



**Utkarsh Small Finance Bank**

**July 31, 2025**

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

**National Stock Exchange of India Limited**  
**Symbol:** UTKARSHBNK

Dear Sir/Madam,

**Sub: Notice of Ninth (9<sup>th</sup>) Annual General Meeting and Annual Report of Utkarsh Small Finance Bank Limited for financial year 2024-25**

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Pursuant to the Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please be informed that the Ninth (9<sup>th</sup>) Annual General Meeting ("AGM") of the Members of the Bank will be held on Friday, August 22, 2025 at 02:30 p.m. (IST) through Video Conferencing/Other Audio Visual Means in compliance with the applicable regulatory provisions.

In this regard, please find attached the Notice of 9<sup>th</sup> AGM ("Notice") and Annual Report for the financial year 2024-25 including the Business Responsibility and Sustainability Report and the same is also available on the website of the Bank at the link given below:

- [https://www.utkarsh.bank/uploads/template\\_forty\\_pdf/AGM\\_Notece\\_2024-25.pdf](https://www.utkarsh.bank/uploads/template_forty_pdf/AGM_Notece_2024-25.pdf)
- [https://www.utkarsh.bank/uploads/template\\_forty\\_pdf/Annual\\_Report\\_FY\\_2024\\_25.pdf](https://www.utkarsh.bank/uploads/template_forty_pdf/Annual_Report_FY_2024_25.pdf)

The Notice of AGM and the Annual Report for financial year 2024-25 is being sent by electronic means to the Members who have registered their e-mail address with Bank/Registrar and Share Transfer Agent /Depository Participants and other stakeholders entitled to receive the same as per applicable laws. A letter providing the web-link, including the exact path, for accessing the Notice of AGM and the Annual Report 2024-25 is sent to those Members who have not registered their email address. A copy of the said letter is enclosed for your record.

This is for your information and records.

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

**Muthiah Ganapathy**  
**Company Secretary & Compliance Officer**

Encl.: As above

**Registered & Corporate Office**

Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221105.  
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 [www.utkarsh.bank](http://www.utkarsh.bank)

# 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!





1

Utkarsh Small Finance Bank navigated FY2024-25's regulatory changes with agility, reinforcing its growth trajectory.

5

principal  
messages of  
this Annual  
Report

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.



## 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.



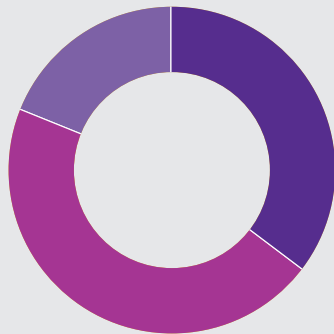
We bridge the gap between traditional banking and people at the bottom of the economic pyramid.





**Utkarsh CoreInvest Limited  
(Holding Company)**  
(as on March 31, 2025)

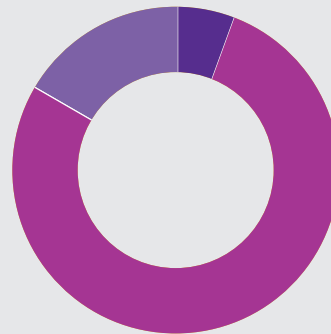
% of shares



Foreign Institutional Investors	35.49
Domestic Institutional Investors	45.69
Individuals & Others	18.82
<b>Total share</b>	<b>100%</b>

**Utkarsh Small Finance Bank Limited**  
(as on March 31, 2025)

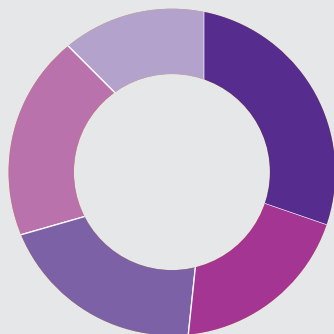
% of shares



Foreign Institutional Investors	5.68
Domestic Institutional Investors	77.81
Individuals & Others	16.51
<b>Total share</b>	<b>100%</b>

**Top 5 investors/investor groups**  
(as on March 31, 2025)

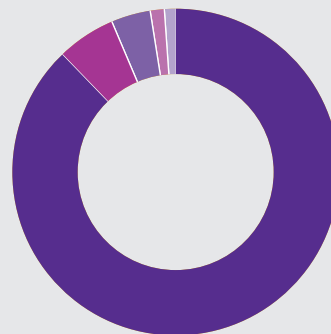
% of shares held



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)

