March 31, 2025 under the RBI Master Direction on Transfer of Loan Exposure dated September 24, 2021 is given below:

(i) The Bank has not acquired/transferred any loans not in default to other entities during the year ended March 31, 2025 and March 31, 2024.

(ii) Details of Stressed Loans transfered to Asset Reconstruction Company (ARC) is given below:

(₹ in crore)

Particulars	Amount
No. of accounts *	1,24,728
"Aggregate principal outstanding of loans transferred * (on the date of transfer)"	354.54
Weighted average residual tenor of the loans transferred (in months)#	6.86
Net book value of loans transferred (at the time of transfer)	66.66
Aggregate Consideration	52.00
Additional consideration realized in respect of accounts transferred in earlier years	-

* includes transfer of 56,433 accounts having principal outstanding as on September 30, 2024 ₹130.40 crore which are previously written off as at September 30, 2024.
# not applicable to technically written off pool

The Bank has received Security Receipts (SRs) amounting to ₹33.90 crore as part of the consideration for transfer of stress loans to ARC. The recovery ratings of the SRs would be obtained within 6 months as per relevant RBI guidelines. Investments in SRs has been fully provided in the books of account on a prudent basis.

(iii) During the year ended March 31, 2025 and March 31, 2024, the Bank has not acquired stressed loans (Non Performing Assets).

(iv) During the year ended March 31, 2025 and March 31, 2024, the Bank has not acquired/transferred stressed loans (Special Mention Accounts).

18.4.7 Security Receipts (SR)

The Bank has investments held as security receipts received by sale of stressed assets to Assets Reconstruction Company (ARC) amounting to ₹33.90 crore against which has been fully provided for as at March 31, 2025 (March 31, 2024: Nil).

18.4.8 Details of provisioning pertaining to fraud accounts

(₹ in crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of frauds reported	105	71
Amount involved in frauds	4.44	4.08
Amount of provision made for such frauds (net of recoveries)	3.51	2.63
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

Amount of recoveries during the current year is ₹0.93 crore (previous year : ₹1.45 crore) and balance amount of fraud as at the year end of ₹3.51 crore (previous year : ₹2.63 crore) is fully provided.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.4.9 Disclosure under Resolution Framework for COVID-19-related Stress:

(₹ in crore except number of accounts)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of September 30, 2024	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2025
Personal Loans	3.90	0.04		0.45	3.41
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	0.73	0.12		0.45	0.16
Total	**4.63**	**0.16**	**-**	**0.90**	**3.57**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Amount paid by the borrower during the half year is net of additions in the borrower amount due to fresh disbursements made.

RBI vide a circular dated January 1, 2019 permitted a one-time restructuring of existing loans to Micro Small and Medium Enterprises (MSME) without a downgrade in the asset classification, and this facility was extended vide circular dated February 11, 2020, circular dated August 6, 2020 and circular dated May 5, 2021 subject to certain conditions. Details of such loans to MSME that are restructured under the extant guidelines and classified as standard are as below:

(₹ in crore except number of accounts)

Year ended	No. of accounts restructured	Amount Outstanding– Restructured facility	Amount Outstanding – Other facilities of the customer
March 31, 2025	1	0.01	0.00
March 31, 2024	2	0.05	0.00

18.5 Exposure

18.5.1 Exposure to Real Estate Sector

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
1) Direct exposure		
(a) Residential Mortgages -	4,763.12	3,471.85
of which housing loans eligible for inclusion in priority sector advance	282.94	249.45
(b) Commercial Real Estate	175.46	86.20
(c) Investments in Mortgage Backed Securities (MBS) and other securitized expo	-	-
i. Residential Mortgages	-	-
ii. Commercial Real Estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	172.26	147.64
Total Exposure to Real Estate Sector	**5,110.84**	**3,705.69**

Out of the total loans given against the mortgage of any real estate, only those loans have been classified as an exposure to commercial real estate, the prospects for repayment in respect of which depend primarily on the cash flows generated by such mortgaged asset.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.5.2 Exposure to Capital Market

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Direct investment in equity shares*, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2.79	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix)	Financing to stockbrokers for margin trading;	-	-
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**2.79**	**-**

* Net of provision amounting to ₹2.21 crore.

18.5.3 Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2025 is ₹ Nil (March 31, 2024: ₹ Nil).

18.5.4 Unsecured Advances

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Total unsecured advances of the bank	10,285.52	10,100.16
ii)	Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
iii)	Estimated value of such intangible securities	-	-

18.5.5 Advances secured by book debts

Advances secured by book debts of ₹1,337.27 crore (March 31, 2024: ₹1,285.81 crore)

18.5.6 Factoring exposures

The Bank does not have factoring exposure as on March 31, 2025 and March 31, 2024.

18.5.7 Intra-Group exposures

There are no intra group exposures as at March 31, 2025 and March 31, 2024.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.5.8 Unhedged Foreign Currency Exposure (UFCE) of Bank's Customer

The Bank has four borrowers having Unhedged Foreign Currency Exposure of ₹16.57 crore as at March 31, 2025 (March 31, 2024 - ₹ 22.65 crore). The Bank made NIL provision during the year ended March 31, 2025 (March 31, 2024: NIL). The Bank held no incremental capital on advance to borrowers with Unhedged Foreign Currency Exposure (March 31, 2024: NIL).

18.5.9 Details of Single / Group Borrower limit

The Bank has complied with the limits prescribed under extant guidelines with regards to exposure to single borrower and group of the borrower during the year ended March 31, 2025 and March 31, 2024.

18.6 Concentration of Deposits, Advances, Exposures and NPAs

18.6.1 Concentration of Deposits

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Deposits of twenty largest depositors *	3,354.37	3,213.43
Percentage of deposits of twenty largest depositors to total deposits of the Bank	15.55%	18.39%

* Includes certificate of deposits

18.6.2 Concentration of Advances

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to twenty largest borrowers*	754.83	694.78
Percentage of advances to twenty largest borrowers to total advances	3.84%	4.12%

* excluding advances against Bank's own term deposits

18.6.3 Concentration of Exposures

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers / customers	1,056.84	883.70
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	5.18%	5.14%

Credit Exposure excludes the exposures which are 100% cash backed

Exposures comprise of credit exposure (funded and non-funded credit limits) and investment exposure excluding other exposure of security placed with CCIL on account of limit for TREPS transaction of ₹524.78 crore (March 31, 2024: ₹1,149.79 crore).

18.6.4 Concentration of NPA's

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to the top twenty NPA accounts	59.45	19.69
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	3.21%	4.72%

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.7 Derivatives :

18.7.1 Forward Rate Agreement/ Interest Rate Swap/ Cross currency swap :

There are no forward rate agreement / interest rate swap / cross currency swap enterest into and outstanding during the year ended March 31, 2025 and March 31, 2024.

18.7.2 Exchange Traded Interest Rate Derivatives

There are no exchange traded interest rate derivative entered into and outstanding during the year ended March 31, 2025 and March 31, 2024.

18.7.3 Risk Exposure in Derivatives:

The Bank has not engaged in any derivatives contracts during the year ended March 31, 2025 and March 31, 2024. However, Bank acquired a CCS contract pursuant to Business Transfer Agreement from Holding Company in the year ended March 31, 2017. The disclosure to the extent applicable is given below.

Quantitative disclosure on risk exposure in derivatives

The bank has not entered into any derivative instruments for trading / speculative purposes either in Foreign Exchange or domestic treasury operations during the year ended March 31, 2025 and March 31, 2024.

18.7.4 Credit Default Swap

The Bank has not entered into Credit Default Swap during the year ended March 31, 2025 and March 31, 2024.

18.8. Disclosures relating to Securitization

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
1. No of SPEs holding assets for securitisation transactions originated by the originator	-	-
2. Total amount of securitised assets as per books of the SPEs	-	-
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
4. Amount of exposures to securitisation transactions other than MRR	-	-
a) Off-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.8. Disclosures relating to Securitization (Contd.)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6. Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc.	-	-
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
(a) Amount paid		
(b) Repayment received		
(c) Outstanding amount"		
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	-	-
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	-	-
10. Investor complaints	-	-
(a) Directly/Indirectly received and;		
(b) Complaints outstanding		

18.9 Off- Balance Sheet SPVs sponsored

There are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms.

18.10 Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance of amounts transferred to DEA Fund	-	-
Add: Amounts transferred to DEA Fund during the year	-	-
Less: Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	-	-

18.11 Disclosure of complaints:

18.11.1 Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No		Complaints received by the bank from its customers	As at March 31, 2025	As at March 31, 2024
		Complaints received by the bank from its customers		
1		Number of complaints pending at beginning of the year	72	238
2		Number of complaints received during the year *	5,799	7,166
3		Number of complaints disposed during the year *	5,761	7,332
	3.1	Of which, number of complaints rejected by the bank	399	238
4		Number of complaints pending at the end of the year	110	72

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.11.1 Summary information on complaints received by the bank from customers and from the Offices of Ombudsman (Contd.)

Sr. No		Complaints received by the bank from its customers	As at March 31, 2025	As at March 31, 2024
	Maintainable complaints received by the bank from Office of Ombudsman			
5		Number of maintainable complaints received by the bank from Office of Ombudsman **	413	172
	5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	222	85
	5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	158	77
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme,2006) and covered within the ambit of the Scheme.

* The above information does not include complaints redressed within 1 working day.

** Out of 413 BO complaints, in 33 complaints decision are not given by RBI yet (March 31, 2024: Out of 172 BO complaints, 10 complaints decision are not given by RBI yet).

18.11.2 Top five grounds of complaints received by the bank from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2025					
Ground - 1 (ATM/Debit Cards)	18	1,438	(51%)	26	2
Ground - 2 (Internet/Mobile/ Electronic Banking)	38	1,334	(26%)	34	-
Ground - 3 (Credit Card)	-	472	-	26	-
Ground - 4 (Loans and advances)	-	305	33%	-	-
Ground - 5 (Account opening/ difficulty in operation of accounts)	-	300	0%	-	-
Others	16	1,950	9%	24	-
Total	**72**	**5,799**	**(19%)**	**110**	**2**

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Schedule 18 (Contd.)

18.11.2 Top five grounds of complaints received by the bank from customers: (Contd.)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2024					
Ground - 1 (ATM/Debit Cards)	149	2,930	(28%)	18	-
Ground - 2 (Internet/Mobile/ Electronic Banking)	46	1,812	(62%)	38	-
Ground - 3 (Account opening/ difficulty in operation of accounts)	7	299	(96%)	-	-
Ground - 4 (Loans and advances)	2	230	(79%)	-	-
Ground - 5 (Mis-selling/Para-banking)	-	103	(69%)	-	-
Others	34	1,792	(46%)	16	-
Total	**238**	**7,166**	**(66%)**	**72**	**-**

18.12 Penalties imposed by the Reserve Bank of India

No penalty was imposed by RBI on the Bank during the year ended March 31, 2025 and March 31, 2024.

18.13 Disclosure on Remuneration

Qualitative Disclosure

A. Information relating to the bodies that oversee remuneration

a) Name, composition and mandate of the main body overseeing remuneration

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As on March 31, 2025, The NRC comprises of two Independent Directors viz Ms Kalpana Prakash Pandey and Mr. Parveen Kumar Gupta, one non-independent Director viz Mr. Muralidharan Rajamani.

Role and functions of the Committee related to Nomination

A. Appointment criteria and qualifications

i) To identify and approve appointment of persons who are qualified to become directors in the bank and who may be appointed as KMPs or SMPs in the bank, who possess integrity, independence, adequate knowledge, skill, qualification, experience in the field of his/her specialisation commensurate with the proposed role and responsibility as Director, KMP or SMP and shall have the ability to manage the responsibility assigned to him/her.

ii) To ensure that the Bank appoints or continues the employment of any person as Managing Director / Whole-time Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013 and in line with extant RBI guidelines and relevant provisions of the Banking Regulation Act 1949.

iii) To ensure that the Bank shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Banking Regulation Act 1949.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

iv) Appointment for any Senior Management Personnel (Executives one level below the MD & CEO) shall be approved by the Committee, subject to the candidate having been interviewed by at least two (2) members of the Committee. Basis the recommendation of the panel members, the Committee may approve the appointment. Appointment of any executive whose fixed salary exceeds ₹0.70 crore p.a. will need to be approved by the NRC.

B. Following are the functions of Nomination and Remuneration Committee:

1. Review the structure, size, composition, diversity of the Board and make necessary recommendations to the Board with regard to any changes as necessary and formulation of policy thereon.
2. Evaluate the skills that exist, and those that are absent but needed at the Board level, and search for appropriate candidates who have the profile to provide such skill sets.
3. To evaluate the performance of the members of the Board and provide necessary report to the Board
4. Advise criteria for evaluation of Independent Directors and the Board & its Committees and carry out evaluation of every directors' performance.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. To recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel, Senior Management Personnel and other employees.
7. To formulate criteria for payment to Key Managerial Personnel and Senior Management Personnel performance based incentives / rewards based on Bank's performance.
8. Examine vacancies that will come up at the Board on account of retirement or otherwise and suggest course of action.
9. Undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto.
10. Review the composition of Committees of the Board, and identify and recommend to the Board the Directors who can best serve as members of each Board Committee.
11. Review and recommend to the Board for approval the appointment of Managing Director & CEO and other whole-time Directors and the overall remuneration framework and associated policy of the Bank (including remuneration policy for directors and key managerial personnel) the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO, other Whole-time Directors and senior managers one level below the Board.
12. Review and recommend to the Board for approval the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.
13. Recommend to the Board the compensation payable to the Non-Executive Chairman of the Bank.
14. Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any material changes in the organization structure which could have wide ranging implications.
15. Review and recommend to the Board for approval of various other HR related policies including the Talent Management Policy and Succession Policy in the Bank for ensuring business continuity, especially at the level of Board, MD & CEO, other Whole Time Directors, Senior Management Personnel (one level below the MD & CEO and other key roles).
16. Review and recommend to the Board for approval:
    1. the creation of new positions one level below MD & CEO, wherever required
    2. appointments, promotions and exits of senior managers one level below the MD & CEO"

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

b) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process

No external consultant has been engaged in the current year.

c) Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

The Compensation and Remuneration Policy of the Bank has been approved by the Board of Directors in its meeting dated March 08, 2025 pursuant to the guidelines issued by RBI, to cover all employees of the Bank. Further the Board had recommended RBI the revised remuneration of MD & CEO which has been approved by Reserve Bank of India vide its letter dated September 16, 2024. The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO, WTD and employees in Risk Control and Compliance Department which is approved by the Board of Directors on March 08, 2025.

d) Type of employees covered and number of such employees

All the employees of the Bank are covered. The total number of employees of the Bank as at March 31, 2025 were 19,779 (March 31, 2024: 16,081)

B. Information relating to the design and structure of remuneration processes.

Key features and objectives of remuneration policy: The Bank has, under the guidance of the Nomination and Remuneration Committee ("NRC") and the Board, followed remuneration practices intended to drive meritocracy and performance based on a prudent risk management framework.

Effective governance of compensation: The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees.

Alignment of compensation philosophy with prudent risk taking: While the Bank seeks to achieve a mix of fixed and variable remuneration that is prudent, it currently has predominantly a fixed remuneration structure with no guaranteed bonuses. Further, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance. The Bank seeks to align remuneration with financial and non-financial performance indicators.

Whether the remuneration committee reviewed the Bank's remuneration policy during the past year, and if so, an overview of any changes that were made: There has been no change in the Bank's remuneration policy during the past year.

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee: The remuneration of employees in control functions such as Risk and Compliance depends solely on their individual and overall functional performance and is not linked to any business outcomes. The same is also reflected in their KRA's. The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO and Risk and Compliance.

C. Description of the ways in which current and future risks are taken into account in the remuneration processes.

Overview of the key risks that the Bank takes into account when implementing remuneration measures: The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business activities within this framework. The NRC while assessing the performance of the Bank and senior management, shall consider adherence to the policies and accordingly make its recommendations to the Board.

Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure: The evaluation process shall incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management.

Discussion of the ways in which these measures affect remuneration: In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration: There has been no change in the nature and type of measures over the past year.

D. Description of the ways in which the Bank seeks to link performance during a performance measurement year with levels of remuneration.

Overview of main performance metrics for the Bank, top level business lines and individuals: The main performance metrics include profitability, business growth, asset quality, compliance, and customer service.

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for the year ended March 31, 2025

Schedule 18 (Contd.)

Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance: The assessment of employees shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics: In case such an event should occur, the Board/NRC shall review and provide overall guidance on the corrective measures to be taken.

E. Description of the ways in which the Bank seeks to link performance during a performance measurement year with levels of remuneration.

As a part of the performance management process in the bank at the beginning of each financial year , the bank rolls out individual KRA's to each and every employee in the bank. These KRA's are broken down based on the strategic objectives and business budgets set by the Board of the bank. Apart from regular feedback which each manager provides to his / her subordinates a bank as formal process of Mid-Year Review and Year End Review to assess performance of each role holder in the bank. Based on the performance review at an organizational / Functional / Individual the bank decided on percentage of salary increments to be given at various levels of performance.

Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The various deferral arrangement of variable remuneration in the bank broadly are as follows –

a) For MD & CEO and WTD – The variable remuneration of the MD & CEO and WTD is approved by the Reserve Bank of India which includes deferral arrangement for the cash and non cash part of the variable pay which is implemented by the bank as per the advice of the RBI.

b) All ESOP 's which are granted across all levels in the organization have deferral arrangement in them

c) Monthly / Quarterly Variable Pay - Based on the nature of the scheme , deferral arrangements are made in the same which differ from channel to channel.

The fraction of deferral to be considered is dependent upon –

a) Guidelines issued by the Regulator from time to time

b) Approval as per the overall performance framework approved by the NRC and the Board

c) Driving right behaviours via the various incentive schemes."

Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO and Risk Control and Compliance. This policy deals with the deferred payment of variable pay and claw back guidelines.

F. Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms.

The Bank has variable pay that is paid based on the performance that is applicable to all levels. The ESOP options of the Holding Company and the Bank are currently given to eligible employees in Chief Manager and above grade subject to performance. Employees in sales function do have incentives based on monthly business performance.

Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance.

The variable remuneration is offered in the form of annual performance bonus. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA at the beginning of year and achievement against them.

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Schedule 18 (Contd.)

Quantitative Disclosure-

As at March 31, 2025 and March 31, 2024 the quantitative disclosure covers MD & CEO, WTD and Material Risk takers.

