



Utkarsh Small Finance Bank

SE/2023-24/28

August 8, 2023

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400001 Scrip Code: 543942, 958095, 958226, 959644	National Stock Exchange of India Limited 5th Floor, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 NSE symbol: UTKARSHBNK
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Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results of the Bank for the quarter ended June 30, 2023

Further to our letter dated July 27, 2023 intimating the date of the Board meeting and in accordance with Regulations 30, 33, 51, 52, & 52(4) and other applicable regulations, if any, of Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), this is to inform that the Board of Directors of Utkarsh Small Finance Bank Limited at its meeting held today, inter alia, considered and approved

1. Statement of unaudited financial results for the quarter ended June 30, 2023 along with Limited review report issued by M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. Kirtane & Pandit LLP, Chartered Accountants, Joint Statutory Auditors.
2. Alteration of Articles of Association and revision of remuneration to be paid to Managing Director & CEO for FY 2023-2024.

A copy of the said Financial Results, along with the Limited Review Report thereon, submitted by the Joint Statutory Auditors of the Bank, is enclosed herewith.

The Board Meeting today commenced at 2:00 p.m. (IST) and concluded at 7:30 p.m. (IST).

The above information is also being hosted on the Bank's website://www.utkarsh.bank/investors

For Utkarsh Small Finance Bank Limited

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by Muthiah
Ganapathy
Date: 2023.08.08
19:44:17 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer

Registered & Corporate Office:

Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua Varanasi - Uttar Pradesh 221105
CIN: U65992UP2016PLC082804 | Tel.: 0542-6605555 | Website: www.utkarsh.bank

Deloitte Haskins & Sells

19th Floor, Shapath-V
S.G. Highway
Ahmedabad - 380 015
Gujarat, India
Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

Kirtane & Pandit LLP

Chartered Accountants
H-16, Saraswat Colony,
Sittladevi Temple Road,
Mahim West, Mumbai 400 016
Tel: +91 022 2444 4119
Fax: +91 022 2444 1147

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**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 ended June 30, 2023 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "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 (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 the aforesaid Accounting Standard, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to Banks, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)



G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 23109839BGXQDJ4530
Place: Mumbai
Date: August 8, 2023

For **Kirtane & Pandit LLP**
Chartered Accountants
(Firm Registration No. 105215W/W100057)



Sandeep Welling
Partner
Membership No. 044576
UDIN: 23044576BGXPUG7988
Place: Mumbai
Date: August 8, 2023



Utkarsh Small Finance Bank Limited

CIN: U65992UP2016PLC082804

Registered office address: Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN -221105

Statement of unaudited Financial Results for the quarter ended June 30, 2023

(₹ in lakh)