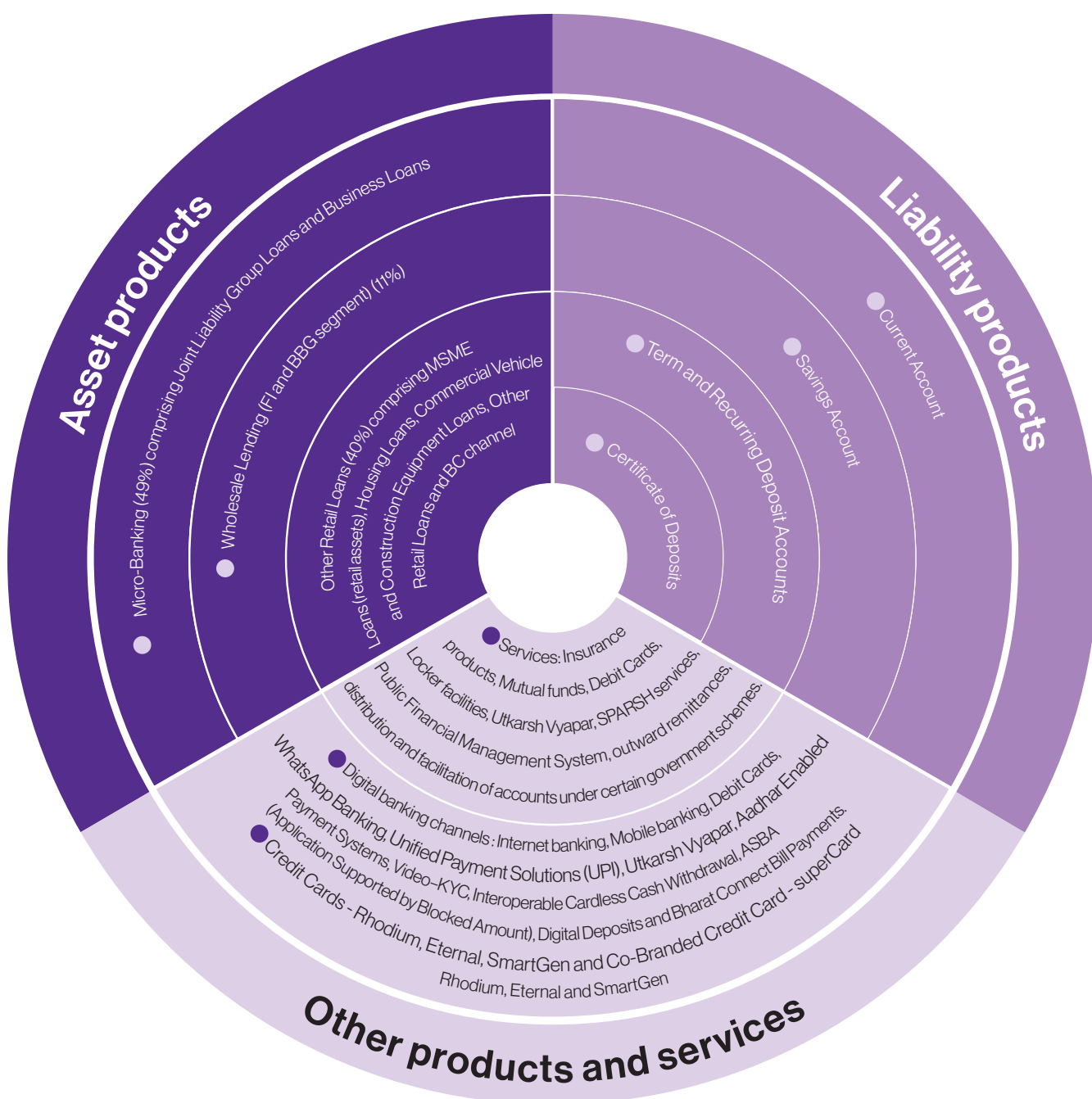
% of shares held



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



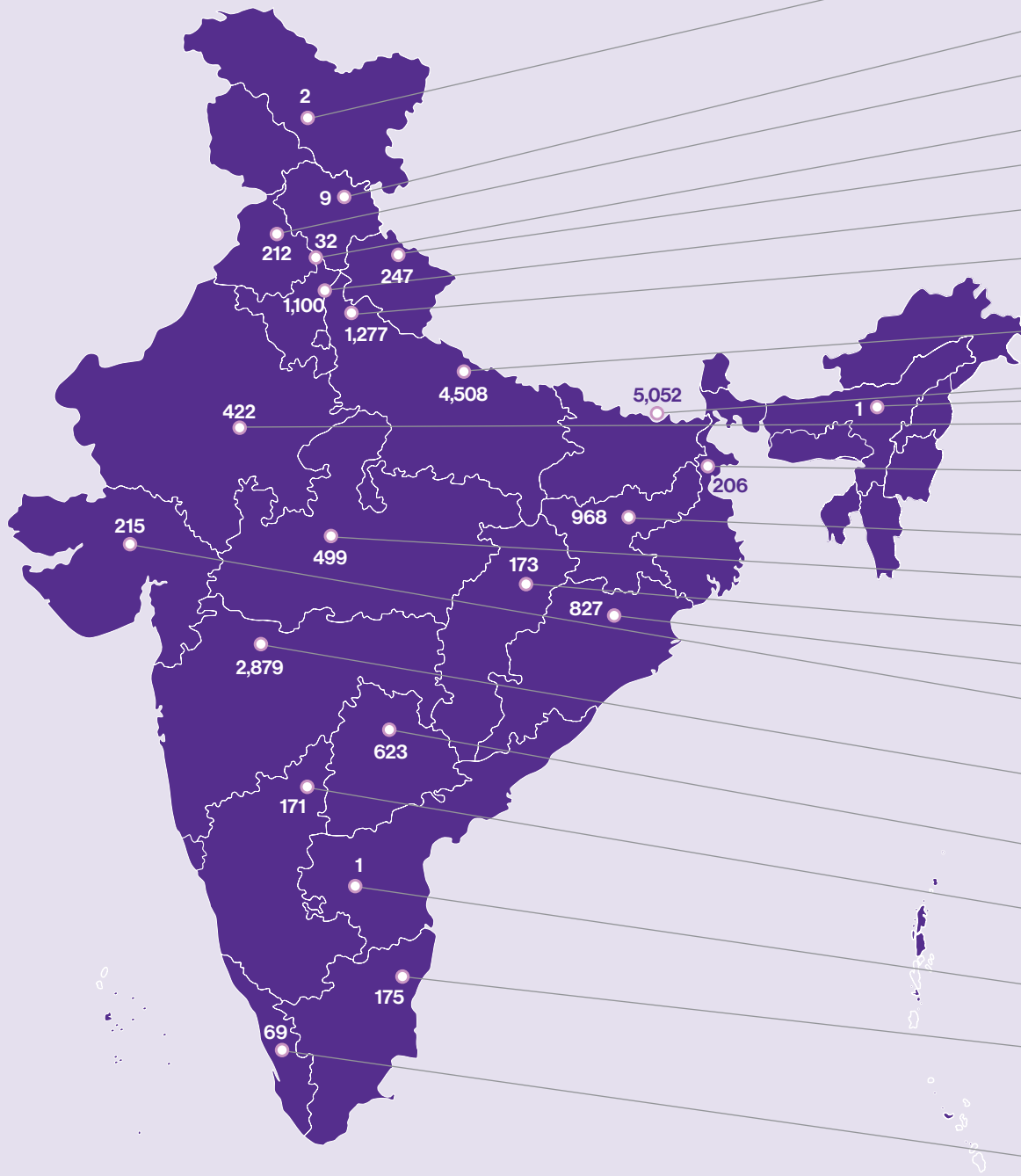


Utkarsh Small Finance Bank  
Aapki Ummeed Ka Khaata

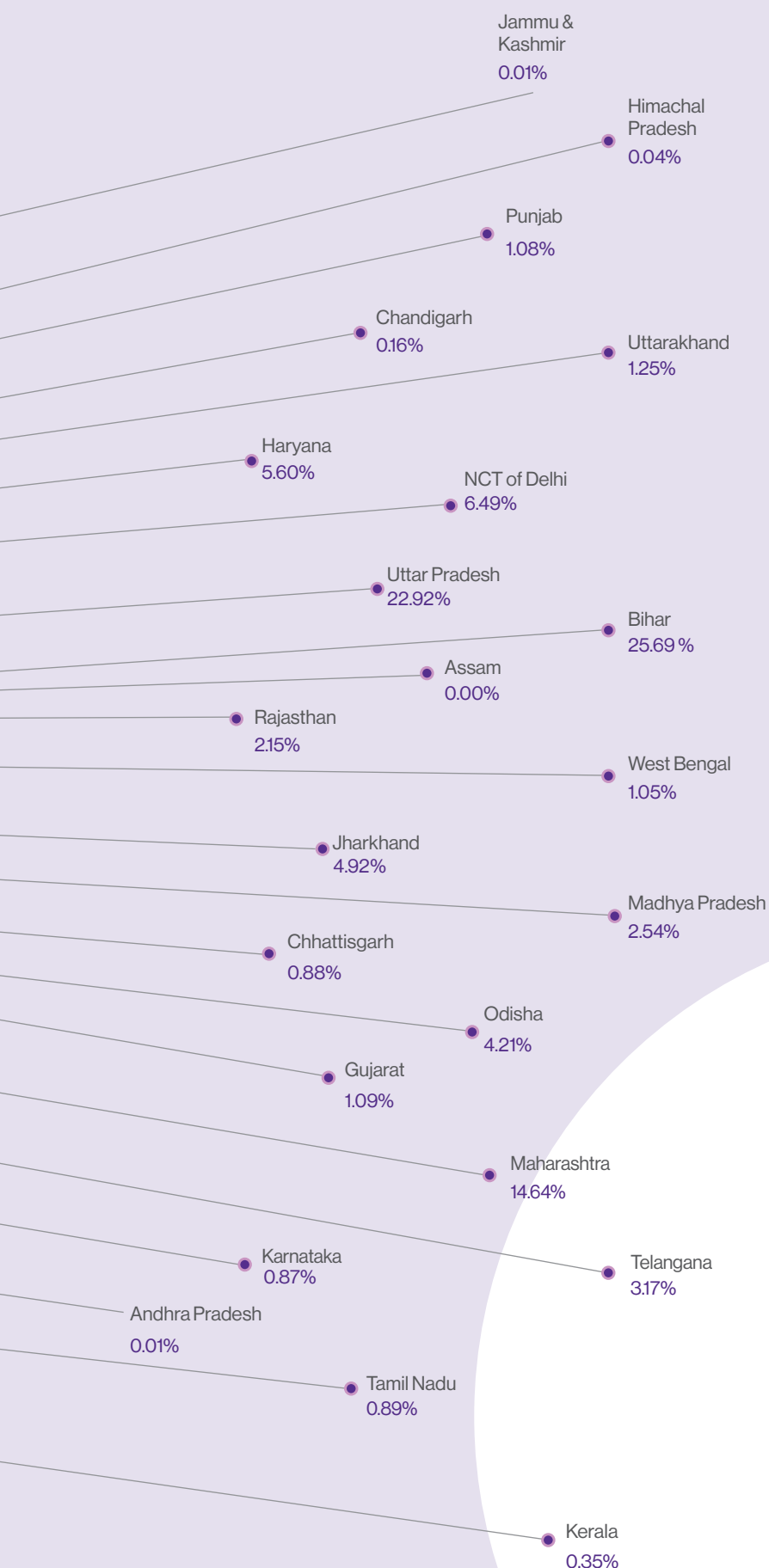
Geographical **Presence**

# 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





# How Utkarsh has grown over the years

## 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.

## 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.

## Milestones

## 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

## FY2023

- Expanded digital offerings with UPI Lite via BHIM, UPI QR for JLG clients, and mobile-based personal loan disbursements; 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.

## 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.

## 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.

## 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.
- 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.

## FY2022

- Bank's loan portfolio and deposits crossed the milestone of ₹10,000 Crore.
- Raised equity capital of ₹150 Crore in Q2, FY 22.