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1(i)	Number of meetings held by the Nomination and Remuneration Committee during the financial year.	7	6
1(ii)	Remuneration paid to its members during the financial year (sitting fees)	0.13	0.11
2(i)	Number of employees having received a variable remuneration award during the financial year.	5	5
2(ii)	Number and total amount of sign-on awards made during the financial year.	-	-
2(iii)	Details of Joining bonus, if any, paid as joining / sign on bonus	-	-
2(iv)	Details of severance pay, in addition to accrued benefits, if any.	-	-
3(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	RBI vide its letter dated September 16, 2024 approved pay to MD & CEO in the following manner: i. Grant of ₹2.57 crore as fixed pay, including perquisite w.e.f. April 1, 2024. ii. Grant of ₹1.76 crore (cash ₹0.70 crore and non-cash ₹1.06 crore) as variable pay for the FY 2023-24, with deferred arrangement as below: - Cash Variable Compensation - 40% of the total variable compensation would be payable in cash, which would be ₹0.70 crore of which ₹0.35 crore would be paid up front and the payment of balance ₹0.35 crore would be deferred for the next 3 years, to be paid in equal instalments. - Non-Cash Variable Compensation, - 60% of the total variable compensation would be payable in non-cash instruments which would be in the form of USFBL -ESOPs as such ₹1.06 crore worth of ESOPs would be granted to the MD & CEO. Grant of these ESOPs would be deferred in 3 equal instalments. Bank shall apply the Black Scholes model, which would be certified by an authorized valuer appointed by the bank, for arriving at the quantum of number of shares to be allotted to the MD & CEO."	RBI vide its letter dated on May 26, 2023 approved the revised fixed remmuneration of ₹2.13 crore to MD & CEO for FY 2022-23

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Schedule 18 (Contd.)

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
			Further, RBI vide its letter dated October 06, 2023 approved pay to MD & CEO in the following manner: i. Grant of ₹2.34 crore as fixed pay, including perquisite, for FY 2023-24 ii. Grant of ₹1.36 crore (cash ₹0.54 crore and non-cash ₹0.82 crore) as variable pay for the performance year FY 2022-23, with deferred arrangement as below: - Cash Variable Compensation - 40% of the total variable compensation would be payable in cash, which would be ₹0.54 crore of which ₹0.25 crore would be paid up front and the payment of balance ₹0.29 crore would be deferred for the next 3 years, to be paid in equal instalments. - Non-Cash Variable Compensation, - 60% of the total variable compensation would be payable in non-cash instruments which would be in the form of USFBL -ESOPs as such ₹0.82 crore worth of ESOPs would be granted to the MD & CEO. Grant of these ESOPs would be deferred in 3 equal instalments. Bank shall apply the Black Scholes model, which would be certified by an authorized valuer appointed by the bank, for arriving at the quantum of number of shares to be allotted to the MD & CEO."
3(ii)	Total amount of deferred remuneration paid out in the year.	-	-
4	Breakdown of amount of remuneration awards for the year *		
	Fixed	9.23	8.28
	Variable	1.42	1.13
	Deferred	0.22	0.12
	Non-deferred	10.65	9.41
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	-	-

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Schedule 18 (Contd.)

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
5(ii)	Total amount of reductions during the year due to ex- post explicit adjustments.	-	-
5(iii)	Total amount of reductions during the year due to ex- post implicit adjustments	-	-
6	Number of MRTs identified**	5 MRTs & 2 WTDs (including MD & CEO)	5 MRTs & 1 WTD (MD & CEO)
7(i)	Number of cases where malus has been exercised.	-	-
7(ii)	Number of cases where clawback has been exercised.	-	-
7(iii)	Number of cases where both malus and clawback have been exercised.	-	-
8	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	0.04 Crore & 60 times	0.40 Crore & 59 times

*Remuneration excludes the cost accounted under Employee Stock Option Plan of the Holding Company and Gratuity & Leave encashment related costs which is accounted at entity level based on actuarial valuation.

** As per RBI Circular No.23/29.67.001/2019-20 dtd November 04, 2019 effective from FY 20-21.

The bonus paid to MD & CEO during the year pertains to previous financial years.

Variable pay amounting to ₹1.76 crore has been approved by RBI for MD & CEO for FY 2023-24. Cash component of ₹0.35 crore of the same has been paid to MD & CEO in the month of Sep'24, rest ₹0.35 crore would be paid next 3 years in deferred manner. Non-cash component of ₹1.05 crore is deferred in the form of USFBL - ESOPs as per RBI approval.

Variable pay amounting to ₹1.36 crore has been approved by RBI for MD & CEO for FY 2022-23. Cash component of ₹0.25 crore of the same has been paid to MD & CEO in the month of Oct'23, rest ₹0.29 crore would be paid next 3 years in deferred manner. Non-cash component of ₹0.82 crore is deferred in the form of USFBL - ESOPs as per RBI approval.

18.14.1 Business Ratios:

(₹ in crore except percentages and ratio)

	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Interest income as a % to Working funds[1]	14.59%	15.70%
(ii)	Non-Interest income as a % to Working funds[1]	2.32%	1.98%
(iii)	Cost of deposits[6]	8.16%	7.72%
(iv)	Net interest margin[7]	8.17%	9.83%
(v)	Operating profit2 as a % to Working funds[1]	3.90%	4.93%
(vi)	Return on Assets4 (Working funds[1])	0.09%	2.46%
(vii)	Business3 (Deposit plus Net Advance) per employee[5]	1.91	1.83
(viii)	Profit per employee[5]*	-	0.03

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Notes

1. Working funds represents the monthly average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
2. Operating profit is net profit/ (loss) for the year before provisions and contingencies.
3. "Business" is the total of net advances and deposits (net of inter-bank deposits).
4. Return on Assets is net profit/ (loss) after tax divided by working funds.
5. Productivity ratios are based on average employee number.
6. Cost of deposit as % to average deposit
7. Net interest income as % to sum of average portfolio and average investments

* Profit per employee is ₹12,796 [March 31, 2024: ₹3,06,502]

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports.

18.14.2 Disclosure of Fees / Remuneration Received in respect of Bancassurance Business

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Fee / Remuneration from Life Insurance Business	37.98	40.17
ii)	Fee / Remuneration from General Insurance Business	3.44	4.39

18.14.3 Disclosure of Fees / Remuneration Received in respect of Marketing and distribution

The Bank has received ₹Nil towards marketing & distribution during the year ended March 31, 2025. (March 31, 2024: Nil)

18.14.4 Details of Priority Sector Lending Certificates (PSLC)

Following are the details of PSLC sold by the Bank.

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
General category	-	-
Micro enterprises	1,000.00	1,350.00
Agriculture	-	-
Small/marginal farmers	6,900.00	7,000.00
Total	**7,900.00**	**8,350.00**

Following are the details of PSLC purchased by the Bank.

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
General category	-	-
Micro enterprises	-	-
Agriculture	-	-
Small/marginal farmers	-	-
Total	**-**	**-**

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.14.5 Break up of Provisions and Contingencies debited to Profit & Loss Account

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Provisions for NPI	-	-
ii)	Provision towards NPA *	708.16	(23.87)
iii)	Provision made towards Income tax	16.19	179.77
iv)	Other Provisions and Contingencies	258.88	343.74
a	Technical write off	237.69	304.93
b	Provision for standard assets	(13.25)	15.08
c	Provision on restructured assets	(0.41)	(5.52)
d	Floating provision	-	55.97
e	Provisions made towards deferred Tax (Net)	(12.24)	(18.01)
f	Provision against fraud	3.46	(3.84)
g	Contingency provision	-	(13.00)
h	Provision on stressed asset	33.90	-
i	Others	9.73	8.13
	Total provisions	**983.23**	**499.64**

* Refer Schedule 18.26

18.14.6 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Bank submits its Proforma Ind-AS financials on half yearly basis to RBI based on the GAP assessment carried out by the Bank. The Bank is currently handling the impact analysis and reporting offline through excel based financial. The Bank has implemented system solutions (IndAS 109 and 116).

18.14.7 Payment of DICGC Insurance Premium (including GST)

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Payment of DICGC Insurance Premium	19.00	13.86
ii)	Arrears in payment of DICGC premium	-	-

18.14.8 Investor Education and Protection Fund

There are no amounts which are due to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2025 and March 31, 2024.

18.14.9 Details of item under Other expenditure head exceeds one per cent of the total income

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i	Banking software charges	94.99	72.76
ii	Commission on business correspondent *	114.21	54.23
iii	DSA Payout *	57.72	-

* Refer Schedule 18.30

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.14.10 Details of item under Miscellaneous income head exceeds one per cent of the total income

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
i	Income from sale of priority sector lending certificate	115.07	103.65
ii	Recovery in written off account	88.14	91.59
iii	Income from insurance commission	-	44.56

18.14.11 Details of item of Others under Other Assets head exceeds one per cent of the total Asset

There are no item of Others under Other Assets head exceeds one per cent of the total asset during the year ended March 31, 2025 and March 31, 2024.

18.14.12 Details of item of Others including provisions under Other Liabilities and Provisions head exceeds one per cent of the total Assets

There are no item of Others including provisions under Other Liabilities and Provisions head exceeds one per cent of the total assets during the year ended March 31, 2025 and March 31, 2024.

18.14.13 Portfolio-level information on the use of funds raised from green deposits

In reference to the RBI Notification No: DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 with respect to the disclosure related to acceptance of green deposits, the bank has not raised any funds from green deposits in the current year.

18.15 Earnings Per Share (EPS)

(₹ in crore, except per share data)

Particulars	As at March 31, 2025	As at March 31, 2024
Basic		
Weighted average number of equity shares - Basic	1,10,09,59,853	1,03,80,13,639
Net profit after tax available for equity shareholders (₹)	23.70	497.63
Basic earnings per share	0.22	4.79
Diluted		
Weighted average number of equity shares - Basic	1,10,09,59,853	1,03,80,13,639
Add: Weighted average number of potential equity shares on account of employee stock options	-	1,01,82,374
Weighted average number of equity shares - Diluted	1,10,09,59,853	1,04,81,96,013
Net profit after tax available for equity shareholders (₹)	23.70	497.63
Diluted earnings per share	0.22	4.75
Face value per share	10	10

18.16 Employee Stock Option Plan ("ESOP")

A. Options granted by Holding Company

The Holding Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the Bank, the employees of Bank are granted an option to acquire equity shares of the Holding Company that may be exercised within a specified year.

The Holding Company, i.e. Utkarsh CoreInvest Limited (erstwhile Utkarsh Micro Finance Limited) formed Utkarsh ESOP Welfare Trust to issue ESOPs to employees of the Bank and the Holding Company as per Employee Stock Option Scheme. Total 12,00,000 equity shares have been reserved under ESOP scheme, 2010 and Amended ESOP scheme, 2016 and pursuant to Shareholder agreement executed in the year 2016-17,an additional 59,89,594 equity shares have been reserved by the Holding Company to allot the share to eligible employee of the Holding company and the Bank under the scheme.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

During the year ended 31 March 2025, the Holding Company granted Nil options to the Bank's employees (31 March 2024 : Nil options).

The options vested can be exercised within a period of 24 months from the date of vesting. The plan is administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Holding Company in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

These options are vested on graded basis as follows:

Vesting details	General grant	Special grant
On completion of 1 year	25%	10%
On completion of 2 years	25%	20%
On completion of 3 years	25%	45%
On completion of 4 years	25%	25%

The Guidance Note on "Accounting for Employee Share Based Payments" issued by the ICAI establishes financial and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payment plans, the grant date in respect of which falls on or after April 01, 2005. The Guidance Note also applies to transfers of shares or stock options of the parent of the enterprise, or shares or stock options of another enterprise in the same group as the enterprise, to the employees of the enterprise. The compensation costs of stock options granted to employees of the Bank are accounted using intrinsic value method.

Stock option activity under ESOP Plan in respect of employees of the Bank is as below:

(₹ in crore, except per share data)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of equity shares:		
Outstanding at the beginning of the year	13,34,820	28,59,034
Granted during the year	-	-
Lapsed/Cancel during the year	2,93,875	10,37,509
Exercised during the year	4,32,682	4,57,123
Previous year adjustments	-	29,582
Outstanding at the end of year	6,08,263	13,34,820
Exercisable at the end of year	6,08,263	10,74,586

The compensation cost is calculated based on the intrinsic value method, wherein the excess of fair value of underlying equity shares as on the date of the grant over the exercise price of the options given to employees of the Bank under the ESOP scheme, is recognised as compensation cost and amortised over the vesting period. The Holding Company cross charges the compensation cost to the Bank to the extent it pertains to the employees of the Bank.

Impact of Fair Value Method on Net Profit/(Loss) and EPS

Had the compensation cost for the Holding company's stock option plans outstanding been determined based on the fair value by using Black Scholes model, the Bank's net profit/loss and earnings/loss per share would have been as per the proforma amounts indicated below:

(₹ in crore, except per share data)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(loss)after tax		
- As reported	23.70	497.63
- Proforma	23.27	496.03

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore, except per share data)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss)/Earnings per share		
Basic		
Weighted average number of shares	1,10,09,59,853	1,03,80,13,639
EPS as reported (₹)	0.22	4.79
Proforma EPS (₹)	0.21	4.78
Diluted		
Weighted average number of shares	1,10,09,59,853	1,04,81,96,013
EPS as reported (₹)	0.22	4.75
Proforma EPS (₹)	0.21	4.73

The following assumptions are used for calculation of fair value of grants issued.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend yield	0.00%	0.00%
Expected volatility	61% to 47%	61% to 47%
Risk free interest rate	4.39 % to 5.55%	4.39 % to 5.55%
Expected life in years	2 to 5	2 to 5

B. Out of options granted by Bank

During the year the Bank has granted 1,92,87,909 options (previous year 1,67,09,150 options) under the Utkarsh Small Finance Bank Limited (USFBL) Employee Stock Option Plan 2020, to MD & CEO, Whole Time Director and other employees as under :-

Date of Grant	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of Options	Exercise Price	Number of Options	Exercise Price
January 31, 2024	-	-	55,000	27.00
March 16, 2024	-	-	1,66,54,150	44.14
September 03, 2024*	1,82,33,265	44.00	-	-
September 20, 2024**	10,54,644	44.19	-	-

Shares vested to the employees have an exercise period of two years.

*This includes 6,06,896 ESOPs granted to MD & CEO at Fair value of ₹ 17.40 and at exercise price of ₹44.00 per share during the year.The bank received approval for remuneration to MD & CEO for financial year 2023-24 from RBI on September 16, 2024 with fixed pay of ₹2.57 cr including perquisites & variable pay of ₹1.76 cr with bifurcation into ₹0.70 cr as cash component and ₹1.06 cr as non-cash component with deferral over three years.

**The bank received approval for appointment of Whole time Director for the period of three years from the date of taking charge with remuneration at fixed pay of ₹1.63 cr per annum including perquisites and joining bonus of ₹1.93 cr in the form of ESOPs. Accordingly,bank has granted 10,54,644 ESOPs to Whole time Director at Fair value of ₹18.30 and at exercise price of ₹44.19 per share during the year.

These options are vested on graded basis as follows:

Vesting details	Grant to employees	Grant to WTD	Grant to MD & CEO		
			Grant dated December 28, 2020	Grant dated January 12, 2022	Other grant
On completion of 1 year	25%	10%	25.00%	69.00%	33.33%
On completion of 2 years	25%	20%	25.00%	31.00%	33.33%
On completion of 3 years	25%	30%	25.00%	-	33.33%
On completion of 4 years	25%	40%	25.00%	-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Stock option activity under ESOP Plan of the Bank is as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of equity shares:		
Outstanding at the beginning of the year	3,84,13,892	2,93,85,764
Granted during the year	1,92,87,909	1,67,09,150
Lapsed/Cancel during the year	51,63,108	41,28,225
Exercised during the year	21,52,440	35,52,797
Previous year adjustments	-	-
Outstanding at the end of year	5,03,86,253	3,84,13,892
Exercisable at the end of year	1,24,09,946	59,16,227

The compensation cost is calculated based on the fair value of the options under black scholes model and amortised over the grant period.

The following assumptions are used for calculation of fair value of grants issued to employees other than MD & CEO and WTD:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend yield	1.00%	1.00%
Expected volatility	33.1% to 42.7%	36.3% to 43%
Risk free interest rate	6.64% to 6.72%	6.93% to 6.99%
Expected life in years	2 to 5	2 to 5

18.17 Disclosures under AS -15 on employee benefits

Defined Contribution Plans:

Employer's contribution recognized and charged off for the year with respect to defined contribution plans are as under:

(₹ in crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provident Fund	46.61	40.26
ESI	5.78	4.79

Defined Benefit Plans:

The Bank has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days' salary (last drawn salary) for each completed year of service subject to limit of ₹20 lacs as per the Payment of Gratuity Act, 1972 as amended from time to time. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the defined benefit gratuity plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	27.22	23.16
Current service cost	7.08	6.74
Past service costs	-	-
Interest cost	1.93	1.68

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Change in the present value of the defined benefit obligation (Contd.) (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial losses/ (gains)	(3.25)	(1.40)
Benefits paid	(3.45)	(2.96)
Closing defined benefit obligation	**29.53**	**27.22**

Change in the plan assets (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan asset	25.58	22.06
Expected return on plan assets	1.82	1.60
Employers Contributions	8.89	4.90
Benefit paid	(3.45)	(2.96)
Actuarial gains / (losses) on plan assets	0.14	(0.02)
Closing fair value of plan assets	**32.98**	**25.58**

Net liability / (asset) recognized in the balance sheet (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded obligation	29.53	27.22
Fair value of plan assets	32.98	25.58
Deficit/ (Surplus)	(3.45)	1.64
Net liability / (asset) recognized in the balance sheet	**(3.45)**	**1.64**

Net cost recognised in the profit and loss account (₹ in crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	7.08	6.74
Past service costs	-	-
Interest cost	1.93	1.68
Expected return on plan assets	(1.82)	(1.60)
Net actuarial losses / (gains)	(3.39)	(1.38)
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	**3.80**	**5.44**

Reconciliation of opening and closing net liability / (asset) recognised in the balance sheet (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening net liability	1.64	1.10
Expenses as recognised in profit & Loss account	3.80	5.44
Employers contribution	(8.89)	(4.90)
Net liability / (asset) recognised in balance sheet	**(3.45)**	**1.64**

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

Experience adjustment and details of obligations and assets (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	29.53	27.22	23.16	19.47	15.66
Fair value of plan assets	32.98	25.58	22.06	18.84	14.58
Deficit / (Surplus)	(3.45)	1.64	1.10	0.63	1.08
On Plan Liabilities (gains) / losses	(3.25)	(1.40)	(0.53)	(0.43)	0.85
On Plan Assets (losses) / gains	0.14	(0.02)	0.03	(0.08)	(0.43)

A breakup of Investments under plan assets of gratuity fund is as follows:

Category of assets	As at March 31, 2025	As at March 31, 2024
Funds with LIC(through gratuity trust)	**100%**	**100%**

Key Actuarial Assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.50%	7.10%
Expected rate of return on plan asset	6.50%	7.10%
Salary escalation	3.00%	8.50%
Attrition rate	14.89% to 40.51%	14.89% to 40.51%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

Expected rate of return: The overall expected rate of return on assets is determined based on the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

Attrition Rate: The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.

18.18 (A) Business Segments:

In terms of AS-17 (Segment Reporting) issued by ICAI and RBI circular Ref. DBOD.No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP. BC No.23/21.04.018/2015-16 dated July 01, 2015 and amendments thereto, the following business segments have been disclosed:

Corporate/ Wholesale Banking: Includes lending, deposits and other banking services provided to corporate customers of the Bank.

Retail Banking: Includes lending, deposits and other banking services provided to retail customers of the Bank through branch network.