	For the quarter ended 30 June 2023	For the quarter ended 31 March 2023	For the quarter ended 30 June 2022	For the year ended 31 March 2023
	Unaudited	Audited	Unaudited	Audited
1 Interest Earned (a+b+c+d)	72,049.53	69,110.92	57,083.41	2,50,497.98
(a) Interest discount on advances bill	64,745.06	62,196.48	52,198.41	2,27,812.10
(b) Income on investments	4,583.24	4,644.43	3,415.48	15,053.55
(c) Interest on balances with Reserve Bank of India and other interbank	1,720.62	2,269.33	1,468.63	7,629.03
(d) Others	0.61	0.68	0.89	3.30
2 Other Income	9,189.91	6,914.69	8,449.70	29,930.62
3 Total Income (1+2)	81,239.44	76,025.61	65,533.11	2,80,428.60
4 Interest Expended	29,846.45	28,152.06	22,161.01	97,594.89
5 Operating Expenses (i) - (ii)	29,270.95	27,042.52	22,038.52	99,001.36
(i) Employees cost	17,028.80	15,895.02	12,686.45	57,005.69
(ii) Other operating expenses	12,242.15	11,147.50	9,352.07	41,995.67
6 Total Expenditure (4+5) excluding provisions and contingencies	59,117.40	55,194.58	44,199.53	1,96,596.25
7 Operating Profit before Provisions and Contingencies (3-6)	22,122.04	20,831.03	21,333.58	83,832.35
8 Provisions (other than tax) and Contingencies	7,665.55	3,409.74	9,133.94	30,250.93
9 Exceptional item	-	-	-	-
10 Profit for the period / year before tax (7-8-9)	14,456.49	17,421.29	12,199.64	53,581.42
11 Tax expense	3,706.97	4,041.50	3,250.53	17,131.23
12 Net Profit for the period / year after tax (10-11)	10,749.52	13,379.79	8,949.11	40,450.19
13 Paid-up equity share capital (of ₹ 10 each)	89,590.47	89,590.47	89,552.15	89,590.47
14 Reserves excluding Revaluation Reserves	-	-	-	10,441.59
15 Analytical Ratios				
Capital Adequacy Ratio (Refer Note 5)	19.83%	20.64%	21.78%	20.64%
EPS Basic (₹) (not annualised for quarters)	1.20	1.49	1.00	4.52
EPS Diluted (₹) (not annualised for quarters)	1.20	1.49	1.00	4.51
NPA Ratios				
Gross NPA	43,112.58	43,150.36	62,798.11	43,150.36
Net NPA	4,399.25	5,051.16	17,431.31	5,051.16
% of Gross NPA	3.13%	3.23%	5.73%	3.23%
% of Net NPA	0.33%	0.39%	1.66%	0.39%
Return on Assets (not annualised for quarters)	0.57%	0.73%	0.60%	2.45%
Net Worth*	1,84,218.92	1,84,482.24	1,52,479.52	1,84,482.24
Total Debt [#] to Total Assets ratio	11.58%	12.29%	15.71%	12.29%
Debt Equity Ratio [#]	1.06	1.17	1.43	1.17

* as per RBI guidelines

#Debt represents total borrowings of the Bank & Equity consists of Share Capital plus Reserves

As per regulation 33 and regulation 52(4) of SEBI (Listing Obligation & Disclosure Requirements) regulations 2015, the equity and debt listed entities are required to disclose certain ratios. However the ratios which are relevant to Banking sector are disclosed above



2. Segment information in accordance with the RBI guidelines and Accounting Standard - 17 "Segment reporting" of the operating segments of the Bank is as under:

(₹ in lakh)

	For the quarter ended 30 June 2023	For the quarter ended 31 March 2023	For the quarter ended 30 June 2022	For the year ended 31 March 2023
	Unaudited	[Refer note (i)]	[Refer note (i)]	Audited
1 Segmental Revenue				
(a) Retail	68,967.88	64,213.20	57,795.87	2,42,543.58
(b) Wholesale	4,967.70	4,707.92	2,723.07	14,608.28
(c) Treasury	7,303.87	7,106.17	5,014.17	23,276.75
(d) Unallocated	-	-	-	-
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	81,239.45	76,027.29	65,533.11	2,80,428.61
2 Segmental Results				
(a) Retail	14,873.68	16,520.76	12,599.12	54,343.40
(b) Wholesale	(1,240.36)	367.21	(855.86)	(2,862.75)
(c) Treasury	823.17	533.31	456.36	2,100.76
(d) Unallocated	-	-	-	-
Total Profit before Tax	14,456.49	17,421.28	12,199.62	53,581.41
3 Segmental Assets				
(a) Retail	12,03,720.57	11,66,727.90	9,69,809.91	11,66,727.90
(b) Wholesale	1,66,842.29	1,59,326.06	96,412.20	1,59,326.06
(c) Treasury	5,24,321.12	5,42,584.10	4,09,819.57	5,42,584.10
(d) Unallocated	44,733.88	43,116.11	44,151.38	43,116.11
Total Assets	19,39,617.86	19,11,754.17	15,20,193.06	19,11,754.17
4 Segmental Liabilities				
(a) Retail	8,86,135.37	8,73,466.32	6,25,040.16	8,73,469.39
(b) Wholesale	6,12,312.20	5,98,471.76	4,82,146.66	5,98,468.69
(c) Treasury	2,26,782.81	2,37,120.57	2,41,403.02	2,37,120.57
(d) Unallocated	3,369.26	2,663.44	4,761.67	2,663.44
(e) Capital & Reserves	2,11,018.21	2,00,032.08	1,66,841.55	2,00,032.08
Total Liabilities	19,39,617.85	19,11,754.17	15,20,193.06	19,11,754.17