## 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.



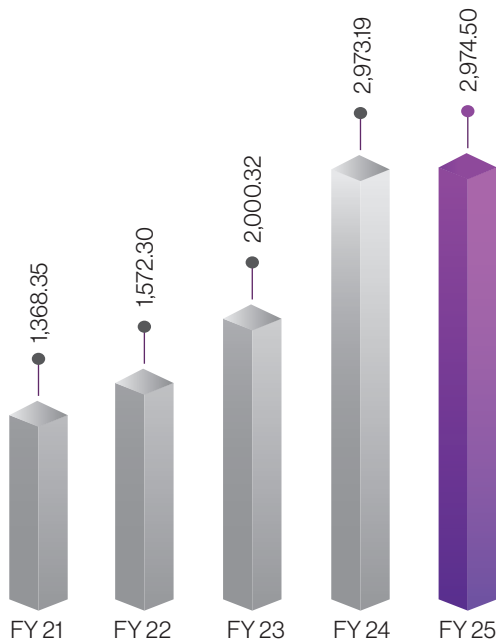
## Financial Outcomes

# Our Financials across the years

### Balance Sheet indicators

#### Net worth (Capital + Reserves)

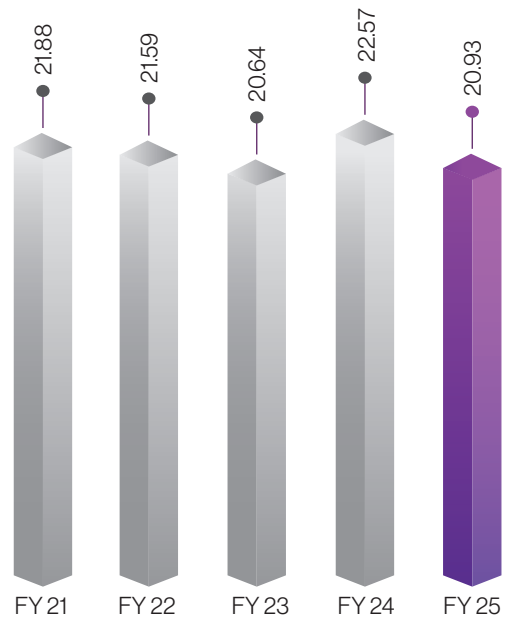
(₹ Crores)



### Balance Sheet indicators

#### Capital adequacy ratio

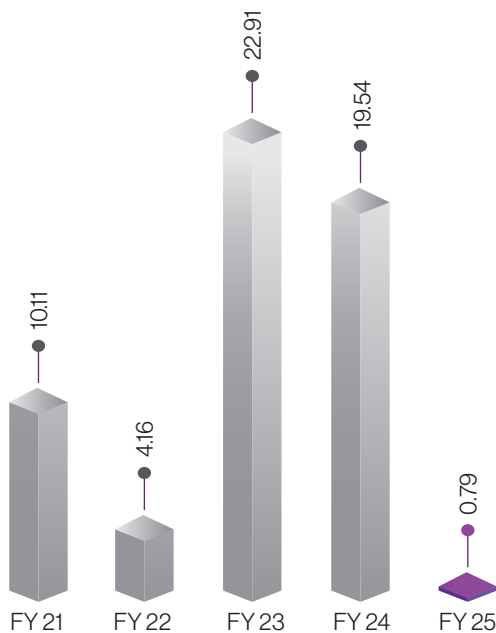
(in %)



### Balance Sheet indicators

#### Return on average equity

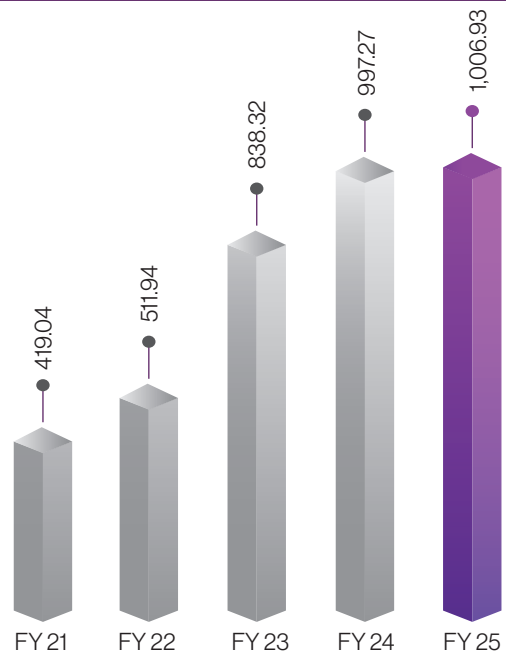
(in %)



### Profit and loss indicators

#### Pre-provisioning operating profit

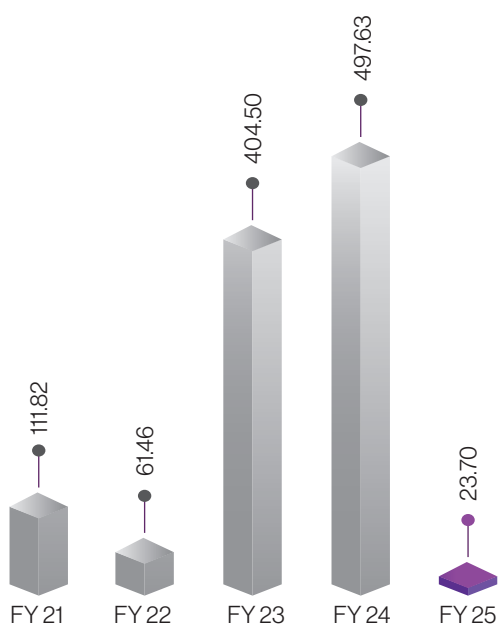
(₹ Crores)



## Profit and loss indicators

### Profit after tax

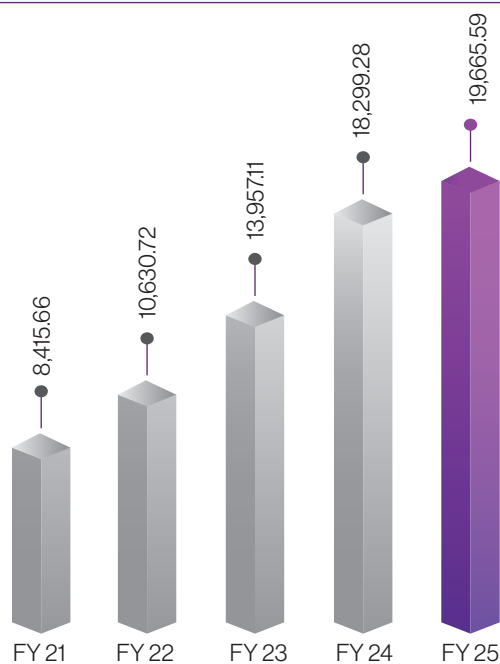
(₹ Crores)



## Operational indicators

### Gross loan portfolio

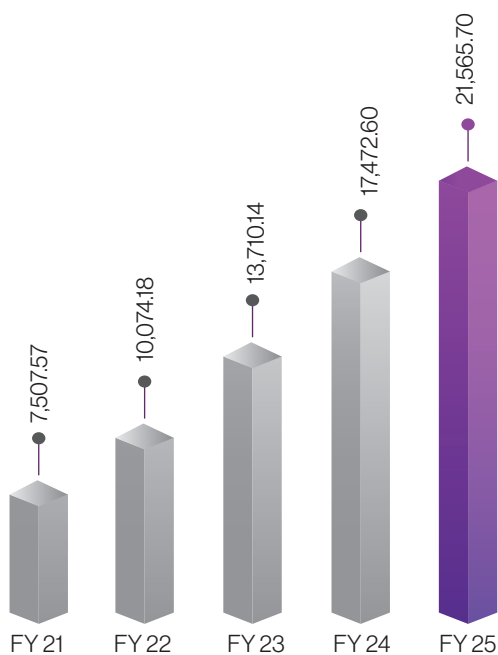
(₹ Crores)



## Operational indicators

### Deposits

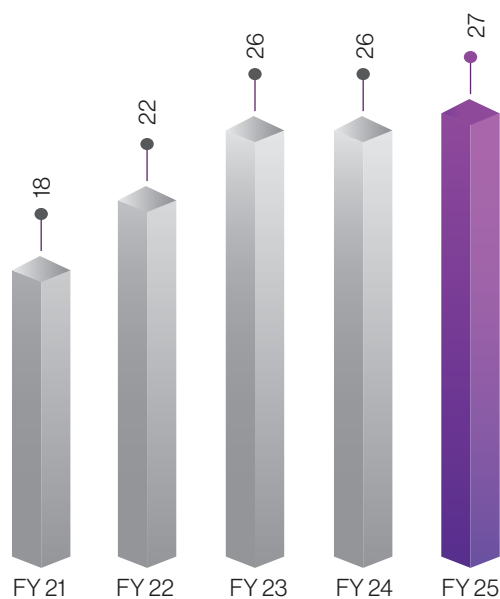
(₹ Crores)



## 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

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**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.**

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transparency and compliance.