Treasury: Includes dealings in SLR and Non SLR investments, maintenance of reserve requirements and resource mobilization from other Banks and financial Institutions.

Other Banking Operations: Includes other activities which are not covered under wholesale, retail or treasury activity.

Geographical segments: The business operations of the Bank are concentrated in India hence the Bank is considered to operate in domestic segment only.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

The following table sets forth the business segment results:

(₹ in crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**
Revenue	437.63	298.33	266.34	218.30	3,660.79	3,062.18	-	-	4,364.76	3,578.81
Result	68.09	62.40	18.97	(51.11)	(59.41)	648.10	-	-	27.65	659.39
Unallocated expenses									-	-
Operating Profit/(Loss)									**27.65**	**659.39**
Income Tax expense (including deferred tax)									3.95	161.76
Extraordinary profit / (loss)									-	-
Net Profit									23.70	497.63
Other Informations:										
Segment Assets	8,462.37	6,764.47	2,532.58	1,958.43	16,506.88	14,672.14	-	-	27,501.83	23,395.04
Unallocated Assets									625.61	507.64
Total Assets									**28,127.44**	**23,902.68**
Segment Liabilities	2,368.10	2,021.28	7,450.53	6,961.81	15,312.92	11,927.92	-	-	25,131.55	20,911.01
Unallocated Liabilities									2,995.89	2,991.67
Total Liabilities									**28,127.44**	**23,902.68**

(₹ in crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**
Revenue	298.33	232.77	218.30	146.08	3,062.18	2,425.44	-	-	3,578.81	2,804.29
Result	62.40	21.01	(51.11)	(28.63)	648.10	543.43	-	-	659.39	535.81
Unallocated expenses									-	-
Operating Profit/(Loss)									**659.39**	**535.81**
Income Tax expense (including deferred tax)									161.76	131.31
Extraordinary profit / (loss)									-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

(₹ in crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**
Net Profit									497.63	404.50
Other Informations:										
Segment Assets	6,764.47	5,425.84	1,958.43	1,593.26	14,672.14	11,667.03	-	-	23,395.04	18,686.13
Unallocated Assets									507.64	431.16
Total Assets									**23,902.68**	**19,117.29**
Segment Liabilities	2,021.28	2,371.21	6,961.81	5,984.69	11,927.92	8,734.44	-	-	20,911.01	17,090.34
Unallocated Liabilities									2,991.67	2,026.95
Total Liabilities									**23,902.68**	**19,117.29**

Notes:

- Business segments have been identified and reported taking into account the target customer profile, nature of products and services, the differencial risks and returns, the organization structure, internal business reporting system and guidelines prescribed by RBI.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.
- Unallocated items include Fixed Assets, Capital expenditure, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities and advance tax.
- In computing the above information, certain estimates and assumptions have been made by the management.
- The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has not setup any DBU so far and hence DBU has not been disclosed as a seperate segment as per Accounting Standard 17 (Segment Reporting).

18.18 (B) Geographic Segments

The business of the Bank is in India only. Accordingly, geographical segment is not applicable.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.19 Related Party Transactions

The Bank's related parties with whom transactions entered during the year ended March 31, 2025 are disclosed below:

1. Holding Company

Utkarsh CoreInvest Limited (erstwhile Utkarsh Micro Finance Limited)

3. Key Management Personnel ('KMP')

Mr. Govind Singh- Managing Director and CEO

Mr. Pramod Dubey- Whole Time Director w.e.f. September 20, 2024

Mr. Sarjukumar Pravin Simaria - Chief Financial Officer

Mr. Muthiah Ganapathy - Company Secretary

4. Enterprise where KMP exercise significant influence

RAAG Family Private Trust

Utkarsh Welfare Foundation

5. Post-employment benefit plan

Utkarsh Small Finance Bank Employees' Gratuity Trust

6. Relatives of Key Management Personnel

Name of KMP	Father and Mother	Spouse and Children	Other relatives
Mr. Govind Singh	Father - deceased Parvati Devi (Mother)	Revati Govind Singh (Spouse) Ankur Singh (Son) Achin Singh (Son)	Ramesh Chandra Singh (Brother)
Mr. Pramod Dubey (w.e.f. September 20, 2024)	Father - deceased Janak Dulari (Mother)	Anita Dubey (Spouse) Apoorva Dubey (Son) Aditya Dubey (Son)	Neelam Tiwari (Sister) Pushpa Tiwari (Sister) Arun Kumar Dubey (Brother) Nirmal Kumar Dubey (Brother)
Mr. Sarjukumar Pravin Simaria	Pravin V. Simaria (Father) Nirmala P. Simaria (Mother)	Karuna S. Simaria (Spouse) Malav S. Simaria (Son) Bhakti S. Simaria (Daughter)	Bharat P. Simaria (Brother)
Mr. Muthiah Ganapathy	Both deceased	Lakshmi Devi (Spouse) Aarna (Daughter) Arshini (Daughter)	Mukesh (Brother)

Schedule forming part of the Financial Statements

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Schedule 18 (Contd.)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2025.

(₹ in crore)

Items / Related Party	Utkarsh CoreInvest Ltd (Holding Company)	Enterprise where KMP exercise significant influence: Utkarsh Welfare Foundation	Utkarsh Small Finance Bank Employees' Gratuity Trust	KMP: Govind Singh (MD & CEO)	KMP: Pramod Kumar Dubey (WTD)	KMP: Sarjukumar Pravin Simaria (CFO)	KMP: Muthiah Ganapathy (CS)	Enterprise where KMP exercise significant influence: RAAG Family Private Trust	KMP Relative - Revati Govind Singh	KMP Relative -Ankur Singh	KMP Relative - Achin Singh	KMP Relative -Ramesh Chandra Singh	KMP Relative - Parvati Devi	KMP Relative - Nirmala Simaria	Total
Deposits Outstanding as on 31 March 2025	52.81	2.56	0.49	1.19	0.41	2.86	0.18	4.80	0.53	0.35	0.50	0.15	0.12	0.14	67.09
Amount deposited during the year (excluding CASA deposit)	58.94	-	-	-	0.01	-	-	25.15	1.00	1.00	1.05	-	0.12	-	87.27
Amount repaid during the year (excluding CASA deposit)	52.11	-	-	-	0.01	-	-	20.45	0.75	0.75	0.75	0.06	0.11	0.02	75.01
Maximum deposit outstanding during the year	54.82	6.42	3.19	1.37	0.60	3.32	0.24	24.95	1.27	8.30	7.40	0.41	0.12	0.16	112.57
Interest paid	4.06	0.21	-	0.06	0.01	0.12	0.01	0.33	0.07	0.29	0.27	0.02	0.01	0.01	5.47
Service charges collected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	**3.02	***0.95	1.73	0.59	-	-	-	-	-	-	-	6.29
Consultancy Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	37.96	-	-	0.02	-	*0.00	-	-	*0.00	-	*0.00	*0.00	-	-	37.98
Contribution to Gratuity Trust	-	-	8.89	-	-	-	-	-	-	-	-	-	-	-	8.89
Withdrawal from Gratuity Trust	-	-	4.02	-	-	-	-	-	-	-	-	-	-	-	4.02
Contribution towards CSR & CER	-	8.50	-	-	-	-	-	-	-	-	-	-	-	-	8.50
ESOP cost cross charged #	(0.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.23)
Service charge for collections	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Rent for office space	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
ESOP granted	-	-	-	#1.06	#1.93	0.87	0.09	-	-	-	-	-	-	-	3.95
Transactions (collection and payment) carried out on behalf of Bank	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	1.27
Amount Payable/(Recoverable)	0.58	-	-	-	-	-	-	-	-	-	-	-	-	-	0.58

* Amount less than ₹50,000 is shown as Nil

** Includes 50% of the cash portion of bonus for FY 2023-24 at ₹35.20 lakh as per approval by RBI vide letter dated September 16, 2024

***Appointment of WTD alongwith his salary was approved by RBI vide letter dated September 19, 2024

Refer Schedule 18.16 on ESOP grant

Note:

1. As the provisions for gratuity and leave benefits are made for the Bank as a whole, the amounts pertaining to the Key Management Personnel are not specifically identified and included above.
2. In the Annual General Meeting of the Bank on July 22, 2024, Shareholders approved dividend at ₹0.50 per share.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2024.

(₹ in crore)

Items / Related Party	Utkarsh CoreInvest Ltd (Holding Company)	Enterprise where KMP exercise significant influence: Utkarsh Welfare Foundation	Utkarsh Small Finance Bank Employees' Gratuity Trust	KMP: Govind Singh (MD & CEO)	KMP: Sarjukumar Pravin Simaria (CFO)	KMP: Muthiah Ganapathy (CS)	Enterprise where KMP exercise significant influence: RAAG Family Private Trust	KMP Relative - Revati Govind Singh	KMP Relative -Ankur Singh	KMP Relative - Achin Singh	KMP Relative -Ramesh Chandra Singh	KMP Relative - Parvati Devi	KMP Relative - Nirmala Simaria	Total
Deposits Outstanding as on March 31, 2024	48.05	3.05	0.27	0.26	0.16	0.09	*0.00	0.24	0.01	0.05	0.23	0.11	0.16	52.68
Amount deposited during the year (excluding CASA deposit)	17.88	-	-	*0.00	-	-	-	-	-	-	0.10	0.04	0.14	18.16
Amount repaid / matured during the year (excluding CASA deposit)	13.99	-	-	*0.00	-	-	-	-	-	-	0.05	0.03	-	14.07
Maximum deposit outstanding during the year	48.05	4.71	2.35	1.14	0.18	0.14	0.02	0.33	0.01	0.05	0.42	0.12	0.16	57.68
Interest paid	3.44	0.19	0.01	0.04	*0.00	*0.00	-	0.02	*0.00	*0.00	0.02	0.01	0.01	3.74
Remuneration	-	-	-	**2.88	1.45	0.54	-	-	-	-	-	-	-	4.87
Consultancy Charges	-	-	-	-	-	-	-	-	-	-	0.11	-	-	0.11
Contribution towards Gratuity Trust	-	-	4.90	-	-	-	-	-	-	-	-	-	-	4.90
Withdrawal from Gratuity Trust	-	-	3.59	-	-	-	-	-	-	-	-	-	-	3.59
Contribution towards CSR	-	5.12	-	-	-	-	-	-	-	-	-	-	-	5.12
ESOP cost cross charged	(0.81)	-	-	-	-	-	-	-	-	-	-	-	-	(0.81)
Service charge for collections	0.01	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Rent for office space	0.08	-	-	-	-	-	-	-	-	-	-	-	-	0.08
ESOP granted	-	-	-	0.82	0.34	0.31	-	-	-	-	-	-	-	1.47
Collction by bank on behalf of UCL	1.07	-	-	-	-	-	-	-	-	-	-	-	-	1.07
Payment by bank on behalf of UCL	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03
Amount Payable/(Recoverable)	0.22	-	-	-	-	-	-	-	-	-	-	-	-	0.22

* Amount less than ₹50,000 is shown as Nil

** Includes arrear salary of FY 2022-23 of ₹0.24 crore post revised approval of RBI vide letter dated May 26, 2023 and upfront portion of bonus of ₹0.25 crore for FY 2022-23 and arrear salary of FY 2023-24 of ₹0.10 crore post approval of RBI vide letter dated October 06, 2023 for remuneration of MD & CEO.

Note:

1. As the provisions for gratuity and leave benefits are made for the Bank as a whole, the amounts pertaining to the Key Management Personnel are not specifically identified and included above.
2. Refer Schedule 18.16 on ESOP grant to MD & CEO

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.20 Leases

Operating Lease

Lease payments made under cancellable operating lease amounting to ₹82.10 crore (March 31, 2024: ₹68.29 crore) disclosed as rent under Schedule 16 and the same have been recognized as an expense in the Profit and Loss Account. There are one sublease agreement with Utkarsh CoreInvest Limited ("the Holding Company").

Minimum lease payments (MLP) outstanding in respect of leased assets are as follows: (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Due within one year	86.29	69.95
Due later than one year and not later than five years	296.60	215.68
Due later than five years	61.05	71.72
Total	**443.94**	**357.35**

Finance Lease

The Bank has acquired certain IT hardware assets and ATM machines under finance lease. Lease term of such assets is 7 years. & 5 years Minimum lease payments (MLP) outstanding in respect of leased assets as at March 31, 2025 are as follows:

(₹ in crore)

Particulars	Future MLP	Interest not due	Present Value of MLP
Due within one year	2.57	1.17	1.40
Due later than one year and not later than five years	6.56	2.01	4.55
Due later than five years	0.08	0.00*	0.08
Total	**9.21**	**3.18**	**6.03**

*The value represents sum of Rs 46,620/- on account of Interest not due after the period of 5 Years from the date of Installation of ATM.

Minimum lease payments (MLP) outstanding in respect of leased assets as at March 31, 2024 are as follows: (₹ in crore)

Particulars	Future MLP	Interest not due	Present Value of MLP
Due within one year	2.25	0.88	1.37
Due later than one year and not later than five years	5.47	1.64	3.83
Due later than five years	0.63	0.06	0.57
Total	**8.35**	**2.58**	**5.77**

18.21 Current Tax and Deferred Tax

a. Current Tax (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Income tax	16.19	179.77
Provision for Deferred tax	(12.24)	(18.01)
Total	**3.95**	**161.76**

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

b. Deferred Tax

Major components of deferred tax assets and deferred tax liabilities are as under: (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets:		
Provision for assets	91.72	57.51
Unamortised processing fees on advances	-	36.36
Finance lease	1.51	1.45
Provision against Lease Equalisation	6.31	5.56
Provision on Leave	1.96	1.26
Provision on stressed Asset	8.53	-
Depreciation on fixed assets	5.24	2.47
Others	2.07	0.69
	117.34	**105.30**
Deferred tax liabilities:		
Unamortised processing fee on borrowings	-	0.20
	-	0.20
Net deferred tax assets / (liability)	**117.34**	**105.10**

18.22 Disclosure Under The Micro, Small And Medium Enterprises Development Act, 2006

(₹ in crore)

Particulars		As at March 31, 2025	As at March 31, 2024
a.	Principal amount due to suppliers under MSMED Act, 2006	10.08	11.63
b.	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c.	Payment made to suppliers (other than interest) beyond the appointed day during the year	18.39	109.86
d.	Interest paid to suppliers under MSMED Act (Section 16)	-	-
e.	Interest due and payable towards suppliers under MSMED Act for payments already made	0.20	1.54
f.	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.20	1.54

18.23.1 Contingent liabilities

1. Description of nature of contingent liabilities is set out below:
   a. Contractual payments for Capital commitments
   b. Pending litigation under Income Tax.
   c. Other pending litigation against the Bank.

The Bank's pending litigations include claims against the Bank by counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable.

Refer Schedule 12 for amounts relating to contingent liabilities.

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

18.23.2 Letter of comfort

Bank has not issued any letters of comfort during the year ended March 31, 2025 and March 31, 2024. Further, there are no outstanding comfort letters as at March 31, 2025 and March 31, 2024.

18.24 The Board of Directors in their meeting dated June 15, 2024 decided to contribute towards corporate social responsibility up to ₹8.50 crore (March 31, 2024: ₹5.12 crore) as required to be spent by Section 135 of the Companies Act, 2013.

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Gross amount required to be spent by the Bank during the year *	8.50	5.12
b) Amount spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) Other projects	7.58	3.24
c) Amount unspent **	0.92	1.88#

* Refer Schedule 18.19 for details of related part transactions in relation to CSR expenditure.

** Pursuant to Section 135 (5) & (6) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (Amended), Bank needs to transfer ₹0.92 crore in "Unspent CSR Account FY2024-25" within period of 30 days from the end of the financial year for the CSR Ongoing projects for spending over the following 3 years period on ongoing CSR sub Committe projects and accordingly bank has transferred ₹0.92 crore in "Unspent CSR Account FY 2024-25 subsequent to balance sheet date"

Out of the unspent amount during the previous year ended March 31, 2024 ₹1.72 crore has been spent in the current year and is not included in (b)(ii) above.

18.25 The following table sets forth, for the years indicated, the movement in software acquired by the Bank, as included in fixed assets.

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
At cost at 31 March of preceding year	24.16	24.28
Additions during the year	12.76	16.49
Deductions during the year	-	-
Depreciation during the year	(15.89)	(16.61)
Net block	**21.03**	**24.16**

18.26 The Bank was carrying floating asset provision of ₹148.62 crore as at year ended March 31, 2024. During the year pursuant to the approval from Reserve Bank of India (RBI) , the Bank has fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") has been adjusted by ₹148.62 crore for the year ended March 31, 2025.

18.27 The Board of Directors of the Bank and Utkarsh Core Invest Limited (UCL), the Holding Company, have approved a draft scheme of amalgamation of the latter with the former in terms of Section 230 to 232 of the Companies Act, 2013 on September 20, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority. The amalgamation is subject to the provisions of the said scheme document and receipt of the relevant regulatory and statutory approvals. The Bank has received no-objection from RBI on January 02, 2025, to proceed with the approval of NCLT and other relevant statutory authorities, ensuring compliance with certain conditions/procedural matters in this regard. However, other necessary approvals from relevant competent authority is under process.

18.28 The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees, to and accepts deposits and borrowings from its customers and borrowing from entities. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements and banks internal policies as applicable.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities (""Intermediaries"") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any parties (Funding Party) with

Schedule forming part of the Financial Statements

for the year ended March 31, 2025

Schedule 18 (Contd.)

the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party (""Ultimate Beneficiaries"") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.29 During the year SEBI has determined the settlement amount of Rs.1.24 crore which was paid by the bank, pursuant to suo-moto settlement application filed by the Bank with respect to certain non-compliances in filings with SEBI which were subsequently mitigated by the Bank. The matter has been fully settled.

18.30A The Bank has changed its accounting policy with effect from April 01, 2024 on recognition of loan processing fees collected from the borrowers and allied expenses for more appropriate presentation of the financial statement and alignment with industry practice. Hitherto the Bank was recognizing the income/expense over the tenure of the loan which is now recognized as income when it becomes due.

Increase in Other Income, Other Operating Expenses and the Net Profit (Before Tax) of the Bank due to change in the aforesaid accounting policy for the year ended March 31, 2025 is ₹164.66 crore, ₹70.09 crore and 94.57 crore respectively.

Further, if the Bank would have followed the revised accounting policy in the previous financial year ended March 31, 2024, increase in Other Income, Other Operating Expenses and the Net Profit (Before Tax) of the Bank for the year ended March 31, 2024 would have been ₹144.45 crore, ₹28.33 crore and 116.11 crore respectively.

18.30B The Bank has implemented the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 which is applicable to banks from April 01, 2024. Consequent to the transitions provisions, the Bank's net worth and investments have increased by Rs.1.32 crore (post tax) and Rs. 1.76 crore (pre-tax) respectively as on April 01, 2024 on account of revision in the carrying value to the fair value as on such date. Subsequent changes in fair value of performing investments under Available for Sale (AFS) and Fair Value Through Profit and Loss ('FVTPL') (including Held For Trading ('HFT')) categories have been recognized through AFS reserve and Profit and Loss Account respectively. Figures for the previous year/ period are not comparable to that extent.