Notes:

(i) Consequent to the listing of equity shares of the Bank as stated in Note 8 below and pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Bank has disclosed the segment information. The figures for comparative periods in the segment information were neither reviewed nor subjected to audit as it was not required to be reported in the previous periods.

(ii) Business segments have been identified and reported taking into account the target customer profile, the nature of product and services, the differing risk and return, organization structure, the internal business reporting system and guidelines prescribed by the RBI and in compliance with the Accounting Standard - 17 "Segment Reporting".

(iii) The RBI vide its circular dated April 7, 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 separate segment as per Accounting Standard 17 (Segment Reporting) issued by Institute of Chartered Accountants of India and relevant RBI circular in the unaudited financial results.

3. The above financial results for the quarter ended 30 June 2023 have been reviewed by the Audit Committee at its meeting held on 08 August 2023 and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on 08 August 2023.

The financial results have been subjected to limited review by the Joint Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). An unmodified review report has been issued by them thereon.

4. These financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principal in India, including accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2006, as amended ("Accounting Standard") as applicable to the banks, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015, as amended and guidelines issued by Reserve Bank of India (RBI). The Bank has applied its significant accounting policies in preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023.

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5. The Capital adequacy ratio ("CRAR") has been computed as per the Operating guidelines vide RBI notification RBI/2016-17/81 DBR.NBD NO 26/16.13.218/2016-17 dated October 06, 2016 ("the Operating guidelines") prescribed for Small Finance Banks. The Bank has followed Basel II standardised approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk has been computed in view of the exception contained in RBI Notification DBR, NBD NO. 4502/16.13.218/2017-18 dated November 08, 2017.
- The financial results for the quarter ended June 30, 2023 is unaudited and is subject to limited review, hence as per the requirement of the aforementioned RBI guidelines the profit for the current quarter is not considered in the calculation of capital adequacy ratio. The Board of Directors of the Bank, in its meeting dated July 24, 2023, has approved early redemption of subordinated NCD (ISIN INE735W08012) of Rs 25 crore in accordance with requisite approval received from SEBI and RBI as applicable. The Bank has commenced procedures as required for early redemption and the same is likely to be completed in this quarter. Considering this, the Bank has not included aforesaid NCD in Tier 2 capital of the Bank in computation of the CRAR.
- The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous periods is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
6. As at June 30, 2023, Bank carries floating provision of ₹ 10,622.48 lakhs (₹9,264.95 lakhs as at March 31, 2023). Further, the Bank was carrying an additional contingency provision of ₹ 1,300 lakhs as at March 31, 2023 which has been fully utilised in the current quarter.
7. The Bank has 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. The expenses incurred towards IPO of its equity shares has been adjusted with the Securities Premium account in accordance with Section 52 of the Companies Act, 2013 subsequent to June 30, 2023.
8. Other income includes processing fees, general banking service fees & related income, profit/loss on sale of investment (including provision for depreciation), recovery from loans written off and income from sale of PSLC.
9. During the quarter ended June 30, 2023, there is no transfer or acquisition of stressed loans (Non Performing Assets / Special Mention Accounts).
10. During the quarter ended June 30, 2023, the Bank has not acquired/transferred any loans not in default through the assignment of loans.
11. The figures for the quarter ended March 31, 2023 are the balancing figure between the audited figures in respect for the full financial year and figures for the nine months ended December 31, 2022 which were subject to audit by the joint statutory auditors.
12. Figures of the previous periods / year have been regrouped / reclassified, wherever necessary to conform current period classification.

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: U65992UP2016PLC082804

Place: Mumbai
Date: 8 August 2023


Govind Singh
Managing Director & CEO
DIN: 02470880