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



Utkarsh Small Finance Bank  
*Aapki Ummeed Ka Khaata*

## MD and CEO's Message

Strategic Perspective

# Reimagining Financial Frontiers





*Dear Stakeholders,*

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*





## 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 broaden 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

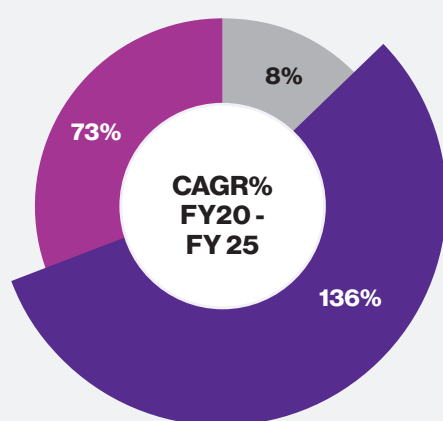
### Overview

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

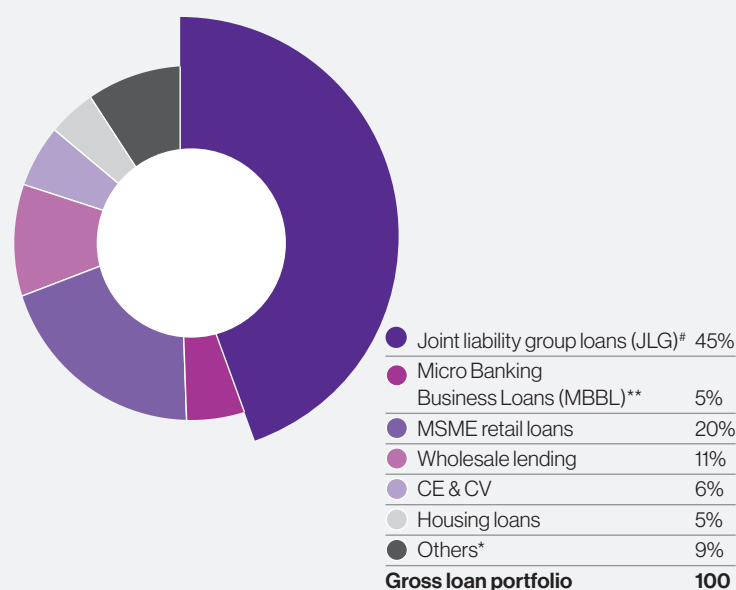
% of gross loan portfolio is comprised of secured loans

### Our products

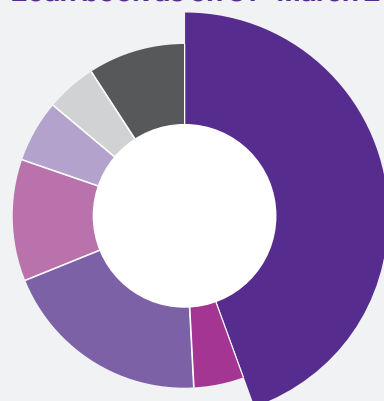


- Other retail loans
- Micro Banking Business Loans (MBBL)\*\*
- Joint Liability Group Loans (JLG)#

### Loan book share % as on 31<sup>st</sup> March 2025



### Loan book as on 31<sup>st</sup> March 2025 (in ₹ Crores)



\*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.

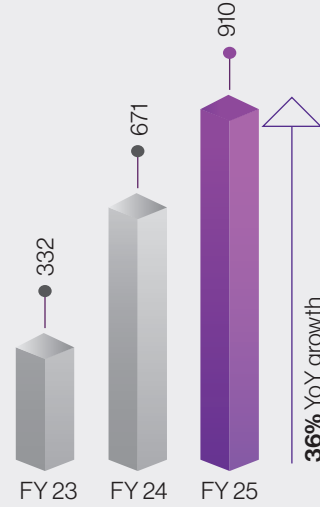


## Micro Banking Business Loans

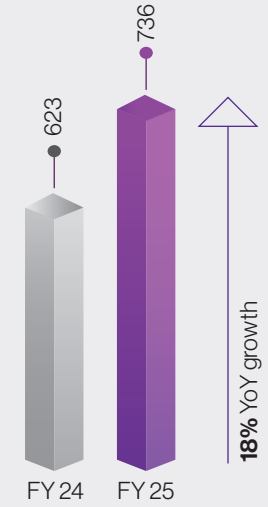
The Bank is focused on deepening its presence in rural and semi-urban regions, backed by a strong understanding of local lending cum borrowing patterns as well as challenges faced by these communities. Our micro-banking business loan book has demonstrated consistent growth, a trend we expect to continue, 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

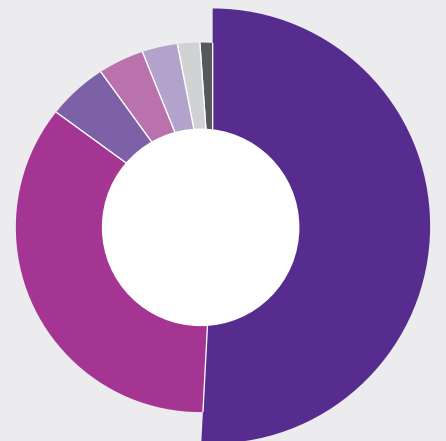
1+

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

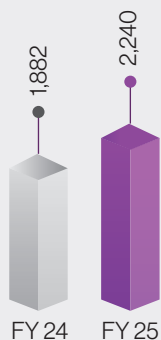
% of wholesale financial lending portfolio credit-rated A or higher by rating agencies

~15-20

₹ Crore average ticket size of outstanding wholesale financial loans

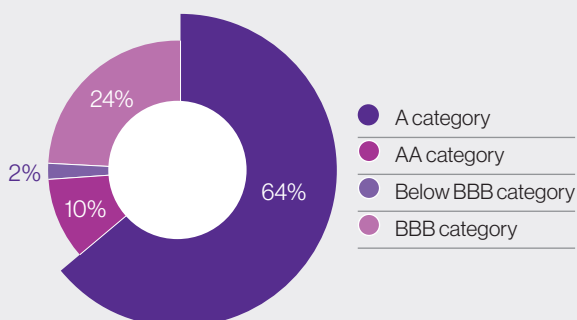
## Wholesale Lending

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

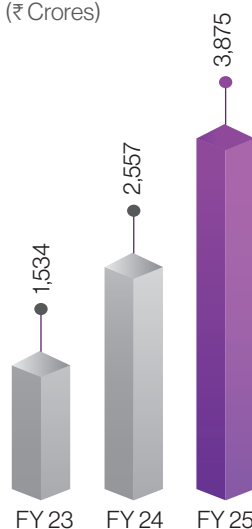
52

% YoY growth in outstanding MSME product portfolio

## MSME Product Portfolio Outstanding (₹ Crores)

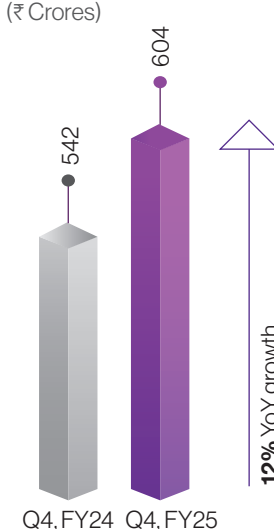
### Loan Book Value

(₹ Crores)