18.31 As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an audit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. The Bank has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2025.

18.32 Figures of the previous year have been regrouped / reclassified, wherever necessary to confirm current year classification.

As per our report of even date attached

for **M/s Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No. 117365W

G.K. Subramaniam
Partner
Membership No. 109839

for **M/s Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No. 105215W/W100057

Sandeep D Welling
Partner
Membership No. 044576

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804

Parveen Kumar Gupta
Chairman
DIN : 02895343

Nagesh Pinge
Director
DIN: 00062900

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 03, 2025

Place : Mumbai
Date : May 03, 2025

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Notice

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

UTKARSH SMALL FINANCE BANK LIMITED

CIN: L65992UP2016PLC082804
Registered Office: Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105
Tel No.: +91-542-6605555 I **Website:** www.utkarsh.bank I **Email:** shareholders@utkarsh.bank

Notice

NOTICE is hereby given that the Ninth (9th) Annual General Meeting of the Members of Utkarsh Small Finance Bank Limited ("USFBL" or "the Bank") will be held on Friday, August 22, 2025 at 2.30 p.m, Indian Standard Time ("IST") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") in this regard, 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, 2025 together with the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Muralidharan Rajamani (DIN: 01690363), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint and fix remuneration of Joint Statutory Auditors of the Bank.

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

   "**RESOLVED THAT** pursuant to the provisions of Section(s) 139, 141, 142, 143 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Audit and Auditors) Rules, 2014, and other relevant rules made thereunder, the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Banking Regulation Act, 1949 read with Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India ("RBI") and other applicable rules, circulars and guidelines issued by RBI, if any, (including any statutory modifications or re-enactments thereof for the time being in force) and in terms of approval granted by RBI vide its letter dated April 21, 2025, M/s M. M. Nissim & Co LLP, Chartered Accountants (FRN: 107122W/W100672) and M/s KKC & Associates LLP, Chartered Accountants (FRN: 105146W/W100621), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Joint Statutory Auditors, be and are hereby appointed as the Joint Statutory Auditors of the Bank for the period of three (3) consecutive financial years to hold the office from the conclusion of 9th Annual General Meeting ("AGM") of the Bank until the conclusion of 12th AGM of the Bank, subject to approval of RBI to be obtained by the Bank every year, for an overall audit fees not exceeding ₹1,40,00,000 per annum (Rupees One Crore Forty Lakhs only) plus taxes at the applicable rates, out of pocket expenses and outlays, for the FY 2025-26 as approved by the Board of Directors of the Bank ("Board") with power to the Board (including the Audit Committee or any other person(s) authorised by the Board or the Audit Committee in this regard), to mutually decide the overall fees for subsequent financial years i.e. FY 2026-27 and FY 2027-28, and to alter, vary the terms and conditions of appointment, etc., as may be necessary/required on account of conditions arising out of change/ increase in scope of work, amendment in Accounting Standards or conditions as may be stipulated by the RBI and/ or any other authority, in such manner and to such extent as may be mutually agreed with the Joint Statutory Auditors."

   "**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of the Bank (including the Audit Committee or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities / scope of work of the Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts

or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank."

SPECIAL BUSINESS:

4. Appointment of Dr. Kshatrapati Shivaji (DIN: 01185381) as an Independent Director and Part Time Chairman of the Bank

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

"**RESOLVED THAT** pursuant to Section(s) 149, 150, 152 , 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulations 17 and 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Section 10A 2(a) and such other applicable provisions, if any, of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") and the approval by the Board of Directors of the Bank ('Board') and the RBI letter dated March 10, 2025, Dr. Kshatrapati Shivaji (DIN: 01185381), who was appointed as an Additional Director (Independent), with effect from July 01, 2025 and who holds office under Section 161(1) of the Act till the ensuing Annual General Meeting of the Bank and in respect of whom the Bank has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an:

i. Independent Director of the Bank, not liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from July 01, 2025 to June 30, 2030 (both days inclusive).

ii. Part Time Chairman of the Bank for a period of 3 (three) consecutive years, with effect from July 01, 2025 to June 30, 2028 (both days inclusive),

on the following terms of remuneration:

Remuneration	₹24,00,000 per annum (Rupees Twenty-four lakhs only)
Others	Sitting fees for attending meetings of the Board and Committees of the Board in line with the remuneration policy and compensation / remuneration to be paid to Non-Executive Directors and the limits as prescribed under the Act, SEBI Listing Regulations, and the Banking Regulation Act, 1949 and directions issued by the RBI, from time to time.

"**RESOLVED FURTHER THAT** the Board of Directors of the Bank (which term shall include NRC authorized by the Board or any other person(s) authorized by the Board or NRC of the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including payment of remuneration, if any, to execute any agreements, documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise in regard to the above resolution as it may in its absolute discretion, deem necessary or desirable to give effect to this resolution."

5. Appointment of M/s BNP & Associates, Company Secretaries as Secretarial Auditor of the Bank

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

"**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re-enactments thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Bank ("Board"), consent of the Members be and is hereby accorded for appointment of M/s BNP & Associates, Company Secretaries (FRN: P2014MH037400) as the Secretarial Auditor of the Bank for a period of 5 (five) consecutive years commencing from April 01, 2025 to March 31, 2030 to conduct a Secretarial Audit of the Bank and to furnish the Secretarial Audit Report, for audit fees of ₹2,53,000 per annum (Two Lakhs Fifty Three Thousand only) plus out of pocket expenses, outlays and taxes as applicable, for the FY 2025-26 as approved by the Board of Directors of the Bank ("Board") including Audit Committee, to mutually decide the overall fees for subsequent financial years i.e. FY 2026-27 onwards, and to alter, vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions arising out of change/ increase in scope of work, amendment in applicable laws and regulations, if any, or conditions as may be stipulated by the regulatory authority, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of the Bank (including the Audit Committee or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities / scope of work of the Secretarial Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank."

By Order of the Board of Directors
For **Utkarsh Small Finance Bank Limited**

Sd/
Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No.: FCS5674

Date: July 25, 2025
Place: Mumbai

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide General Circular Nos.14/ 2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 (collectively referred as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD/CFDPoD-2/P/ CIR/2023/167 dated October 07, 2023 and SEBI/HO/ CFD/CFDPoD-2/P/CIR/2024/133 dated October 03, 2024 (collectively referred as "SEBI Circulars") has permitted companies to hold Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue and provided relaxation from dispatching of physical copy of Annual Report upto September 30, 2025.

2. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the Members can attend and participate the 9th (Ninth) Annual General Meeting ("AGM") of the Bank VC/ OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Bank which shall be the deemed Venue of the AGM.

3. In compliance with the MCA Circulars and SEBI Circulars, the Notice of AGM and Annual Report of the Bank for the FY 2024-25 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Bank/ Registrar and Transfer Agent ("RTA") i.e. KFin Technologies Limited ("KFIN") or with the Depository Participant ("DP").

   The Members will be entitled to get a physical copy of the Annual Report for the FY 2024-25, free of cost, upon sending a request to the Bank on shareholders@utkarsh.bank. The Members may note that the Notice of the AGM and the Annual Report are also available on the Bank's website at www.utkarsh.bank and on the websites of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of the AGM and the Annual Report is also available on website of e-Voting agency i.e., National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.

4. The Bank has enabled the Members to participate at the AGM through the VC/ OAVM facility provided by NSDL. The instructions for participation by Members are given in the subsequent paragraphs.

5. **PROXIES:**

   Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Bank. Since this AGM is being held pursuant to the MCA Circulars and SEBI 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 AGM and hence the Proxy Form and Attendance Slip including the route map are not annexed to this Notice.

6. The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item Nos. 3 - 5 set out above and the relevant details in respect of the Directors seeking appointment / re-appointment at this AGM as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto. Requisite declarations have been received from the Directors seeking appointment / re-appointment.

7. The Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending their authorized representatives to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-Voting are requested

to send scanned certified true copy (PDF/JPEG Format) of the Board Resolution/ Authority Letter etc. to the Scrutinizer by e-mail through its registered e-mail address at support@bnpassociates.in with a copy marked to shareholders@utkarsh.bank.

The Institutional / Corporate Members can also upload the aforesaid documents by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

8. In case of joint holders, only such joint holder who is higher in the order of names as per the Register of Members of the Bank will be entitled to vote at the AGM.

9. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. All relevant documents referred to in this Notice requiring the approval at the AGM will be available for inspection by the Members and those who wish to inspect the documents are requested to send an e-mail to shareholders@utkarsh.bank mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the e-mail.

11. Members are requested to note that dividends, which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, shall as per the provisions of Section 124 of the Act read with the rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has not been claimed for seven consecutive years shall also be transferred to the demat account of the Investor Education and Protection Fund authority ("IEPF Authority"). In view of this, information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account as referred to in Section 125(2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Bank on its website: https://www.utkarsh.bank/investors and on the website of the IEPF Authority.

    The concerned Members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Bank's R&T agent i.e. KFIN before the unclaimed dividends are transferred to the IEPF.

12. Members are requested to update their details such as name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details viz. name of the bank, branch, bank account number, MICR code, IFSC code etc. with their DPs. Members may contact their respective DPs to avail the nomination facility.

13. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination as the case may be, he/she can download said forms from the RTA's website https://www.kfintech.com. Members are requested to submit the said details to their DP for the shares held by them in dematerialised form.

14. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission, transposition shall be processed only in dematerialised form. The shares of the Bank are in dematerialized form.

15. Members who have not registered their e-mail IDs, are requested to kindly register the same by contacting DP and register e-mail ID and mobile number in demat account, as physical copies of this Notice and Annual Report will not be sent to them in physical mode and will be sent only by e-mail, in accordance with the applicable Circulars.

16. **Procedure & Instructions for e-Voting and joining the AGM through VC/ OAVM are as follows:-**

A. VOTING THROUGH ELECTRONIC MEANS:

a. In terms of Section 108 and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 and other relevant rules made thereunder, as amended, Regulation 44 of the SEBI Listing Regulations and MCA Circulars read with SEBI Circulars, the Bank is pleased to provide the facility of remote e-Voting and e-Voting during the AGM to its Members holding shares as on Wednesday, August 13, 2025 ("cut-off date"), to exercise their right to vote through electronic means on any or all of the businesses specified in this Notice. The Bank has engaged the services and made necessary arrangements with NSDL for facilitating voting through electronic means, as authorized e-Voting agency

b. The Remote e-Voting commences on Tuesday, August 19, 2025 at 9:00 a.m. (IST) and ends on Thursday, August 21, 2025 at 5:00 p.m. (IST). The e-Voting module shall be disabled by NSDL for voting thereafter.

c. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

    Those Members, who will be 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 during the AGM.

d. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

e. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date, subject to the provisions of the Banking Regulation Act, 1949, as amended from time to time and RBI (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 dated January 16, 2023.

f. Only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA of Bank as on the cut-off date, shall be entitled to avail the facility of Remote e-Voting or casting vote through e-voting system during the AGM.

g. The Members are strongly advised to use the e-voting procedure by themselves and not through any other person.

h. The Board of Directors of the Bank has appointed Mr. Avinash Bagul (FCS: 5578, COP:19862) and in his absence, Mr. Kalidas Ramaswami (FCS:2440, COP:22856) or Mr. K Venkataraman (ACS:8897, COP:12459) of M/s. BNP & Associates, Company Secretaries, as the Scrutinizer for conducting the voting process for remote e-Voting and e-Voting during the AGM in a fair and transparent manner.

The details of the process and the way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository

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.com or call at 022 - 4886 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. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.\

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12**********

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Utkarsh Small Finance Bank Limited i.e. 134802.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be 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 in the AGM.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

General guidelines for Members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on https://www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-Voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 022- 48867000 or send a request at evoting@nsdl.com
3. In case of any grievances connected with the facility of e-voting, please contact Ms. Pallavi Mhatre, Sr. Manager, NSDL, 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 or write on evoting@nsdl.com

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Members, 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 shareholders@utkarsh.bank
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self -attested scanned copy of Aadhar Card) to shareholders@utkarsh.bank. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual Members holding securities in demat mode.
3. Alternatively, Members/Members may send a request to evoting@nsdl.com in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. The Members may access by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, you can see link of **"VC/OAVM link"** placed under **"Join meeting"** menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

ii. In accordance with the MCA Circulars, the VC/ OAVM will have a capacity to allow at least 1000 Members to participate in the AGM and such participation shall be on a first-come-firstserved basis. However, please note that pursuant to the MCA Circulars, 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, etc. may be allowed to attend the AGM without restriction on account of first-come- first-served principle.

iii. The link for joining the AGM through VC/ OAVM will be activated 30 minutes before the time scheduled for commencement of the AGM and will be closed 30 minutes after commencement of the AGM. The Members may join the AGM by following the procedure mentioned in this Notice.

iv. The Members are encouraged to join the Meeting through Laptops for better experience. Further, the Members will be required to allow camera and 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.

v. Members can email the Bank at for any questions in advance with regards to the financial statements or any other matter to be placed at the 9th AGM, from their registered email address, mentioning their name, DP ID and Client ID and mobile number. Such questions by the Members shall be taken up during the meeting and replied by the Bank suitably. Further, Members who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as speakers by sending their request at shareholders@utkarsh.bank from their registered email address mentioning their name, DP ID and Client ID and mobile number. Those Members who have registered themselves as speakers shall only be allowed to ask questions during the AGM, depending upon the availability of time.

17. A person, who acquire shares of the Bank and become member of the Bank after the date of sending of this Notice and hold shares as on the cut-off date i.e. Wednesday, August 13, 2025 can cast the vote by following instructions as mentioned in this Notice under "Access to NSDL e-voting system".

18. In line with "Green Initiative" the Members whose email addresses are not registered with the Bank/RTA or with their respective DP are requested to register and update their email address through respective DP.

19. Members are requested to address all correspondence, to Registrar and Transfer Agent ("RTA") of the Bank at evoting@kfintech.com or or call KFin on 1800 309 4001 (toll free).

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM thereafter unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Managing Director & CEO or Company Secretary who shall countersign the same, in accordance with the applicable provisions of law. The results of voting will be announced within 2 (two) working days of the conclusion of AGM and same along with the Scrutinizer's Report will be available on the Bank's website at www.utkarsh.bank and on the e-Voting agency's website i.e. NSDL at https://www. evoting.nsdl.com and communication of the same will be sent to BSE Limited and National Stock Exchange of India Limited. The Bank will also display the results of the AGM on the notice board at its Registered Office.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

Item no. 3

The Reserve Bank of India ("RBI") vide its Circular No. DoS. CO. ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021 issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines"), which supersedes all previous prescribed guidelines in this regard. According to the RBI Guidelines, the Statutory Auditors can be appointed for a maximum period of three (3) years, subject to the firm satisfying the eligibility norms each year. Further, prior approval of RBI for appointment/reappointment of SAs on an annual basis is required in terms of the above guidelines.

The Members of the Bank at the 8th Annual General Meeting held on July 22, 2024 had appointed M/s Deloitte Haskins and Sells, Chartered Accountants (Registration No. 117365W) and M/s Kirtane & Pandit LLP, Chartered Accountants (FRN: 10525W/ W100057) as the Joint Statutory Auditors of the Bank to hold office, from the conclusion of 8th AGM until the conclusion of 9th AGM of the Bank in line with the approvals received from the RBI.

In view of the above, the Board of Directors at their meeting held on May 03, 2025 on the recommendation of the Audit Committee has proposed the appointment of M/s M. M. Nissim & Co LLP, Chartered Accountants (FRN: 107122W/W100672) and M/s KKC & Associates LLP, Chartered Accountants (FRN: 105146W/ W100621) as the Joint Statutory Auditors of the Bank for a period of three (3) years to hold the office from the conclusion of 9th AGM until the conclusion of 12th AGM of the Bank, subject to the approval of the RBI to be obtained by the Bank on an annual basis. It may be noted that the RBI vide its letter dated April 21, 2025 approved the appointment of M/s M. M. Nissim & Co LLP, Chartered Accountants (FRN: 107122W/W100672) and M/s KKC & Associates LLP, Chartered Accountants (FRN: 105146W/ W100621) as the Joint Statutory Auditors of the Bank for the financial year 2025-26.

As per the requirement of the Companies Act, 2013 ("Act"), the Statutory Joint Auditors of the Bank have confirmed that the appointment, if made would be within the limits specified under Section 141(3) (g) of the Act and they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 139 and Section 141 of the Act read with Companies (Audit and Auditors) Rules, 2014 and complies with all eligibility norms prescribed by RBI.

The Brief profile of Joint Statutory Auditors

a) M/s. M. M. Nissim & Co. LLP, (Registration No.: ICAI/ FRN/107122W/W100672)

M. M. Nissim & Co. LLP established in 1927, is one of the leading professional services firms in India registered with the Institute of Chartered Accountants of India having more than 229+Professionals, 17 Partners and 5 have CISA/ ISA qualification and client-base in both public/private Corporates in Banking and NBFC Sectors which includes Axis Bank Limited, Shriram Finance Limited, Mahindra and Mahindra Financial Services Limited, Hero Fincorp Limited, PNB Housing Finance Limited, Aditya Birla Finance Limited, SBFC Finance Limited, APAC Financial Services Limited, HSBC Invest Direct Financial Services (India) Limited. It is primarily engaged in providing audit and assurance services to the clients. It has its Head office at Mumbai and has 8 locations in various cities in India. M/s. M. M. Nissim & Co LLP has a valid peer review certificate.

b) M/s KKC & Associates, LLP, Chartered Accountants (Formerly known as Khimji Kunverji & Co., LLP) (Registration No.: ICAI/ FRN/105146W/W100621)

KKC & Associates LLP established in the year 1936, having presence in 4 cities in the country with the team of 300. The core team has experience in Banking & Financial Services, Manufacturing & Services, Taxation (Direct & Indirect) and Information Technology.

KKC & Associates LLP is one of the leading Indian Accounting & Professional Services firms in India, have more than 275+Professionals, 13 Partners and 4 have CISA/ ISA qualification and have client-base in both public/private Corporates in Banking and NBFC Sectors which includes Axis Bank Limited, Kotak Mahindra Bank Limited, RBL Bank Limited, DBS Bank India Limited, Central Bank of India (Past Auditors & Current tax Advisors, Bank of India (Current tax Advisors)

The firm has 17 full time partners consisting of distinguished Chartered Accountants. The Firm has been in existence for 85 years with dedicated, focused, specialized and well-structured team. The Firm has a valid Peer Review certificate.

M/s M M Nissim & Co. LLP, Chartered Accountants and M/s KKC & Associates, LLP, Chartered Accountants as Joint Statutory Auditors will be paid an fees for an amount not exceeding ₹1,40,00,000 (Rupees One Crore Forty Lakhs only) along with such other fees, out of pocket expenses, outlays and taxes as applicable, for the purpose of audit of the Bank's accounts for the FY 2025-26.

Fees for any other assignment not covered in the scope of audit will be extra as mutually agreed between the Bank and the Joint Statutory Auditors and as may be further approved by the Board (including the Audit Committee or any other person(s) authorised by the Board or the Audit Committee in this regard), from time to time, with power to the Board, to alter and vary the terms and conditions of appointment etc., including by reason of necessity on account of conditions arising out of change/ increase in scope of work, amendment in Accounting Standards or conditions as may be stipulated by the RBI and/ or any other authority, in such manner and to such extent as may be mutually agreed with the Joint Statutory Auditors.

The audit fees to be paid to said statutory auditors for FY 2025-26 have been considered taking into account the scope of work, business volume and regulatory compliances. The remuneration for financial year for subsequent years shall be as determined by the Board / Audit Committee, from time to time.

The Board of Directors recommends passing of the Ordinary Resolution as set out in Item No. 3 of this Notice, for approval of the Members of the Bank.

None of the Promoters, Directors, Key Managerial Personnel of the Bank and/or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the Resolution set out at Item No.3.

Item No. 4

The Reserve Bank of India ("RBI") had vide various letters dated August 02, 2024 and September 25, 2024 ("RBI letters") and subject to fulfilment of conditions/directions as mentioned therein these letters had granted approval for re-appointment of Mr. Parveen Kumar Gupta (DIN: 02895343) as Part Time Non-Executive Chairman. Further, RBI vide their letter dated March 27, 2025 extended the timeline to comply the said conditions/ directions upto June 30, 2025.

Mr. Parveen Kumar Gupta, Independent Director has conveyed his intention to step down from the position of Part Time Non-Executive Chairman of the Bank with effect from July 01, 2025. However, he shall continue to hold the position as an Independent Director of the Bank.

Pursuant to recommendation of the Nomination & Remuneration Committee ("NRC"), the Board of Director had considered the candidature and the fit and proper criteria as prescribed by RBI of Dr. Kshatrapati Shivaji (DIN: 01185381) for appointment as Additional Director (Independent) and Part Time Chairman.

Accordingly, RBI in terms of Section 10B(1A)(i) of the Banking Regulation Act, 1949 ("BR Act"), approved the candidature of Dr. Kshatrapati Shivaji (DIN: 01185381) as Part Time Chairman of the Bank, for a period of three years with effect from Dr. Kshatrapati Shivaji taking charge of his duties.

In view of the above, the Board of Directors had vide circular resolution dated July 01, 2025 appointed Dr. Kshatrapati Shivaji (DIN: 01185381) as an:

i. Additional Director (Independent), not liable to retire by rotation, for a period of 5 (five) consecutive years, with effect from July 01, 2025 to June 30, 2030 (both days inclusive); and

ii. Part Time Chairman of the Bank for a period of 3 (three) consecutive years with effect from July 01, 2025 to June 30, 2028 (both days inclusive).

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("Act") and the Articles of Association of the Bank, Dr. Kshatrapati Shivaji shall hold office as an Additional Director upto the date of the Annual General Meeting and is eligible to be appointed as a Director. The Bank has received a notice in writing under Section 160 of the Act from a Member, proposing the candidature of Dr. Kshatrapati Shivaji for appointment as an Independent Director of the Bank.

Pursuant to Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), approval of the members for the appointment or re-appointment of a person on the Board of directors has to be obtained at the next general meeting or within a time period of three months from the date of appointment/re-appointment whichever is earlier.

The Bank has received a declaration from Dr. Kshatrapati Shivaji to the effect that he fulfils all criteria for independence stipulated under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and meets the fit and proper criteria prescribed by the RBI and other applicable guidelines / circulars issued from time to time.

Dr. Kshatrapati Shivaji has further confirmed that he is qualified to be appointed as a Director in terms of Section 164 of the Act and has furnished to the Bank his consent to act as an Independent Director. Dr. Kshatrapati Shivaji has confirmed that he has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority. Further, Dr. Kshatrapati Shivaji has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Bank.

Dr. Kshatrapati Shivaji would be entitled to receive a fixed remuneration of ₹24,00,000 (Twenty four lakhs only) per annum in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees meetings, as may be permissible under law and within the limits prescribed under the Act, SEBI Listing Regulations and the BR Act and directions issued by the RBI, from time to time.

In the opinion of the Board, Dr. Kshatrapati Shivaji is a person of integrity, possesses relevant expertise/ experience for being appointed as the Independent Director and Part Time Chairman of the Bank and fulfils the conditions specified in the Act, BR Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, each as amended, and is independent of the management of the Bank.

Given his experience, the Board considers it desirable and in the interest of the Bank to have Dr. Kshatrapati Shivaji on the Board and accordingly, recommends for approval of the Members, the appointment of Dr. Kshatrapati Shivaji as an Independent Director and Part Time Chairman of the Bank, as proposed in the Special Resolution set out at Item No. 4.

A brief profile of Dr. Kshatrapati Shivaji along with the required information, in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, has been provided in the Annexure A, attached to the Notice.

Except Dr. Kshatrapati Shivaji and/or his relatives, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, financially or otherwise, concerned or interested, in the resolution mentioned at Item No. 4 of the notice.

Item No. 5

In accordance with the provision of Section 204 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every listed entity is required to undertake Secretarial Audit by a Secretarial Auditor who shall be peer reviewed Company Secretary and shall annex the Secretarial Audit Report to its annual report.

The Securities and Exchange Board of India vide notification dated December 13, 2024 amended Regulation 24A of SEBI Listing Regulations requiring the appointment/ re-appointment of Secretarial Auditor of a listed entity, to be approved by its shareholders in its Annual General Meeting.

In view of the above, and the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 03, 2025 subject to approval of Members at the AGM, had the appointment of M/s BNP & Associates ("BNP"), Company Secretaries, (FRN: P2014MH037400) as the Secretarial Auditors of the Company for a period of five (5) consecutive years, commencing from April 1, 2025 to March 31, 2030.

BNP has confirmed that they

- are subject to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.
- are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest.
- have not taken up any prohibited non secretarial audit assignments for the Bank and its holding company.

The Brief profile of Secretarial Auditor:

BNP is a peer reviewed and a well-established firm of Practicing Company Secretaries, registered with the Institute of Company Secretaries of India, New Delhi. The firm is led by experienced partners, all of whom are distinguished professionals in the field of corporate governance and compliance. Their collective expertise spans corporate advisory, transactional services, litigation, advocacy, and legal due diligence. The firm also has associate partners with strong professional credentials who align with its core values of character, competence, and commitment. BNP specializes in compliance audit and assurance services, advisory and representation services, and transactional services.

The terms and conditions of appointment of BNP include a tenure of 5 (five) consecutive years, commencing from April 1, 2025 upto March 31, 2030 for audit fees of ₹2,53,000/- (Rupees Two Lakh Fifty-Three Thousand only) along with such other fees, out of pocket expenses, outlays and taxes as applicable, in connection with the audit for FY 2025-26 with the power to the Board/Audit Committee to alter, vary the terms and conditions of appointment, and/or remuneration and to avail such other services as may be required for the remaining tenure as the Secretarial Auditors of the Bank in accordance with the applicable laws, including by reason of necessity on account of conditions arising out of change/ increase in scope of work, amendment in applicable laws and regulations, if any, or conditions as may be stipulated by the regulatory authority, in such manner and to such extent as may be mutually agreed between the Board and/or the Audit Committee and the Secretarial Auditors of the Bank. The remuneration to be paid to Secretarial Auditors for FY 2025-26 have been considered taking into account the scope of work, business volume and regulatory compliances.

While recommending BNP for appointment, the Board and the Audit Committee evaluated various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. M/s BNP & Associates was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company.

BNP has provided its consent to act as the Secretarial Auditors of the Bank and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI Listing Regulations. Accordingly, consent of the shareholders is sought for the appointment of BNP as the Secretarial Auditors of the Bank.

The Board of Directors recommends the Ordinary resolution set out at Item No. 5 of the accompanying Notice for approval by the Members.

None of the Promoters, Directors, Key Managerial Personnel of the Bank and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board of Directors
For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer
Membership No. FCS 5674

Date: July 25, 2025
Place: Mumbai

Annexure A

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT IN TERMS OF THE REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA

Item No. 2 & 4

Name of the Director **DIN**	**Mr. Muralidharan Rajamani** **01690363**	**Dr. Kshatrapati Shivaji** **01185381**
Age	64 years	63 years
Date of first appointment on the Board	March 02, 2021	July 01, 2025
Qualifications	B.Sc. in Mathematics, Statistics and Physics, M.A in Economics – University of Madras, CAIIB – Indian Institute of Banking and Finance Executive Education at Stanford University (Strategic Use of Information &Technology).	B.Sc. Engineering in Civil Engineering, M. Tech. from IIT Delhi, in Building Science & Construction Management, M. A. in Economics PGDM from MDI, Gurgaon with electives in international finance Ph.D., in the field of Management, Finance. Online non-credit courses offered through Coursera: Financial Planning for Young Adults-University of Illinois at Urbana-Champaign – Jan 2021 Personal & Family Financial Planning by University of Florida – Feb 2021
Brief Resume including experience	Mr. Muralidharan Rajamani has completed the management of managers program from Stephen M. Ross School of Business, University of Michigan and is a certified associate of the Indian Institute of Bankers. He was previously associated with Edelweiss Tokio Life Insurance Company Limited, Leadership Centre Private Limited, ICICI Bank Limited, Dhanlaxmi Bank Limited and L&T Finance Limited.	Dr. Kshatrapati Shivaji is an IAS (Retd.) and having an 35 years of experience with substantial period of time as Top Executive in finance, trade and industrial sectors. His last assignment was with the Maharashtra Real Estate Appellate Tribunal as a member in the rank and status of Chief Secretary of the Government of Maharashtra. Dr. Kshatrapati Shivaji has substantial exposure and all-pervasive understanding of Financial and Industrial sectors including in ADB as Dean & Executive Director of its Board & Ambassador representing 7 countries including for India, CMD of SIDBI, MD of Kerala Financial Corporation and also CMD of Maharashtra Financial Corporation, MD of Kerala State Cooperative Banks, as Director in DEA, Ministry of Finance GOI, Principal Secretary of Financed Dept of GOVT of Maharashtra, Development Commissioner of Industries, CEO of MIDC and Principal Secretary of Industry Department in Maharashtra, Headed MPEDA New York Office, worked as Secretary (IT) Maharashtra etc.
nature of expertise in specific functional areas	Banking, Finance and Operations	Financial and Industrial sectors
Directorships held in other companies	• PGIM India Asset Management Private Limited • Fedbank Financial Service Limited	Nil

Name of the Director **DIN**	**Mr. Muralidharan Rajamani** **01690363**			**Dr. Kshatrapati Shivaji** **01185381**
Memberships/ Chairpersonships of Committees of other Boards	**Name of the Company**	**Name of the Committee**	**Position held (Chairperson /Member)**	Nil
	PGIM India Asset Management Private Limited	Audit Committee Risk Committee Unit Holders Protection Committee	Member Chairman Chairman	
Listed entities from which the person has resigned from the directorship in the past three years	Nil			Nil
Shareholding in the Bank	Nil			Nil
No. of Board meetings attended during the year till date	13/13			0
Terms and conditions of appointment or reappointment	Appointed for a period of 5 (five) years, liable to retire by rotation.			The Terms of Appointment are as proposed in the Resolution relating to appointment mentioned in this Notice.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Bank	Not related			Not related
Remuneration last drawn	Sitting Fees for FY 2024-25 - ₹32,00,000 Fixed Remuneration for the FY 2024-25 - ₹9,00,000			Not Applicable
Remuneration sought to be paid	Mr. Muralidharan Rajamani shall be entitled to sitting fees and expenses for attending the meetings of the Board and Committees, as may be permissible under law from time to time, as well as compensation in the form of fixed remuneration payable to Non-executive Directors in accordance with the resolution passed by the Members of the Bank on June 13, 2024 and within the limits prescribed under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Banking Regulation Act, 1949 and directions issued by the Reserve Bank of India ("RBI"), from time to time.			Dr. Kshatrapati Shivaji shall be entitled to sitting fees and expenses for attending the meetings of the Board and Committees and a fixed remuneration of ₹24,00,000 (Twenty four lakhs only) per annum, as may be permissible under law and within the limits prescribed under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Banking Regulation Act, 1949 and directions issued by the Reserve Bank of India ("RBI"), from time to time.

Utkarsh Tower

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

NEWS PAPER **COVERAGE**

TIMES OF INDIA

Utkarsh Marathon with msg of 'Green Kashi, Clean Kashi'

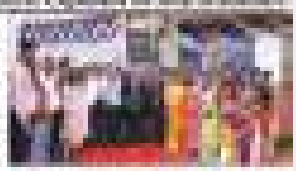
SAMACHAR DHAR

THE PIONEER

Marathon to promote message of 'Green Kashi, Clean Kashi' on October 27

LUCKNOW NEWS

Utkarsh Small Finance Bank opens 7th outlet in Sandila, expands its asset branches



DAILY JAMMU RISING

Utkarsh Small Finance Bank Limited's first sustainability report highlights commitment to Green Banking

DAINIK BHASKAR

DAINIK JAGRAN

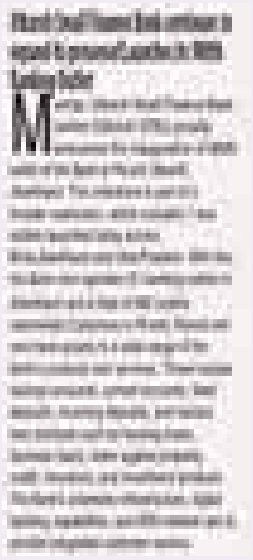
ABHIYAN TIMES

उत्कर्ष स्माल फाइनेंस बैंक लिमिटेड ने किया अपना विस्तार

ABHIYAN TIMES

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने सफलता के 7 वर्ष पूरे किए

YUG MARG



JAGRUKH EXPRESS

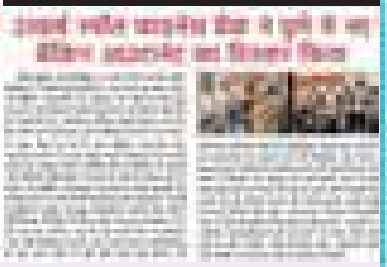
उत्कर्ष स्मॉल फाइनेंस बैंक ने मैरीकॉम और सुनील छेत्री को बनाया ब्रांड एंबेसडर

JANSANDESH

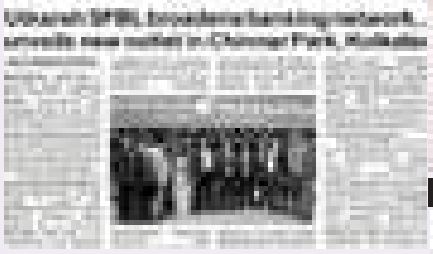
JEEVAN EXPRESS

NORTHERN INDIA PATRIKA

UTTARSHAKTI



THE ECHO OF INDIA



AMAR UJALA

AMRIT INDIA

THE EXCEL EXPRESS

DAILY PUNJAB TIMES

Social drives and **engagement initiatives**

The marketing, branding, and communication division at the Bank plays a pivotal role in shaping the brand narrative and reaching existing and potential customers through targeted, multi-platform communication strategies. Their integrated approach ensures that messaging is timely, relevant, and impactful across diverse audiences.

Social initiatives

Brand ambassadors

1,000th branch inauguration

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Utkarsh marathon

Campaigns and activities

Health check camps

Other activities

NOTES

Corporate **Information**

BOARD OF DIRECTORS

Mr. Parveen Kumar Gupta
Part-time Non-Executive Chairman and Independent Director

Mr. Ajay Kumar Kapur
Non-Executive Independent Director

Ms. Kalpana Prakash Pandey
Non-Executive Independent Director

Mr. Muralidharan Rajamani
Non-Executive Non-Independent Director

Mr. Nagesh Dinkar Pinge
Non-Executive Independent Director

Mr. Govind Singh
Managing Director and Chief Executive Officer

Mr. Pramod Kumar Dubey
Whole-time Director

KEY MANAGERIAL PERSONNEL

Mr. Govind Singh
Managing Director & CEO

Mr. Pramod Kumar Dubey
Whole-time Director

Mr. Sarju Simaria
Chief Financial Officer

Mr. Muthiah Ganapathy
Company Secretary

SECRETARIAL AUDITORS

M/s BNP & Associates. Company Secretaries I 101, 1st Floor, Bholanath Chogle Residency, Babhai Naka, Opp Bhargav Medical Centre, Near Ram mandir, Borivali West, Mumbai - 400092

REGISTRAR & SHARE TRANSFER AGENT

For Equity Shares

M/s. KFIN Technologies Limited 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra

For Listed Debentures

M/s. NSDL Database Management Limited
4th Floor, Tower 3, One International Center, S. B. Marg, Prabhadevi, Mumbai – 400013, India

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited

901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) – 400013, Maharashtra

IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai – 400 001

REGISTERED & CORPORATE OFFICE

Utkarsh Tower, NH - 37 (Airport Road). Sehmalpur. Kazi Sarai, Harhua. Varanasi, Uttar Pradesh - 221105

CIN: L65992UP20I 6PLC082804 Website: www.utkarsh.bank E-mail: shareholders@utkarsh.bank

JOINT STATUTORY AUDITORS

Deloitte Haskins & Sells

Chartered Accountants 19th Floor, Shapath - V, S. G. Highway Ahmedabad - 380 015, Gujarat, India.

Kirtane & Pandit LLP

Chartered Accountants 601, 6th Floor, Earth Vintage Building, Nr. MCGM Pumping Station, Senapati Bapat, Marg Dadar (West) Mumbai 400 028

Utkarsh Small Finance Bank

Aapki Ummeed Ka Khaata

Registered & Corporate Office

Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai,
Harhua, Varanasi, Uttar Pradesh - 221105

www.utkarsh.bank | Toll Free : 1800-123-9878 |

A TRISYS PRODUCT | info@trisyscom.com

Annexure A

M M NISSIM & CO LLP
Chartered Accountants
C-2 First Floor,
Sector 2,
Noida - 201301

KKC & Associates LLP
Chartered Accountants
Level 19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400013

Independent Auditors' Review Report on unaudited financial results for the quarter and nine months ended 31 December 2025 of Utkarsh Small Finance Bank Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Utkarsh Small Finance Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results of Utkarsh Small Finance Bank Limited ('the Bank') for the quarter and nine months ended 31 December 2025 ('the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'). We have initialled the Statement for identification purpose only.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors of the Bank, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 'Interim Financial Reporting'('AS 25'), prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, in so far as they apply to Banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (the 'RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder, the RBI Guidelines and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.