### Disbursement

(₹ Crores)

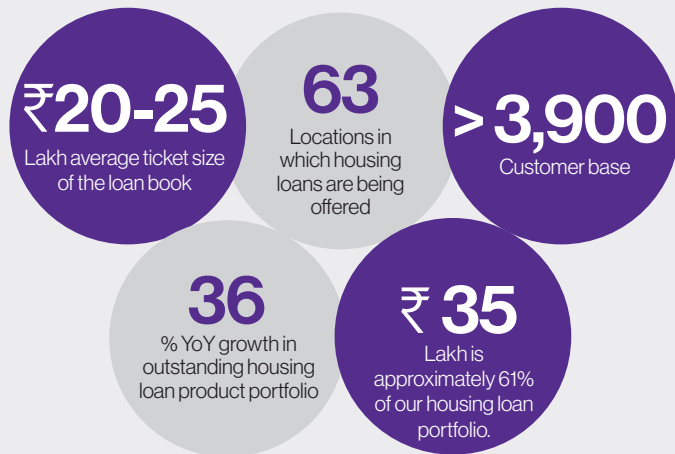




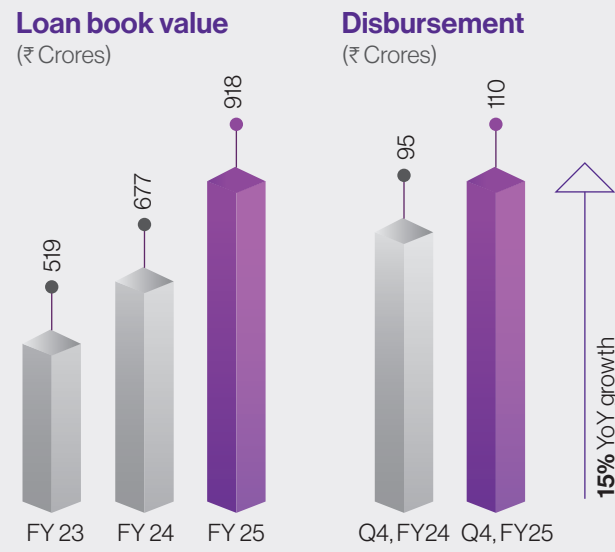
## Housing loans

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



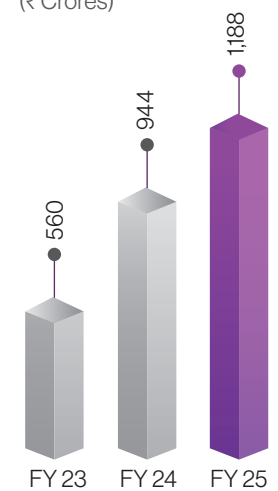
### Housing loan product portfolio outstanding (₹ Crores)



## 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.

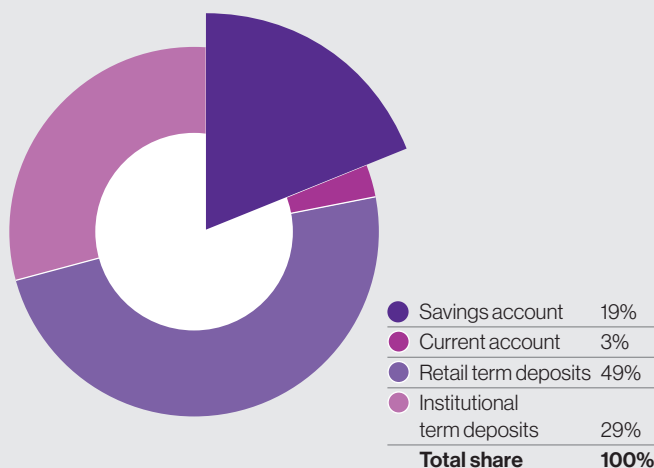
## Robust growth



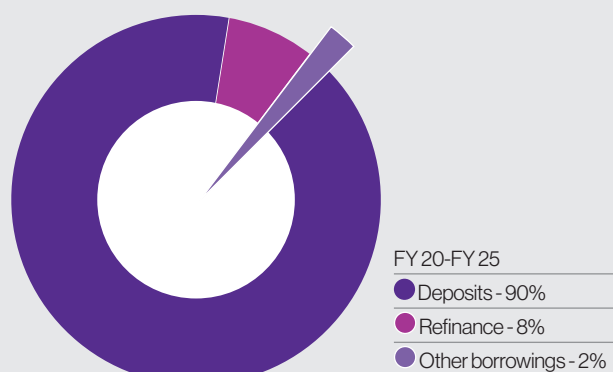
## Contribution to deposits (₹ Crores)

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



Funding mix (in %)





## 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 liveness 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



## 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

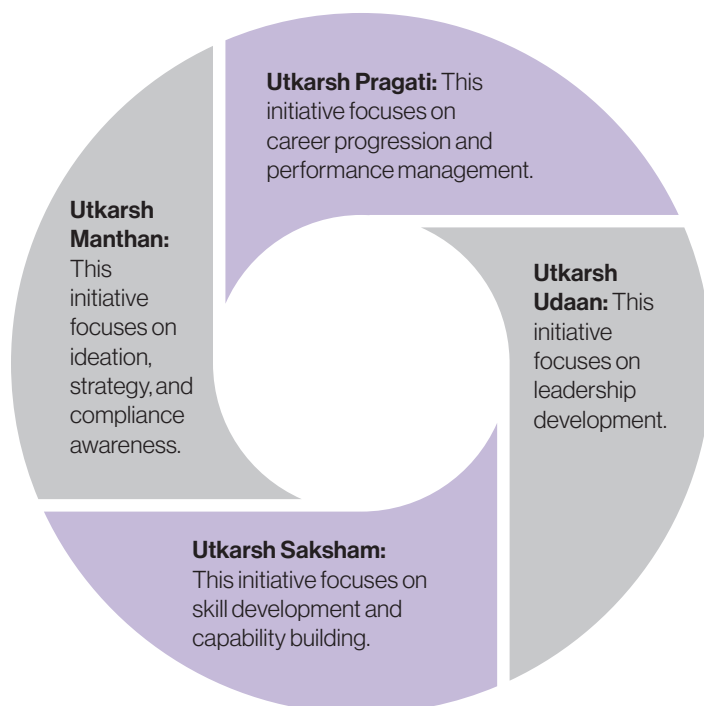
**73**

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 8<sup>th</sup> 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**

Core contribution,  
FY2024-25

**5.12**

Core 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.



### Big numbers

**2.08**

Lakh total outreach  
under the financial  
awareness programme  
in FY2024-25

**21.04**

Thousand beneficiaries  
linked to social protection  
schemes and banking  
products

## 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 Bhikyasain 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



## 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



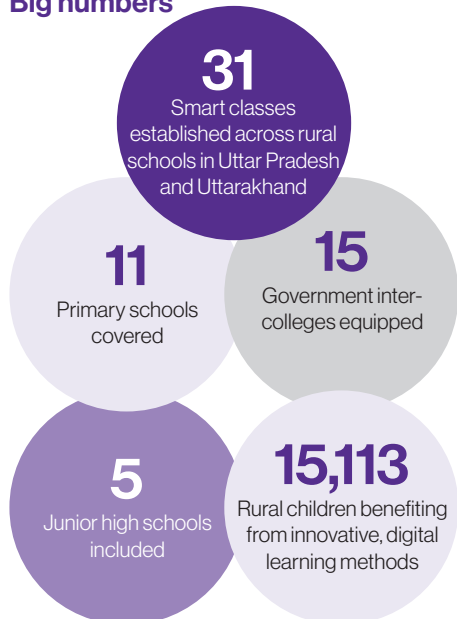
## Our education initiatives

**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.

**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.

**Skill development for youth:** UWF's skill development initiative empowers youth with vocational training to boost employability.

### Big numbers





## 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).

### 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.

**5,004**

Farmers  
benefitted.





## 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 18<sup>th</sup>  
Annual Summit and Awards by  
Assocham



Recognised for Epitomising  
Excellence in the BFSI Industry  
at the 5<sup>th</sup> NBFC & Fintech  
Excellence Awards 2024





Best Technology Talent (Runner Up) by 19<sup>th</sup> 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



# 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*

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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 Pingre

*Independent Director*

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Mr. Nagesh Dinkar Pingre 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.



**Utkarsh Small Finance Bank**  
*Aapki Ummeed Ka Khaata*



### **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**  
*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.



**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.



# 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.





# 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](https://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.

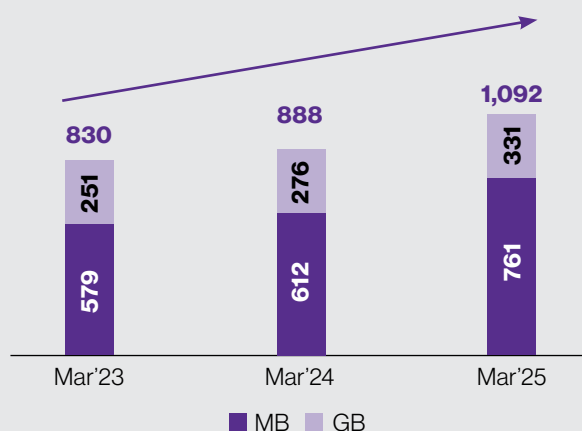
This strategic focus on underserved areas has not only driven the Bank's growth but also enabled compliance with the Reserve Bank of India's directive that mandates at least 25% of branches be located in Unbanked Rural Centres (URCs). As of March 31, 2025, 27% of Utkarsh SFBL's outlets were situated 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 BRANCH NETWORK

262 new branches opened in FY24 & FY25



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.

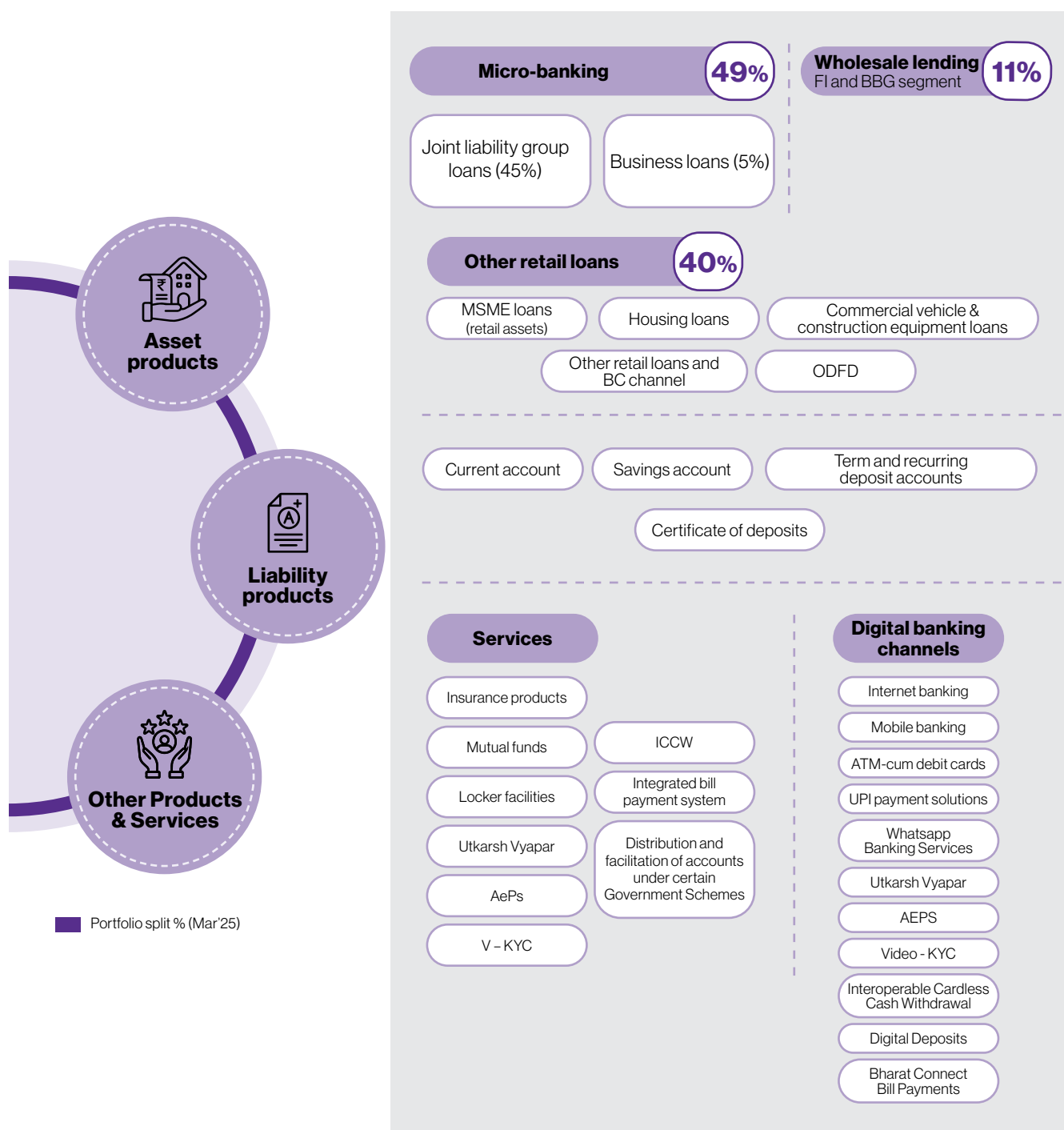
As of March 31, 2025, Utkarsh SFBL had a strong workforce of 19,779 employees, serving a customer base exceeding 4.9 million. The bank's gross loan portfolio reached ₹19,665.59 crores, reflecting continued growth and outreach.

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.**



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
<b>1092 vs. [888]</b> Banking outlets	<b>₹19,666 cr. vs. [₹18,299 cr.]</b> Gross loan portfolio	<b>₹21,566 cr. vs. [₹17,473 cr.]</b> Deposits	<b>₹23.7 cr. vs. [₹498 cr.]</b> Profit after tax	<b>₹2,975 cr. vs. [₹2,973 cr.]</b> Capital + Reserves	<b>9.4% vs. [2.5%]</b> Gross NPA's
<b>27</b> States and UTs	<b>7.5%</b> Gross loan portfolio growth YoY	<b>23.4% / 33.5%</b> Deposits / RTD growth YoY	<b>₹1,007 cr. vs. [₹997 cr.]</b> Pre-provisioning operating profit	<b>20.9% vs. [22.6%]</b> CRAR	<b>4.84% vs. [0.03%]</b> Net NPA
<b>19,779 vs. [16,081]</b> Employees	<b>43% vs. [34%]</b> Share of secured loans in gross loan portfolio	<b>71% vs. [66%]</b> Share of CASA + Retail term deposits	<b>61.6% vs. [56.4%]</b> Cost to income	<b>86.8% vs [93.7%]</b> CD Ratio*	<b>51.2% vs. [63.3%]</b> Provision coverage ratio (excl. floating provision)
<b>0.1% / 0.8% vs. [2.4% / 19.5%]</b> ROAA/ROAE					

Figures in [ ] represent FY2023-24;

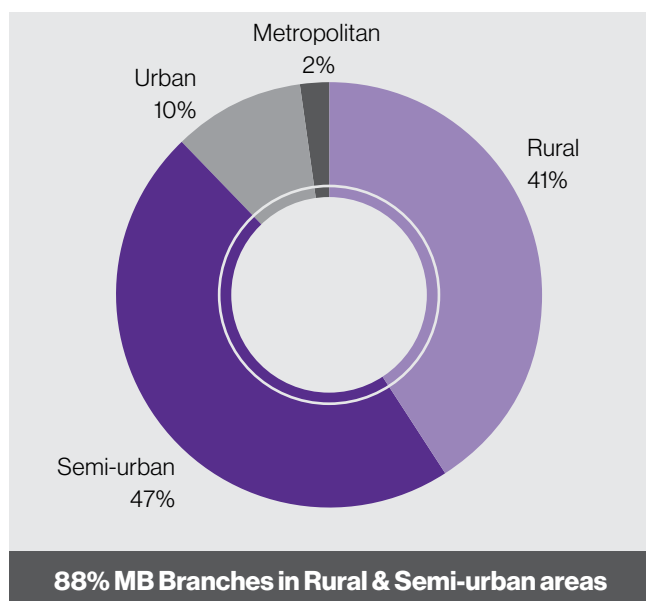
CD Ratio at 78% excl. advances against which refinance is raised