5. Attention is drawn to the fact that the unaudited financial results of the Bank for the corresponding quarter and nine months ended 31 December 2024 were reviewed by predecessor auditors whose report dated 14 February 2025 expressed an unmodified conclusion on those unaudited financial results and the financial statements of the bank for the year ended 31 March 2025 were audited by predecessor auditors whose report dated 03 May 2025 expressed an unmodified opinion on those financial statements. Our conclusion is not modified in respect of these matters.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Registration Number: 107122W/ W100672

Navin Kumar Jain
Partner
ICAI Membership No.: 090847
UDIN: 26090847AELXW6472S
Place: Mumbai
Date: 02 February 2026

For KKC & Associates LLP
Chartered Accountants
Firm Registration Number: 105148W/W100621

Gautam Shah
Partner
ICAI Membership No.: 117348
UDIN: 26117348QHWSO7982
Place: Mumbai
Date: 02 February 2026

[illegible]

[illegible]

[illegible]

[illegible]

(₹ in lakhs)

		For the quarter ended [illegible]	For the quarter ended [illegible]	For the quarter ended [illegible]	For the year ended [illegible]	For the year ended [illegible]	For the year ended [illegible]
		Refer Note 3	Refer Note 3	Refer Note 3			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2(a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(b)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(d)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(e)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Notes:

1 Segment information is in accordance with the RBI guidelines and Accounting Standard 17 ("Segment reporting") of the operating segments of the Bank is as under:

₹ in lakhs

	For the quarter ended December 31, 2020 (Refer Note 12 (standalone))	For the quarter ended September 30, 2020 (Refer Note 12 (standalone))	For the quarter ended December 31, 2019 (Refer Note 12 (standalone))	For the nine months ended December 31, 2020 (standalone)	For the nine months ended December 31, 2019 (standalone)	For the year ended March 31, 2020 (audited)
1) Segment Revenue:						
(a) Retail	89,823.77	72,672.66	66,366.15	2,01,709.14	1,78,886.66	2,45,974.33
(b) Wholesale	9,910.66	7,644.24	7,307.22	25,464.64	24,787.74	33,810.77
(c) Treasury	54,210.64	72,685.05	14,038.54	1,43,811.73	54,956.47	67,767.24
(d) Unallocated	-	-	-	-	-	-
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	1,53,945.07	1,53,001.95	87,711.91	3,84,987.27	2,58,630.87	3,47,552.34
2) Segment Results						
(a) Retail	(48,133.66)	(44,651.66)	(12,772.65)	(1,35,417.66)	(9,456.84)	(2,82,146.6)
(b) Wholesale	2,924.6	2,919.66	2,129.61	8,179.6	(127.56)	1,857.66
(c) Treasury	(2,743.77)	(2,844.61)	194.24	(4,114.66)	6,447.54	6,869.24
(d) Unallocated	-	-	-	-	-	-
Total Profit / (Loss) Before Tax	(47,952.83)	(44,577.56)	(10,794.79)	(1,31,452.66)	(3,137.86)	3,794.72
3) Segmental Assets						
(a) Retail	14,55,777.91	14,76,174.25	11,71,133.12	14,55,777.91	11,71,133.12	12,12,698.55
(b) Wholesale	2,75,495.23	3,44,997.23	3,77,722.23	2,75,495.23	3,71,722.23	3,72,276.91
(c) Treasury	74,14,516.66	71,82,779.66	7,13,266.91	72,14,516.66	7,13,266.91	8,16,237.47
(d) Unallocated	85,775.45	86,472.14	93,497.77	85,775.45	93,497.77	87,760.11
Total Assets	92,31,565.25	91,90,423.28	83,55,620.03	90,31,565.25	83,55,620.03	85,13,743.04
4) Segmental Liabilities						
(a) Retail	11,73,449.61	12,44,775.66	10,53,260.16	11,73,449.61	10,53,260.16	10,33,291.46
(b) Wholesale	6,85,190.16	7,74,999.23	8,56,451.13	6,85,190.16	8,56,451.13	7,45,851.66
(c) Treasury	64,53,151.99	57,57,524.99	57,75,975.97	64,53,151.99	57,75,975.97	65,80,615.97
(d) Unallocated	2,261.91	2,214.31	1,995.31	2,261.91	1,995.31	2,154.44
(e) Capital & other reserves	9,17,511.58	9,10,909.09	8,16,937.46	9,17,511.58	8,16,937.46	8,51,830.51
Total Liabilities	92,31,565.25	91,90,423.28	83,55,620.03	92,31,565.25	83,55,620.03	85,13,743.04

Notes:

(i) Revenue, expenses, fixed assets identified and reported internally and as used by the chief operating profit decision maker to evaluate and allocate resources to the segments, are based on the following principles and policies, consistent with the accounting policies and guidelines prescribed by RBI:

(ii) The BMD SME is in receipt dated April 27, 2017, on establishment of Digital Banking Units (DBU) by the prescribed reporting on Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has also using DBU as on and Dated DBU has also been functional as a separate segment as per Accounting Standard 17 (Segment Reporting).

1 The above financial results for the quarter and nine months ended December 31, 2020 were taken reviewed by the Audit Committee of the meeting held on February 03, 2021 and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same in its meeting held on February 05, 2021.

The financial results have been subjected to limited review by the Joint Statutory Auditors as required. The unmodified conclusion has been issued by them thereon.

The financial results for the quarter and nine months ended December 31, 2019 & year ended March 31, 2020 were subjected to limited review / audit by the previous Joint Statutory Auditors.

2 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Accounting Standard ("Accounting standard") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), as we are in force apply to the Banks, the relevant provisions of the Banking Regulation Act, 1949, and the circulars, the guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time (the "RBI Regulations") and other accounting principles generally accepted in India and the requirements of Regulations 33 and Regulation 52 read with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3 The Bank has applied for explicit and irrevocable preference to acquisition of Bank Retained results, reserves in the Bank Retained as interest Board as investment for the year ended March 31, 2020.

4 During the quarter and nine months ended December 31, 2020 the Bank has not allotted any equity shares under the approved employee stock option scheme.

4. Other income includes processing fees, penalties on late or non-payment of instalments, prepayment fee, interest income, gain on sale of investments, gain on fair valuation of investments, gain on derecognition of assets and write back of provisions no longer required.

5. The Bank has recognised the provision and Right to Recompense (RTR) of ₹[redacted] crore (net of ₹[redacted] crore) in the quarter ended December 31, 2021 in accordance with the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 ("the Directions") and the Reserve Bank of India (Transfer of Loan Exposures) (Amendment) Directions, 2021 dated December 7, 2021 ("the Amendment Directions"). The RTR is recognised in respect of loans transferred to the Bank by Indiabulls Housing Finance Limited ("IBHFL") and Indiabulls Asset Holding Company Limited ("IAHCL") (collectively referred to as "the Transferors") during the quarter ended December 31, 2021 and is based on the principles laid down in the Directions and the Amendment Directions. The RTR is recognised in the Profit and Loss Account under the head 'Other Income'.

6. The Capital Adequacy and Liquidity Risk Management Committee of the Board of Directors of the Bank, in its meeting held on January 19, 2022, has approved the proposal for raising capital through issuance of equity shares on a preferential basis to Promoter Group entities, subject to the approval of the shareholders of the Bank and other regulatory and statutory approvals, as may be required.

7. The Bank has received a show cause notice dated December 24, 2021 from the Reserve Bank of India ("RBI") in connection with the Bank's investment in the Alternative Investment Fund ("AIF") managed by Edelweiss Alternative Asset Advisors Limited ("EAAAL"). The Bank has submitted its response to the RBI on January 7, 2022. The matter is currently under investigation by the RBI.

8. The Bank has received a show cause notice dated December 24, 2021 from the Reserve Bank of India ("RBI") in connection with the Bank's investment in the Alternative Investment Fund ("AIF") managed by Edelweiss Alternative Asset Advisors Limited ("EAAAL"). The Bank has submitted its response to the RBI on January 7, 2022. The matter is currently under investigation by the RBI.

9. The Board of Directors of the Bank and Central Depository Limited ("CDL"), the Promoter Company, have approved a draft scheme of amalgamation of the latter with the former, in terms of Section 230 to 232 of the Companies Act, 2013 on September 28, 2021. The appointed date under the said scheme is April 01, 2022 or such other date as may be approved by the N.C.L.T. or such other competent authority. The Bank has received no-objection and observation letters from BSE, NSE & MSEI.

Hearing for approval to the filing of petitions with N.C.L.T. is scheduled on December 29, 2021. Petitions have not been filed with N.C.L.T. as on date of the approval of the financial results.

10. In October, Bank Revelation No. 2021, The Government of India has consolidated 29 labour laws into a unified framework of four Labour Codes (including the Code on Social Security, 2020), collectively referred to as the "Four Labour Codes". Based on a preliminary assessment of the draft rules and Code issued by the Ministry of Labour and Employment, in June and July, pending final notification of Standard, but Interim of Code, the Bank has completed an impact of ₹[redacted] crore during quarter and nine months ended December 31, 2021, towards gratuity, pension plan, in charges in wage definition. The Bank will review updates to the final Central and State rules once notified, and provide for any consequential impact, if any, in the period of notification.

11. The Bank does not have any pension liability as at December 31, 2021.

12. Details of loans transferred / acquired during the nine months ended December 31, 2021 as per Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 and as amended thereafter, are given below:

(a) The Bank has not acquired/transferred any loans (not to be held to maturity) during the quarter and nine months ended December 31, 2021.

(b) Details of Research Loans transferred to Asset Reconstruction Companies (ARC) as sale basis during nine months ended December 31, 2021 is given as below:

Description	(₹ in lakh) Nine months ended December 31, 2021
No. of accounts	[redacted]
Aggregate principal outstanding of loans transferred	[redacted]
Weighted average residual tenure of the loans transferred (in months)	[redacted]
Weighted average holding period of the loans transferred (in months)	[redacted]
Net book value of loans transferred at the time of transfer	[redacted]
Aggregate Consideration	[redacted]
Additional consideration realized in respect of accounts transferred in earlier years	-

(c) The Bank has not acquired any stressed loans (SR) / SC(s) during the quarter and nine months ended December 31, 2021.

(d) The Bank has not made any investment in Security Receipts during the quarter and nine months ended December 31, 2021. Details of recovery ratings assigned to Security Receipts as on 31 December, 2021:

Recovery ratings	Underlying assets (NPA)	Net Book Value *	(₹ in lakh) Outstanding Security Receipts *
[redacted]	[redacted]	[redacted]	[redacted]

* The value has been fully provided for in the books.

13. During the year ended March 31, 2021, the Bank had changed its accounting policy in the office draft April 01, 2021 on recognition of loan processing fee, collected from the borrowers and effect impact on the basis adjustments of the financial statement and impairment with indirect practice. Pursuant, the Bank now recognising the income/expense over the tenure of the loan which is more consistence as income (Refer to Accounts Note). Figures for the previous periods ended December 31, 2020 are not comparable to this extent.

14. The Bank does not have any subsidiary / associate / joint venture entities and hence consolidation is not applicable.

15. The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figure between the year to date and the results ended September 30, 2021 and September 30, 2020 respectively. The figures for the quarter ended September 30, 2021 are the balancing figure between the year to date and quarter ended June 30, 2021.

16. Figures of the previous periods / year have been regrouped / reclassified, wherever necessary to conform to current period classification.

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited
(CIN: U74140MH2007PLC165941)

(Venkat Rao)
Managing Director & CEO
(DIN: 02478466)

Place : Mumbai
Date : February 02, 2022

IN THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, PRAYAGRAJ

CA (CAA) No. 37/ALD/2025
(First Motion)

(Under Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016) and other applicable rules made thereunder)

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

UTKARSH COREINVEST LIMITED
having its registered office at:
S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar,
Near Mahavir Mandir, Varanasi, Uttar Pradesh-221002

… Applicant No. 1 / Transferor Company

with

UTKARSH SMALL FINANCE BANK LIMITED
having its registered office at:
Utkarsh Tower, NH-31 (Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh - 221005

… Applicant No. 2 / Transferee Company

Order pronounced on: 11.02.2026

Coram:

Shri Praveen Gupta : *Member (Judicial)*

Shri Ashish Verma : *Member (Technical)*

Appearances:

Mr. Diptiman Singh with : *For the Applicant Companies*
Mr. Shubham Agarwal, Advs.

ORDER

1. This is a joint First Motion Application filed by Applicant Companies for sanction of the proposed Scheme of Amalgamation involving merger of **UTKARSH COREINVEST LIMITED** (hereinafter referred to as 'Applicant No. 1 / Transferor Company') with **UTKARSH SMALL FINANCE BANK LIMITED** (hereinafter referred to as 'Applicant No. 2 / Transferee Company) and their respective shareholders under Sections 230 & 232 of the Companies Act, 2013 (the '**Act**') read with Rule 3 of Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 (the '**Rules**') and other applicable provisions of the Act for the time being in force, seeking sanction of the Scheme of Amalgamation (hereinafter referred to as the **'Scheme'**).

2. The Applicant Companies have prayed for the following reliefs:

i. Convening, holding and conducting the meeting of the equity shareholders of the Applicant No.1/Transferor Company and Applicant No. 2/Transferee Company through video conferencing ("VC") as per the MCA Circulars without the physical presence of the equity shareholders, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct/ allow voting by the equity shareholders through remote e-voting and e-voting during VC convened meeting;

ii. Dispensation with the requirement to hold and convene the meeting of the secured creditors of the Applicant No. 1/Transferor Company and Applicant No. 2/Transferee Company, as the Applicant No.1/Transferor Company and Applicant No. 2/Transferee Company do not have any secured creditors;

iii. Dispensation with the requirement to hold and convene the meeting of the unsecured creditors of the Applicant No. 1/Transferor Company and Applicant No.2/Transferee Company, as well as the requirement for issuance and publication of notices of such meetings in the newspapers, or in the alternative, the issuance of directions for convening such meetings; and

iv. Dispensation with the requirement to hold and convene the meetings of the debenture holders of the Applicant No.2 / Transferee Company.

3. The Applicant No.1/Transferor Company, is a public unlisted company primarily engaged in the business of investing in group companies through shares, bonds, loans, and other securities, while also providing guarantees and financial support. It is the promoter of the Applicant No.2/Transferee Company, holding 42.67% of its paid-up share capital.

4. The Applicant No. 2/Transferee Company is a listed small finance bank registered with the Reserve Bank of India. It provides a wide range of banking and financial services, including retail banking with a focus on micro-finance, lending to small businesses & MSMEs, loans for

commercial vehicle and commercial equipment, housing loans, loans to small corporates and financial institutions.

5. It is submitted that the registered office of both the Applicant Companies are situated in the State of Uttar Pradesh and hence are under the territorial jurisdiction of this Bench.

6. The rationale and the benefits of the Scheme are, inter alia, as follows:

a. The Scheme will result in compliance with the RBI mandated dilution requirements (under the SFB Guidelines and the RBI Acquisition Directions) in the most efficient manner.

b. The Scheme will create value for stakeholders including respective shareholders, and employees as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances and optimal utilisation of common resources.

c. The Transferor Company currently carries on financial activity in the nature of investments in bank deposits or other permissible securities (including shares of the Transferee Company) and derives its value primarily from its investment in the Transferee Company.

d. Pursuant to the amalgamation, shareholders of the Transferor Company will receive shares of a listed company in lieu of their holdings in the Transferor Company.

7. It is stated that the Board of Directors of the Applicant Companies in their respective meetings held on 20.09.2024 considered and unanimously approved the proposed Scheme of Amalgamation subject to sanctioning of the same by this Tribunal. The copies of the Board Resolutions of the Applicant Companies are attached as Annexure: 14 and 15 respectively, with the application.

8. The appointed date of the Scheme for the purpose of the Amalgamation shall be 01.04.2025 as mentioned in Clause 1.4 in Part-I of Scheme of Amalgamation which is attached as Annexure: 1 of the application.

9. It is stated that the Applicant No. 1 / Transferor Company has filed its Audited Financial Statements as of 31.03.2025 and 30.09.2025 attached as Annexure 6 and 7 respectively.

10. It is stated that the Applicant No. 2 / Transferee Company has filed its Audited Financial Statements as of 31.03.2025 and Unaudited provisional financial statements as of 30.09.2025 attached as Annexure 10 and 11 respectively.

11. It is further submitted that in pursuance of the proviso to Section 230(7) and Section 232(3) of the Act, the Applicant Companies have filed

certificate dated 20.09.2024, issued by their respective Statutory Auditors certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same are attached as Annexure 16 with the application.

12. It is further stated that BSE and NSE, have issued no objection letters dated 04.07.2025 and 07.07.2025 respectively, copies of which are Annexure 19 and 20 with the Application. It is further submitted that the directions contained in the above letters have been complied to the extent applicable and the Applicants will continue to comply with the same.

13. In Para 36 of the Application, the Applicants have listed the authorities to whom notice of this Application may be directed to be served. As regards notice to SEBI, it is submitted that in the No Objections Letters received from stock exchanges, it is stated that *"the company is not required to send notice for representation as mandated under section 230(5) of the Companies Act, 2013 to SEBI again for its comments/ observations/ representations."* Hence, no further notice under section 230(5) is required to be served on SEBI.

14. It is submitted that the Transferor Company and the Transferee Company are registered with the RBI as a NBFC-CIC and a small finance bank, respectively. Accordingly, the Applicants have obtained

a no-objection from RBI through letter dated 02.01.2025 in relation to the Scheme of Amalgamation. A copy of the no-objection letter received from RBI is annexed with the Application as Annexure 21. Further, it is submitted that apart from statutory authorities, since Applicant No. 2 is an NBFC, therefore RBI would be the relevant Sectoral Regulator.

15. It is further submitted that a joint valuation Report, dated 20.09.2024, for the proposed Scheme of Amalgamation, has been issued by RBSA Valuation Advisors LLP, Registered Valuer Entity, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV-E/05/2019/110. A copy of the said Valuation Report is annexed herewith as Annexure 17. The Share Exchange Ratio, as recommended and incorporated in the Scheme, is set out below:

- *699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up.*

16. It is submitted that the Scheme (Annexure 1) also takes care of the interest of the employees of the Applicant Companies by virtue of Clause 11 of Part-II of the Scheme.

17. As per para no. 67-70 and para no. 74 of the application it is submitted that there are no proceedings pending under Sections 210 to 220 and

223 to 229 of the Companies Act, 2013, further it is also submitted that no petition under Sections 241 and 242 of the Companies Act, 2013 has been filed against the Applicant Companies and there are no pending investigation proceedings against the Applicants.

18. It is deposed by the Applicants that the Scheme of Amalgamation shall be subject to such approvals, consents and permissions as may be required from the statutory and regulatory authorities, including: (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Ministry of Corporate Affairs, Uttar Pradesh; (c) Official Liquidator, Uttar Pradesh; (d) Reserve Bank of India; (e) National Stock Exchange of India Limited; (f) BSE Limited (collectively called "Stock Exchanges"); and (g) the Income Tax Authorities.

19. The Applicant Companies have furnished the following documents:

i. Proposed Scheme of Amalgamation (Annexure 1 of the application).

ii. Certificate of Incorporation along with Memorandum and Articles of Association of the Applicant Transferor Company and the Transferee Company (Annexure 2, 3 and Annexure 4, 5 respectively of the application).

iii. Certificates on status of Shareholders, Secured and Unsecured creditors of Transferor Company (Annexure 8 and 9 of the application).

iv. Certificates on status of Shareholders, Secured and Unsecured creditors of Transferor Company (Annexure 12 and 13 of the application).

v. Certificates of Statutory Auditors to the effect that the Accounting treatment proposed in the Scheme is in conformity with Section 133 of the Companies Act, 2013. (Annexure 12 of the application).

vi. Audited financial statements of the Applicant No.1 / Transferor Company as of 31.03.2025 and 30.09.2025. (Annexure 6 and 7 of the application).

vii. Audited financial statements of the Applicant No.2 / Transferee Company as of 31.03.2025 and Unaudited provisional financial statements as of 30.09.2025. (Annexure 10 and 11 of the application).

viii. Consent Affidavits of the Unsecured Creditors of the Applicant No. 1 / Transferor Company. (Annexure SA-1 of the Affidavit filed vide filing no. 0902109016732025/1.

ix. Joint Valuation Report (Annexure 17 of the application).

20. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors as follows:

Applicant No. 1/Transferor Company:

Particulars	Total No.	Dispensation/Meeting
Equity Shareholders	**4,578**	Meeting to be convened
Secured Creditors	**Nil**	Dispensation sought
Un-secured Creditors	**2**	Dispensation sought

Applicant No. 2/Transferee Company:

Particulars	**Total No.**	**Dispensation/Meeting**
Equity Shareholders	**2,73,115**	Meeting to be convened
Secured Creditors	**Nil**	Dispensation sought
Un-secured Creditors	**1292**	Though dispensation was initially sought, it was submitted during the hearing on 15.01.2026 that a meeting of the unsecured creditors be also convened, as recorded in paragraph 4 of the order dated 15.01.2026.
Non-Convertible Debenture Holders	**889**	Dispensation sought

Directions:

21. We have considered the submissions made by the Ld. Counsel, and perused the documents filed with the instant Application. We are of the view that the dispensation of the meetings prayed for by the Applicant

Companies deserves to be allowed. We accordingly give the following directions:

I. <u>In relation to the Applicant No. 1 / Transferor Company:</u>

a. The meeting of the Equity Shareholders of Applicant Transferor Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 10:30 A.M, subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 103 of the Companies Act, 2013;

b. Since, the Transferor Company does not have any Secured Creditor, the requirement for convening a meeting of Secured Creditors does not arise;

c. The meeting of the Un-secured Creditors of the Applicant Transferor Company is hereby dispensed with, keeping in view that 100% in value of the Un-secured Creditors have furnished their consent affidavits.

II. <u>In relation to Applicant No. 2 / Transferee Company:</u>

a. The meeting of the Equity Shareholders of Applicant Transferee Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 12:30 P.M., subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 103 of the Companies Act, 2013;

b. Since, the Applicant Transferee Company does not have any Secured Creditor, the requirement for convening meeting of Secured Creditors does not arise.

c. The meeting of the Un-secured Creditors of the Applicant Transferee Company be convened as prayed for and recorded in para no. 4 of order dated 15.01.2026, through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 03:30 P.M, subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 230(6) of the Companies Act, 2013.

d. The meeting of the Non-Convertible Debenture Holders is hereby dispensed with, keeping in view that the Transferee Company has 889 debenture holders, constituting 100% of the total debenture holders and representing INR 5,00,00,00,000/- (Indian Rupees Five Hundred Crore only) of the total outstanding value of the non-convertible debentures issued by the Transferee Company. Accordingly, as 100% in value of the debenture holders have accorded their consent to the Scheme of Amalgamation through affidavits filed by the Debenture Trustees, the requirement of convening their meeting stands dispensed with.

III. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter persons present and voting shall be deemed to constitute the quorum.

IV. All the aforesaid meetings shall be held through video conferencing and voting shall be conducted through electronic means. Remote e-voting facility shall be provided to the Equity Shareholders/ Unsecured Creditors of the Applicants 1 and 2.

V. The conduct of the meetings through video conferencing shall be governed by the operating procedure prescribed under Companies

Act and the Rules, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, Circulars issued by the Ministry of Corporate Affairs, Government of India, and by the SEBI and other applicable provisions.

VI. Since the Meetings are being held through Video Conferencing the shareholders, and unsecured creditors will not be entitled to appoint proxies to participate in the meetings on their behalf.

VII. Dr. Santosh Kumari, Advocate (Mobile No. 9814435192, Email id: sk.kumar7916@gmail.com), is appointed as the common Chairperson for the meetings to be called under this order. An amount of ₹2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson. The Chairperson shall have all other powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 read with the other applicable rules and provisions in relation to conduct of the meetings, including for deciding procedural questions that may arise at the meeting(s) or at any adjournment thereof, or any other matter relating to the meetings, including an amendment to the Scheme of Amalgamation, if any, proposed by any persons.

VIII. Mr. Anant Prakash, Advocate (Mobile No. 8960999016, E-mail id: anantprakash.adv@gmail.com), is appointed as the common Alternate Chairperson for the meetings to be called under this order. An amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.

IX. Mr. Sumit Agrawal, CA, (Mobile No. 9415348986, E-mail id: agrsumit@yahoo.co.in), is appointed as the common Scrutinizer for the above meetings to be called under this order. An amount of

₹1,00,000/- (Rupees One Lakh only) be paid for his services as the Scrutinizer.

X. The fee of the Chairperson, Alternate Chairperson, Scrutinizer and other out-of-pocket expenses for them shall be borne by the Applicant Companies.

XI. It is further directed that individual notices of the said meetings shall be sent by the Applicant Companies to all the Equity Shareholders and Unsecured Creditors, as the case may be, through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meetings, indicating the day, date and time as aforesaid, together with a copy of the Scheme, copy of the explanatory statement with Share Entitlement Ratio as discussed in para 14 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.

XII. It is further directed that along with the notices, Applicant Companies shall also send, statements explaining the effect of the Scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the Scheme of Amalgamation on any material interests of the Directors of the Companies, if any, as provided under sub-section (3) of Section 230 of the Act.

XIII. It is also directed that the Un-Audited Financial Statements (Provisional) of the Applicant Companies not older than 6 months' from the date of the meetings be also circulated for the aforesaid meeting(s) in terms of Section 232 (2) (e) of the Act.

XIV. That the Applicant Companies shall publish an advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the time of the meetings as aforesaid, to be published in "Financial Express" (English) and "Jansatta" (Hindi). The publication shall indicate the time within which copies of the Scheme of Amalgamation shall be made available to the concerned persons, free of charge from the registered office of the Applicant Companies. The publication shall also indicate that the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Applicant Companies in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016. The Applicant Companies shall also publish the notice of the meetings on its website, if any.

XV. It shall be the responsibility of the Applicant Companies to ensure that the notices are sent under the signature and supervision of the Chairperson and the Applicant Companies shall file their affidavits in the Tribunal at least 7 days before the date fixed for the meetings.

XVI. Voting is allowed on the proposed Scheme through remote e-voting process in compliance with the guidelines issued by the Ministry of Corporate Affairs in this regard.

XVII. The Chairperson shall be responsible to report the result of the meetings to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) working days of the conclusion of the

meetings. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson/Alternate Chairperson in preparing and finalizing the reports.

XVIII. The Applicant Companies in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (a) The Central Government through the office of the Regional Director, B-2 Wing, 2nd Floor, Pt. Deendayal Antyodaya Bhawan, 2nd Floor, C.G.O. Complex, New Delhi - 110003; (b) The Registrar of Companies, Kanpur, Uttar Pradesh, Ministry of Corporate Affairs, 37/17, Westcott Building, The Mall, Kanpur-208001, Uttar Pradesh and Email ID - roc.kanpur@mca.gov.in; (c) The Official Liquidator, Allahabad, Ministry of Corporate Affairs, 9th Floor, Sangam Place, Civil Lines, Allahabad-211001 and email ID- ol.allahabad@mca.gov.in (d) National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India; (e) Bombay Stock Exchange Limited Floor 25, P.J. Towers, Dalal Street, Mumbai-400001; (g) Reserve Bank of India and (h) the Income Tax Department, in the respective circle/ward where these Companies are assessed or through the nodal office by mentioning the PAN number of the Applicant Companies, if any, having email id – lucknow.pccit@incometax.gov.in; stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from

the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

XIX. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any Creditor entitled to attend the meetings as aforesaid.

XX. The Authorized Representative of the Applicant Companies shall furnish affidavits of service of notice of meetings and publication of advertisements and compliance of all directions contained herein at least a week before the proposed meetings.

XXI. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

XXII. The Company Petition for confirmation of the Scheme is to be filed within the time period prescribed under the provisions of the Act and corresponding rules made there under. The appropriate prayer would also be made in the second motion petition for publication in newspaper.

22. The Second Motion petition shall be filed within 7 days from the date of submission of report by Chairperson in accordance with the provisions of rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

23. With the aforesaid directions, this First Motion Application bearing CA (CAA) No.37/ALD/2025 is disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Co-Chairperson and the Scrutinizer immediately.

-Sd-	**-Sd-**
(Ashish Verma)	**(Praveen Gupta)**
Member (Technical)	**Member (Judicial)**

Dated: 11.02.2026

Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

UTKARSH COREINVEST LIMITED

Regd. Office: S-24/1-2, Fourth Floor, Mahavir Nagar,
Orderly Bazar, Near Mahavir Mandir,
Varanasi, Uttar Pradesh, PIN - 221002
Corporate Identity Number: U65191UP1990PLC045609
Phone: +91 9598069737
Email: secretarial@utkarshcoreinvest.com

This Abridged Prospectus ("**Disclosure Document**") has been prepared solely as per the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and all amendments thereto ("**SEBI Circulars**") in connection with the Scheme of Amalgamation between Utkarsh Small Finance Bank Limited ("**USFB**" or the "**Transferee Company**") and Utkarsh CoreInvest Limited ("**UCL**" or the "**Transferor Company**") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment or amendment thereof ("**the Act**") and all other applicable rules and regulations **("Scheme") filed before Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT")** .

This Disclosure Document has been prepared in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable read with Annexure II to the SEBI Master Circular No. HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 09, 2026 on Issue of Capital and Disclosure Requirements, to the extent applicable and contains the applicable information relating to UCL, which is an unlisted company.

This document should be read together with the Scheme and the notice along with the explanatory statement sent to the shareholders of USFB, in connection with the Scheme.

This Disclosure Document should not be considered as an invitation or an offer of any securities by or on behalf of USFB or UCL, on private placement or a public offer.

You may also download the Scheme and other relevant documents from the website of the Transferee Company (https:[www.utkarsh.bank.in]), BSE Limited ("**BSE**") (www.bseindia.com) and the National Stock Exchange of India Ltd. ("**NSE**") (www.nseindia.com) (hereinafter BSE and NSE collectively referred as "**Stock Exchanges**") where the equity shares of the Transferee Company are listed.

Unless specifically defined herein, capitalised terms and abbreviations used herein shall have the same meaning as ascribed to them in the Scheme.

THIS ABRIDGED PROSPECTUS CONTAINS 16 (sixteen) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

UTKARSH COREINVEST LIMITED
CIN: U65191UP1990PLC045609
Date of Incorporation: 15.05.1990

Registered Office	Corporate Office	Contact Person	Email and Telephone No.	Website
S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir	Same as Registered Office	Neeraj Kumar Tiwari,	secretarial@utkarshcoreinvest.com	www.utkarshcoreinvest.com

Mandir, Varanasi, Uttar Pradesh, PIN - 221002		Company Secretary	+91 9598069737	

NAME OF THE PROMOTERS OF THE RESULTING COMPANY

The Transferor Company does not have any promoter and the entire paid-up equity share capital is held by public shareholders.

Details of Offer to Public

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs.)	OFS Size (by no. of shares or by amount in Rs.)	Total Issue Size (by no. of shares or by amount in Rs.)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable as UCL is not offering any securities/equity shares and no investment by the public is being made in UCL, pursuant to the Scheme.							

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders *(upto a maximum of 10 selling shareholders)*

Name	Type	No of Shares offered/ Amount in Rs.	WACA in Rs per Equity
Not Applicable as no transfer of the securities/equity shares of UCL is proposed and no investment by the public is being made in UCL, pursuant to the Scheme.			

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis.

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band	Not Applicable as UCL is not offering any securities/equity shares and no investment by the public is being made in UCL, pursuant to the Scheme.
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

UTKARSH COREINVEST LIMITED
Regd. Office: S-24/1-2, Fourth Floor, Mahavir Nagar,
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Details of WACA of all shares transacted over the trailing eighteen months from the date of Disclosure Document

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price-Highest Price (in Rs.)
Trailing Eighteen Month from the date of Red Herring Prospectus	Not Applicable as UCL is not offering any securities/equity shares and no investment by the public is being made in UCL, pursuant to the Scheme.		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of Disclosure Document.

DETAILS OF THE SCHEME

BRIEF PARTICULARS OF THE SCHEME

As per the SFB Guidelines, the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025 dated 28 November 2025 and RBI Clarifications read with the RBI Acquisition Directions, the promoter of a small finance bank is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

The RBI vide its letter dated 9 July 2021 issued to the 'Association of Small Finance Banks of India', had allowed the amalgamation of a holding company (being promoter company) into and with the small finance bank (being subsidiary of promoter company) as a mode of achieving such exit for the first time.

In pursuant to Direction 7.1 of the RBI Acquisition Directions, the banking subsidiary, i.e. USFBL submitted its dilution plan to the RBI on 28 December 2023 for complying with the dilution requirements (which included an option of a reverse merger of the Transferor Company, i.e. UCL the promoter into the Transferee Company).

In view of the foregoing, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to Nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines, the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025 dated 28 November 2025 and the RBI Acquisition Directions as referred above.

RISKS IN RELATION TO THE FIRST OFFER – Not Applicable

UCL is an unlisted Company and is not offering any securities/equity shares through an initial public offer to the public at large, pursuant to the Scheme.

GENERAL RISKS

For taking any investment decision, investors must rely on their own examination of UCL and the Scheme, including the risks involved. The allotment of equity shares of USFB under the Scheme is limited to the shareholders of UCL. No equity shares are being issued by USFB pursuant to the Scheme. The equity shares have not been recommended or approved by SEBI, nor does, SEBI guarantees the accuracy or adequacy of the contents of this document. Specified attention of the investors is invited to the section titled "Risk Factors" at page no. [12] of this Abridged Prospectus.

PROCEDURE

The procedure with respect to public issue/offer would not be applicable to UCL as UCL is an unlisted company and is not offering any of its securities/equity shares to the public under the Scheme. Further, the allotment of equity shares of USFB under the Scheme is limited to the shareholders of UCL. Hence, the procedure with respect to a General Information Document is not applicable.

PRICE INFORMATION OF BRLM's* & OTHER DETAILS

Issuer Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from Listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
		+1% (+5%)	-2% (-5%)	
Not Applicable				

** Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.*

Name of BRLM and contact details (telephone and email id) of each BRLM	Not Applicable
Name of Syndicate Members	

Details of Statutory Auditors: M/s. DMKH & Co.
Firm Registration Number: 116886W / 066580
Address: 803-804, Ashok Heights, NICCO Circle, Near Bhuta School, Old Nagardas Lane, Gundavali, Andheri (East), Mumbai - 400069, Maharashtra, India
Phone no.: + 91-22-26824800 / 4900

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included –

Name of Registrar to the Issue and contact details (telephone and email id)	**Not Applicable**
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture Trustee, if any	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

BUSINESS MODELS/OVERVIEW AND STRATEGY OF THE COMPANY

Company Overview:	Utkarsh CoreInvest Limited is a non-banking finance company (NBFC) registered with the Reserve Bank of India and has its registered office in Varanasi, Uttar Pradesh.
Product/Service Offering:	The Company is primarily engaged in the business of investment in the group companies and is the promoting institution for Utkarsh Small Finance Bank Limited (USFBL).
Revenue segmentation by product/service offering:	Being a core investment company, the main source of revenue of the Company is interest from fixed deposits with the scheduled commercial banks. Further, the Company receives collection from written off loan accounts in the books of the Company as at March 31, 2017.
Geographies Served:	The Company has its registered & corporate office in Varanasi, Uttar Pradesh and does not have any branch.
Revenue segmentation by Geographies:	
Key Performance Indicators:	The following ratios have been reported to RBI as per audited financials of the Company as at March 31, 2025. All the ratios are in compliance with the RBI guidelines. 1. Investments and loans to group companies as a proportion of net assets: 99.87% 2. Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of net assets: 99.87% 3. Adjusted net worth to risk weighted assets: 108.21% Leverage Ratio: 0.00069
Client Profile or Industries Served:	The Company is not into the business of lending / accepting deposits. Hence, there are no clients as such. The Company is primarily engaged in the business of investment in the group company and is the promoting institution for Utkarsh Small Finance Bank Limited (USFBL).
Revenue segmentation in terms of top 5/10 clients or Industries:	Not Applicable since the company is not into public dealing. Being a core investment company, the main source of revenue of the Company is interest from fixed deposits with the scheduled commercial banks. Further, the Company receives collection from written off loan accounts in the books of the Company as at March 31, 2017.
Intellectual Property, if any:	Nil
Market Share:	Not Applicable

Manufacturing plant, if any:	Not Applicable
Employee Strength:	08 (eight)

DETAILS OF BOARD OF DIRECTORS OF THE COMPANY

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms	Other Directorships
1	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	Independent	Mr. G. S. Sundararajan is presently serving on Boards of several reputed companies in the Banking and Financial Service Sector. He is also actively involved in the field of Social Entrepreneurship in advisory capacities. He was till recently the Group Director, Shriram Group. He joined Shriram Group as the Managing Director of Shriram Capital Ltd., the Holding Company of Shriram Group's financial services and insurance businesses across India and overseas. Sundararajan's experience in the Asian market and his understanding of these countries and the business opportunities therein made Sanlam Emerging Markets induct him into their Board in South Africa in August 2013. In his capacity as Group Director, Mr. Sundararajan was a Director on the Board of the Group's subsidiaries to provide oversight in critical areas of strategic growth opportunities for each of these companies. Specifically, Mr. Sundararajan was responsible for the Retail and MSME business housed in Shriram City Union Finance and the life and non-life Insurance businesses, housed in	Hinduja Leyland Finance Limited Hinduja Housing Finance Limited One 97 Communications Limited Paytm Payment Services Limited Growxcd finance private limited

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms	Other Directorships
			the two Insurance ventures in collaboration with Sanlam, South Africa. Prior to his Shriram stint, Mr. Sundararajan was the CEO & Managing Director of Fullerton India Credit Company Ltd., a registered Non-Banking Finance Company catering to the financial services needs of the retail and commercial mass markets. He was also the Managing Director of Fullerton Enterprises Private Limited, a KPO, which had formed a strategic alliance with the Centurion Bank of Punjab to jointly drive the SME business. Mr. Sundararajan was nominated to the Boards of two Financial Services investments of Temasek in China, one in Nanjing for the SME Business and the other in Chengdu in their Village Bank franchise. He was an integral part of Temasek's vision for India in the Banking and Financial Services space that went on to become the fastest growing and largest networked Finance Company in the country. Earlier to this, he was the Managing Director and Head of Citibank's SME and Asset Based Finance business in India. He had an exceptional stint at Citibank where he built the SME and ABF (Asset Based Finance) business of the bank across the country. He started his career in Sales with	

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms	Other Directorships
			Eicher Mitsubishi and went on to head the captive finance arm of this company in India. He holds a Bachelor of Engineering degree from Coimbatore and a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Ahmedabad.	
2	Mr. Atul	Independent	Mr. Atul has over three (03) decades of Administrative Service experience with focus on Security, Vigilance and Anti-Corruption. Mr. Atul is an Indian Police Service (IPS) Officer of 1976 batch. Mr. Atul had served as Director General of Police (DGP), Uttar Pradesh (UP), DGP CBI in charge of UP and has been in-charge Additional Director General of Police, Crime, Law and Order. Mr. Atul had stints with Personnel Wing of DGP Headquarters as in-charge of IPS and PPS officers at Uttar Pradesh. Mr. Atul had been awarded Presidents Medal for distinguished service and has been President of IPS Association in Uttar Pradesh and President of Lucknow University Alumni Association. He is an M.Sc. (Physics) and B.Sc. (Physics, Math & Statistics) from Lucknow University.	

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms	Other Directorships
3	Mr. Aditya Deepak Parekh	Nominee	Mr. Aditya Deepak Parekh is the Co-founder of Faering Capital and has over 19 years of global and Indian experience in private equity and investment banking. Mr. Aditya serves on the Board of several Faering Capital portfolio companies including Utkarsh CoreInvest Limited, Finova Capital, WheelsEMI and FundsIndia. Prior to founding Faering Capital, Mr. Aditya was Vice President at Old Lane India Opportunities Fund, a private equity fund, where he was responsible for leading investments in the Indian real estate sector and was involved in evaluating opportunities across the infrastructure and financial services sectors. Earlier, Mr. Aditya had worked in the Media and Entertainment Investment Banking Group at Merrill Lynch, New York for five (05) years. He holds an MBA from the Wharton School, University of Pennsylvania and holds a Bachelor degree in Economics from Cambridge University.	Faering capital Trustee private limited. Wheelsemi Private Limited, Finova Capital Private Limited Bookmy forex private Limited, Faering capital private limited, Faering capital advisor LLP, Amp fitness LLP Fourap Partners LLP Faering capital Asses Management Limited Starship partners LLP Viridity tone LLP Fettle tone LLP

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms	Other Directorships
4	Mr. Suman Saurabh	Executive	Mr. Suman has over 15 years of industry experience especially in Bank and Micro Finance domain. He has handled senior management roles in different control and support functions at Utkarsh Small Finance Bank. Prior to appointment as MD & CEO of UCL, Mr. Suman was with Utkarsh Small Finance Bank (USFBL) as Head Structured finance and Lending. Initially he had joined Utkarsh Small Finance Limited as Head Finance & Corporate Communication. Prior to joining Utkarsh, he was with Bhartiya Micro Credit as Director and Chief Executive Officer. He also had stint with Bharitya Harit Khadi Gramudyog Sansthan as Founding Member Secretary, YTS Solutions Private Limited as General Manager Credit Products, Yes Bank Limited as Vice President, Food & Agri Business Research Management, Northern Arc Capital Limited (erstwhile IFMR Capital) as Business Head North and East India, IFMR Mezzanine Finance Private Limited as Senior Analyst, Business Development and Peoples' Association for Research and Development as District Co-ordinator. He started his career as a Field Supervisor with Gramudyog Hastkala Kendra. He is a PGDRM (Finance) from Institute of Rural Management, Anand (IRMA) and an Honours Graduate in Geography from Magadh University Bodhgaya.	Mahti Kushani Private Limited

UTKARSH COREINVEST LIMITED
Regd. Office: S-24/1-2, Fourth Floor, Mahavir Nagar,
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Phone: +91 9598069737
Email: secretarial@utkarshcoreinvest.com

OBJECT OF THE SCHEME

1. As per the SFB Guidelines (together with the clarifications dated 1 January 2015 issued by the RBI in relation to the queries on the SFB Guidelines) read with the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025 dated 28 November 2025 and the RBI Acquisition Directions, the promoter (in this case the Transferor Company) of a small finance bank (being the Transferee Company) is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

2. Further, as per the abovementioned clarifications to SFB Guidelines dated 1 January 2015, the promoter has been allowed to exit or cease to be a promoter of, a small finance bank after the expiry of 5 (five) years from the date of commencement of business operations by the small finance bank subject to the RBI's approval and regulations issued by Securities and Exchange Board of India ("**SEBI**"). The RBI, through its letter dated 9 July 2021 issued to the 'Association of Small Finance Banks of India', had allowed the amalgamation of a holding company (being promoter company) into and with the small finance bank (being subsidiary of promoter company) as a mode of achieving such exit.

3. In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Transferee Company submitted its dilution plan to the RBI on 28 December 2023 for complying with the dilution requirements (which included an option of a reverse merger of the Transferor Company into the Transferee Company). This dilution plan was acknowledged by the RBI on 9 February 2024 and thereafter, on 20 March 2024, the Transferee Company confirmed to the RBI that the board of directors of both the Transferee Company and the Transferor Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger.

4. The proposed Scheme of Amalgamation has been formulated in view of the foregoing, and consequent to the amalgamation as contemplated under the proposed Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines, the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025 dated 28 November 2025 and the RBI Acquisition Directions.

5. As mentioned above, the proposed Scheme of Amalgamation provides, inter alia, for the amalgamation of Applicant No.1/ Transferor Company with the Applicant No.2/ Transferee Company with effect from the appointed date, i.e., 1 April 2025, by way of merger by absorption and dissolution of the Transferor Company without winding up and the issuance of the equity shares of the Transferee Company to the equity shareholders of the Transferor Company in accordance with the Share Swap Ratio (i.e., 699 (six hundred ninety nine) equity shares of face value INR 10/- (Indian Rupees ten) of the Transferee Company (credited as fully paid-up) for every 100 (hundred) fully paid-up equity shares of face value INR 10/- (Indian Rupees ten) of the Transferor Company), in the manner provided for in the Scheme of Amalgamation and in compliance with the provisions of applicable law. The amalgamation of the Transferor Company into the Transferee Company is proposed to be undertaken in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act, 1961 such that:

   a. all the properties of the Transferor Company, immediately before the amalgamation, shall become the properties of the Transferee Company, by virtue of the amalgamation.

   b. all of the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of the amalgamation.

Details of means of finance: Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issue, if any, of the Company in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Not Applicable

Terms of Issuance of Convertible Security, if any: Not Applicable

SHAREHOLDING PATTERN (PRE SCHEME) OF UTKARSH COREINVEST LIMITED

Sr. No	Particulars	Pre-approval of Scheme	
		Number of Shares	% of Holding
1.	Promoter & Promoter Group	0	0.00%
2.	Public	99248763	100.00%
3.	Non-Promoter – Non-Public	-	-
	Total	99248763	100%

Number/amount of equity shares proposed to be sold by selling shareholder- if any: Not Applicable

AUDITED FINANCIAL

As per Consolidated Financial Statements:

(₹ in Lakhs)

Particulars	Half year Ended 30.09.2025	Year Ended 31.03.2025	Year Ended 31.03.2024	Year Ended 31.03.2023
Total Income from Operations (Net)	1,97,146.50	4,15,561.90	3,38,355.00	2,93,819.20
Net Profit/(Loss) before tax and extraordinary items	-68,369.10	-55,546.20	43,840.60	73,140.00
Net Profit/(Loss) after tax and extraordinary items	-51,248.90	-42,229.50	32,983.50	55,380.40
Equity Share Capital	9,937.80	9,937.20	9,874.40	9,842.10
Reserves and Surplus	1,89,805.80	2,40,885.40	2,81,234.20	1,97,804.20
Net Worth	1,99,743.60	2,50,822.60	2,91,108.60	2,07,646.30
Basic earnings per share (Rs.)	-51.70	-42.66	33.56	56.45
Diluted earnings per share (Rs.)	-51.67	-42.50	33.19	55.88
Return on Net Worth (%)	-26%	-17%	11%	27%
Net Asset Value per share / Book Value (Rs.)	200.99	252.41	294.81	210.98

As per Standalone Financial Statements: *(₹ in Lakhs)*

Particulars	Half year Ended	Year Ended	Year Ended	Year Ended
	30.09.2025	31.03.2025	31.03.2024	31.03.2023
Total Income from Operations (Net)	398.50	4,345.40	452.00	421.20
Net Profit/(Loss) before tax and extraordinary items	241.30	4,056.80	203.00	189.70
Net Profit/(Loss) after tax and extraordinary items	169.30	3,027.00	144.50	132.80
Equity Share Capital	9,937.80	9,937.20	9,874.40	9,842.10
Reserves and Surplus	75,813.50	75,657.30	75,174.70	74,539.60
Net Worth	85,751.30	85,594.50	85,049.10	84,381.70
Basic earnings per share (Rs.)	0.17	3.06	0.15	0.14
Diluted earnings per share (Rs.)	0.17	3.05	0.15	0.13
Return on Net Worth (%)	0.20%	3.54%	0.17%	0.16%
Net Asset Value per share / Book Value (Rs.)	86.29	86.14	86.13	85.74

INTERNAL RISK FACTORS

- The Scheme of Amalgamation is subject to approval of (i) shareholders of both the Transferee and Transferor Company (ii) unsecured creditors of the Transferee Company and (iii) National Company Law Tribunal in accordance with Section 230-232 of the Companies Act, 2013. In case of any of these required approvals or sanctions not received, the Scheme will not be completed.
- Any slowdown in the growth of Indian economy or future volatility in the global financial market, could also adversely affect the business.
- Our inability to attract, train and retain qualified personnel may have an effect on our business.
- Increasing intensity of sophisticated cyber-attacks may result in non-availability of information technology systems and information assets and loss of data integrity which may lead to disruption of business operations.
- If we are unable to accurately forecast our business, cash flows, financial condition and prospects may be adversely affected.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Transferor Company and amount involved:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against	Civil Litigations	Aggregate amount involved (Rs. in Lakhs)*
Utkarsh CoreInvest Limited	01 (One)	02 (Two)	Nil	Nil	Nil	3,748.03

B. Brief details of top 5 material outstanding litigations against the company and amount involved:

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
1.	29642070127012 0	Income Tax litigation	CIT (A)	January 27, 2020	Utkarsh CoreInvest Limited	For the FY 2016-17, the Income Tax Return of UCL was filed with a refund claim of ₹11,67,97,070/- The return was selected for scrutiny and the Income Tax Order was passed on Dec 29, 2019 stating an Income Tax refund of ₹23,83,813/- only. Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020. Further, the notice of Hearing u/s 250 had been received by the Company towards which the reply to the notice has been submitted on March 08, 2025.

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						Currently, the Company is awaiting order from CIT(A).
2.	ITA 48/VNS/ 2025	Income Tax litigation	Income Tax, Appellate Tribunal	April 15, 2021	Utkarsh CoreInvest Limited	For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and the Company received Income Tax Assessment Order dated Mar 18, 2021 u/s 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961 with a demand amounting to ₹1,03,89,279/-. Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021. The order of dismissal into the case has been passed by the CIT(A) on January 07, 2025. Further, the Company has filed an appeal before the Hon'ble Income-tax Appellate Tribunal (ITAT) on March 19, 2025 against the order passed by CIT(A). Currently, the Company is awaiting notice of hearing

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						from Income Tax Appellate Tribunal (ITAT).
3	Sec 91 CRPC Pertaining to FIR No. 181/23, Dated April 19, 2023	Criminal	Civil court, Varanasi	April 19, 2023	P.C. Pathak	A notice dated April 19, 2023 was issued under Section 91 of Code of Criminal Procedure, 1973 against UCL pertaining to an FIR registered with Cantonment, Police Station, Commissionerate, Varanasi for offences under sections 419, 420 and 409 of Indian Penal Code, 1860. The investigating authority alleged that UCL availed INR 250 million loan from Micro Units Development & Refinance Agency Limited ("**MUDRA**") and distributed the amount amongst themselves and their associates. The investigating authority asked UCL, among others, to furnish complete details of INR 250 million received from MUDRA. UCL vide its reply dated May 23, 2023 submitted, inter alia, that (a) it had availed INR 250 million refinance facility from MUDRA in the Fiscal Year 2017 which is extended only to eligible financial institutions, and has disbursed the loans to

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						eligible borrowers, i.e., 20,000 women beneficiaries under the Pradhan Mantri Mudra Yojana Scheme; (b) the refinance facilities have been closed by repaying the principal and interest in full and a 'No Dues Certificate' dated March 30, 2019 to that effect has also been issued by MUDRA; and (c) the three financial years' i.e., financial years 2016-17, 2017-18 and 2018-19 audited balance sheets along with the independent auditor's (as approved by the RBI) report was provided for clarity on the funds utilization. With respect to furnishing Details on loans and customers, to whom loans were disbursed by the company were given / provided to the investigating officer at their demand. The Investigating officer had concluded the investigation, and submitted the Final Report (FR) draft to senior officials for review & submission to the District Court. As per the information gathered as well, the Final

Sl. No.	Case Number	Category of Case (criminal, civil, consumer, etc)	Court/Forum	Date of filing of case	Name of plaintiff/petitioner/ complainant/applicant	Brief Description and status. Particulars
						Report has been duly submitted to the Competent Authorities on August 11, 2025. Final outcome is yet awaited.

C. Regulatory Action, if any- disciplinary action taken by SEBI or stock exchanges against the Promoters of the Transferor Company in last 5 financial years including outstanding action, if any: Not applicable.

D. Brief details of outstanding criminal proceeding against Promoters of the Transferor Company: Nil

ANY OTHER IMPORTANT INFORMATION AS PER UCL: Nil

DECLARATION BY THE COMPANY:

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines/regulations issued thereunder, as the case may be. We further certify that all statements made in the Disclosure Document are true and correct.

For Utkarsh CoreInvest Limited

Neeraj Kumar Tiwari
Company Secretary

Date: 21.02.2026
Place: Varanasi

SKP SECURITIES LTD
creating prosperity

PRIVATE & CONFIDENTIAL

Date: February 23, 2026

To
The Board of Directors,
UTKARSH COREINVEST LIMITED
S-24/1-2, Fourth Floor, Mahavir Nagar,
Orderly Bazar, Near Mahavir Mandir,
Varanasi, Uttar Pradesh – 221002.

To
The Board of Directors
Utkarsh Small Finance Bank Limited
Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur
Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105

Dear Members of the Board,

Sub.: Certificate on adequacy and accuracy of disclosures made in the format of Abridged Prospectus for Utkarsh CoreInvest Limited pursuant to Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 Issued by the Securities and Exchange Board of India (SEBI).

Re: Scheme of Amalgamation between Utkarsh Small Finance Bank Limited ("USFBL" or the "Transferee Company") and Utkarsh CoreInvest Limited ("UCL" or the "Transferor Company") and their respective shareholders.

We, SKP Securities Limited, SEBI Registered Category – I Merchant Banker, refer to our engagement letter dated February 16, 2026 for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to scheme of arrangement between Utkarsh Small Finance Bank Limited ("**USFBL**" or the "**Transferee Company**") and Utkarsh CoreInvest Limited ("**UCL**" or the "**Transferor Company**") and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("**Scheme of Amalgamation**").

Regulatory Requirement: SEBI vide its Master circular no SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**") prescribed requirements to be fulfilled by the listed entities when they propose a scheme of arrangement. The SEBI Circular, amongst other things, provides that in the event a listed entity enters into a scheme of amalgamation with the unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified in the aforesaid circular.

We, SKP Securities Limited, the Merchant Banker state and confirm in respect of the above proposed Scheme of Amalgamation that:

SKP SECURITIES LTD.

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789 Anandapur
E M Bypass
Kolkata 700107 India
+91 33 66777000
contact@skpsecurities.com
skpsecurities.com

- We have examined various documents and other materials in connection with finalisation of disclosure of information pertaining to UCL ("**Abridged Prospectus**") which will be circulated to the members at the time of seeking their consent to the proposed Scheme of Amalgamation of Transferor Company with the Transferee Company as a part of the explanatory statement to the notice.

- On the basis of such examination and the discussions with the management of UCL, its directors, other officers, other agencies and on independent verification of contents of Abridged Prospectus and other papers furnished to us, we state that:

  - The information contained in the Abridged Prospectus dated February 21, 2026 is in conformity with the relevant documents, materials and other papers related to UCL.

  - The Abridged Prospectus contains applicable information as required in terms of SEBI Circulars which, in our view are fair, adequate and accurate to enable the members to make a well-informed decision on the proposed Scheme of Amalgamation of Transferor Company with the Transferee Company.

Disclaimer and Limitation

- This certificate is a specific purpose certificate issued in terms and in compliance with SEBI Circular and hence it should not be used for any other purpose or transaction.

- We have also availed undertakings/representations/affirmations from UCL and its directors for various disclosures made in the Abridged Prospectus.

- This certificate is issued on the basis of examination of information and documents provided by UCL and information which is available in the public domain and wherever required, the appropriate representation from UCL has also been obtained.

- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use or reliance on the information set out in the report.

- This certificate should not be constructed as our opining or certifying the compliance of the proposed Scheme of amalgamation with the provisions of any law including companies, taxation, capital market, related law or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

- The above confirmation is based upon the information furnished and explanations provided to us by the management of the UCL assuming the same is complete and accurate in all aspects on an as-is basis. We have relied upon the financials, information and representations furnished to us on an as-is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any financial information referred in the Abridged Prospectus.

For SKP Securities Limited

Anup Kumar Sharma

Anup Kumar Sharma
Head – Merchant Banking
SEBI Regn. No. INM000012670
Place: Kolkata

SKP SECURITIES LTD.

Annexure -I

Utkarsh Small Finance Bank Limited

Provisional & Unaudited Consolidated Balance Sheet as on April 01, 2025

(₹ in Crores)

	As on April 01, 2025
CAPITAL and LIABILITIES	
Capital	1,036.95
Share Application Money	0.02
Reserves and Surplus	2,003.52
Deposits	21,512.89
Borrowings	2354.77
Other Liabilities and Provisions	1,232.00
Total	**28,140.15**
ASSETS	
Cash and balances with Reserve Bank of India	2,638.28
Balances with banks and money at call and short notice	798.35
Investments	4,957.89
Advances	18,716.48
Fixed Assets	387.23
Other Assets	641.92
Total	**28,140.15**

Notes

a) The Post Merger Share Capital & Reserves & Surplus are arrived considering the swap ratio.

b) The Reverse Merger (Draft Scheme of Amalgamation) envisages the transfer of all assets, liabilities and reserves of the Transferor Company (Utkarsh Core Invest Limited / UCL) , shall be recorded by the Transferee Company (Utkarsh Small Finance Bank / the Bank) in its books of accounts at their respective book values, and in the same form, as appearing in the books of the UCL (converted into applicable GAAP of the Bank i.e., Indian GAAP).

c) The Provisional & Unaudited Consolidated Balance Sheet as on the Appointed Date viz April 01, 2025, is based on standalone audited financials of both Transferor Company (Utkarsh Core Invest Limited / UCL) and Transferee Company (Utkarsh Small Finance Bank / the Bank).

d) The Provisional & Unaudited Consolidated Balance Sheet as on the Appointed Date is prepared in accordance with the Scheme of Amalgamation (Accounting treatment - Clause 22 & 23) basis "Pooling of interest" method read with Accounting Standard – 14 "Accounting for Amalgamation". For example, Inter-company transactions and balances outstanding between UCL and the Bank is eliminated / netted off for the purpose of arriving at Consolidated Balance Sheet as on the Appointed date.