## Business Performance

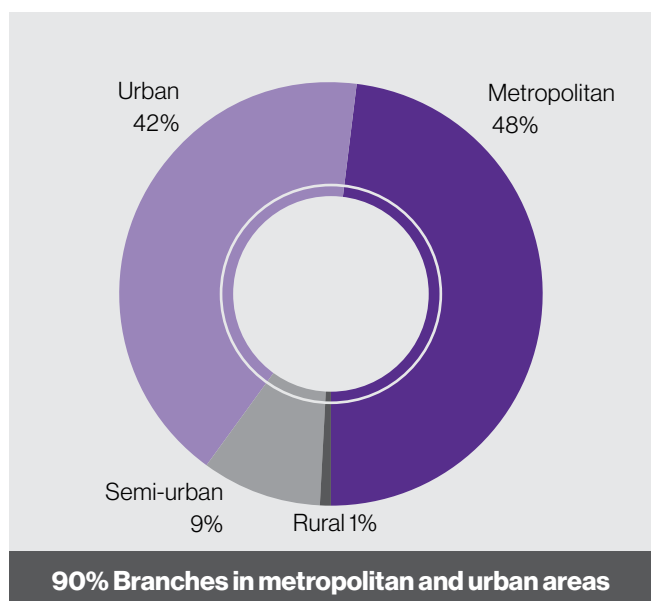
The Bank has built a robust presence in rural and semi-urban areas, with approximately 65% of its branches located in these regions. Its distinctive branch network is designed to deliver customized and relevant financial solutions while maintaining operational cost efficiency. The Bank's micro banking (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



### Demographic Break Up of GB Outlets

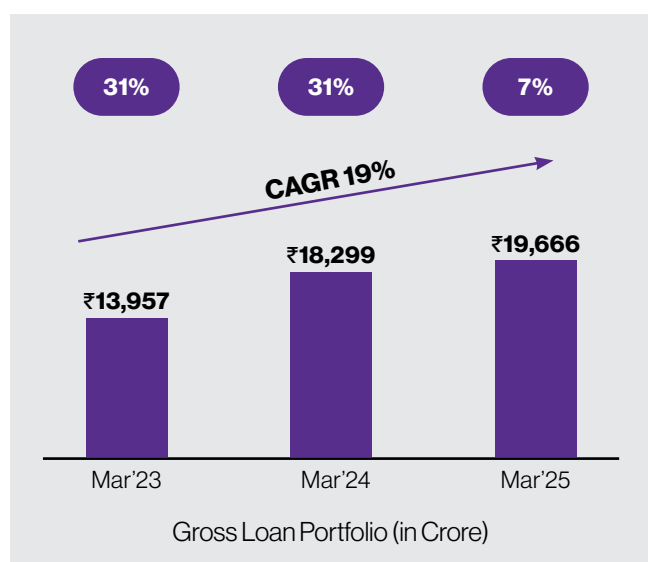




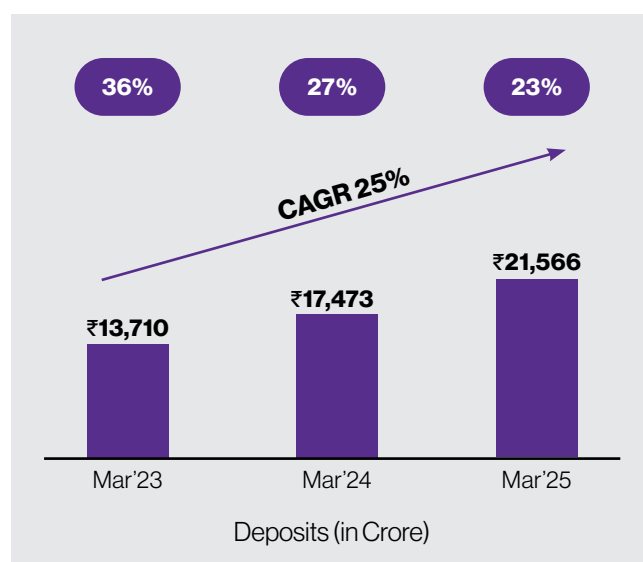
As of March 31, 2025, the Bank operated its MSME (Retail assets), housing loan, and CV & CE loan verticals through 86, 63, and 47 branches, respectively. This extensive branch network not only supports a diversified customer base but also offers strong cross-selling opportunities.

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

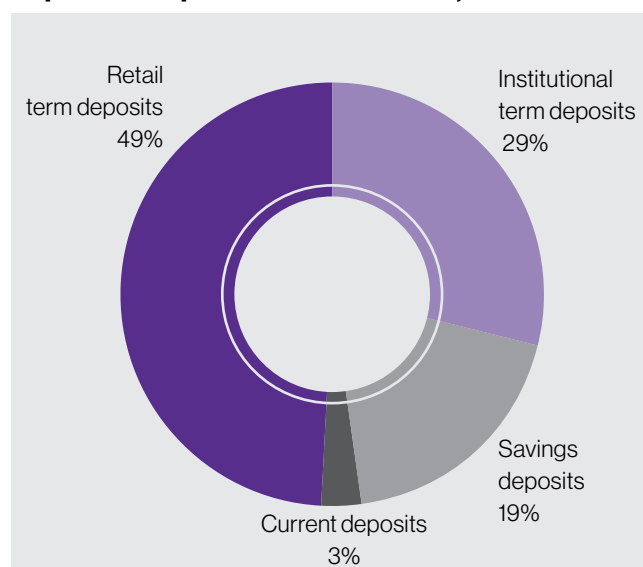
The Bank has adopted a strategic focus on India's top 100 deposit centres, primarily targeting metropolitan and urban markets. It offers a comprehensive suite of services at competitive rates, catering primarily to a broad retail customer base, including senior citizens, middle-class individuals, salaried 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

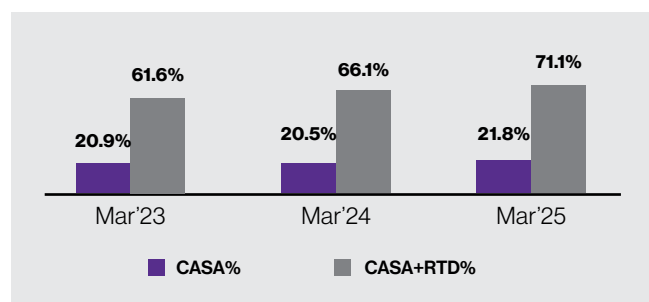


## Deposit's Growth

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:

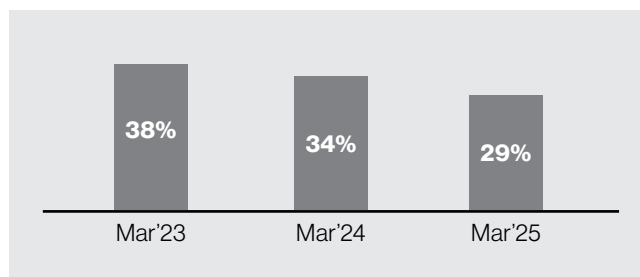
1. CASA Ratio: 21.8%
2. CASA + RTD Ratio: Improved to 71.1%
3. Credit to Deposit (CD) Ratio: Improved to 86.8%
4. Net stable funding ratio (NSFR): Stood at 120.76%

## 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.

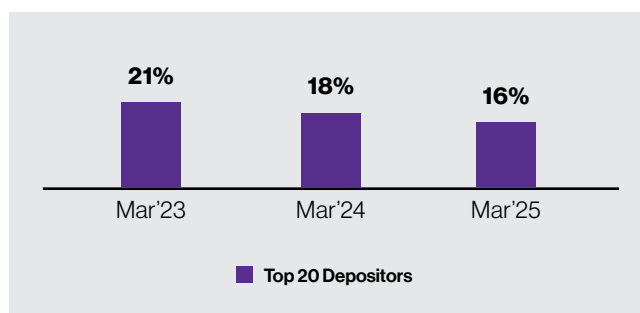
The Bank has strengthened its institutional deposit base by intensifying efforts to acquire and deepen relationships across the Government, TASC (Trusts, Associations, Societies, and Clubs), and Financial Institution segments. Moreover, it has successfully reduced its reliance on high-cost bulk deposits.

## 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

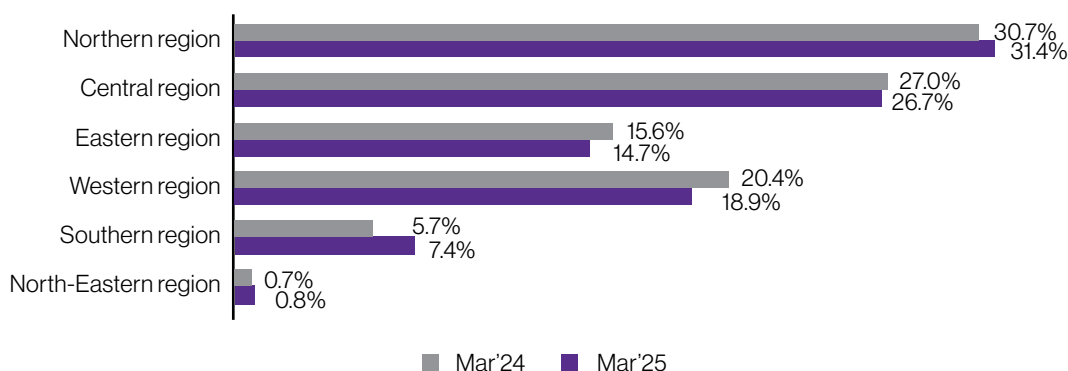
The Bank's deposit portfolio is well-diversified across geographies, with no single State or Union Territory accounting for more than 20% of the total deposits. As of March 31, 2025, the Bank had established its presence across 27 States and Union Territories. The largest shares of deposits come from 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
<b>Total</b>	<b>100.0%</b>	<b>1,092</b>

## 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.



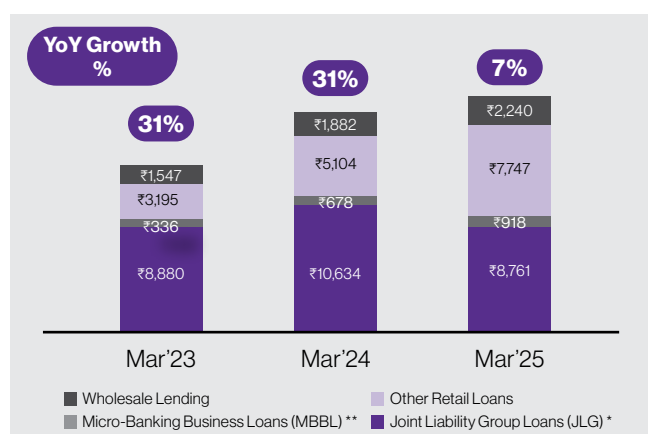


To streamline and elevate the service experience, the Bank has deployed several technology-driven solutions, including tab-based onboarding, next-generation applications, advanced customer relationship management (CRM) systems, and video banking capabilities. These digital tools play a key role in improving 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

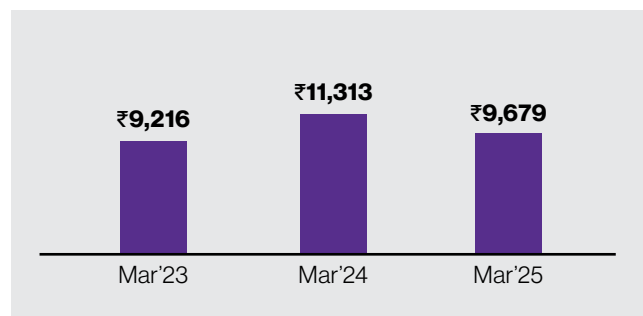
## Micro-Banking Lending

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 Vishwakarma 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)

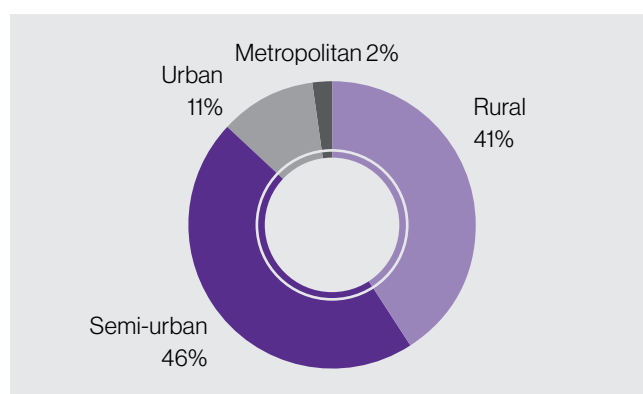


As of March 31, 2025, the Bank's micro-banking loan book stood at ₹9,679 crores. Within this, the JLG (Joint Liability Group) segment saw a reduction, tapering down to ₹8,761 crores at the close of FY25 compared to ₹10,634 crores in FY24. On the other hand, the micro-banking business loan segment demonstrated 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 disbursements 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.

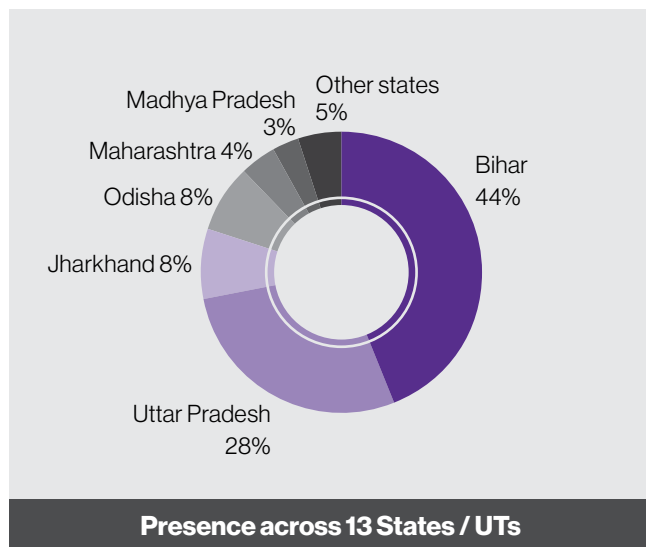
While Bihar and Uttar Pradesh continue to anchor the Bank's micro-banking operations, its geographic footprint has been steadily expanding. As of the fiscal year-end, the micro-banking portfolio extended across 13 states and union territories, catering to over 28 lakh clients. The Bank's presence spans 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



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.

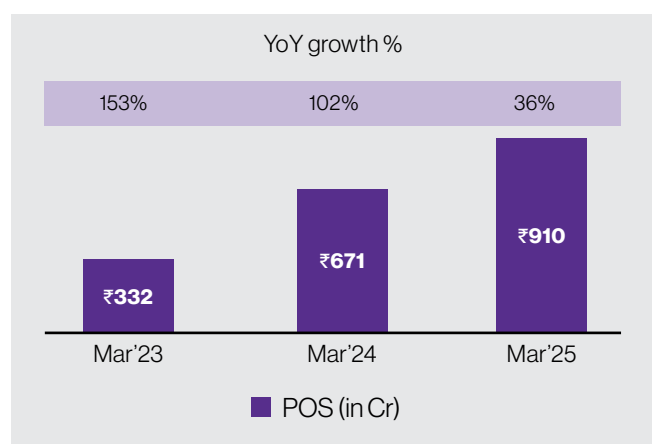
As of March 31, 2025, all of the bank's JLG loan customers were women, with loans ranging from ₹6,000 to ₹1,00,000 to support various income-generating ventures.

### 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 enrolls 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.

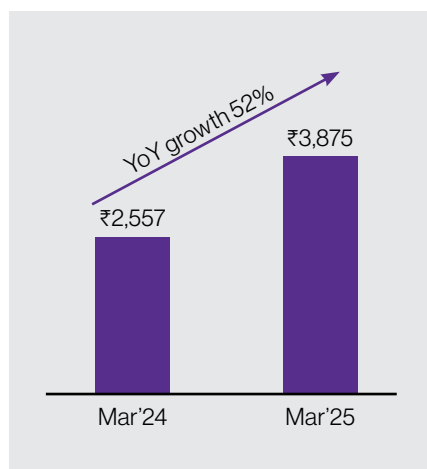
### Other Retail and Wholesale Lending Book

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

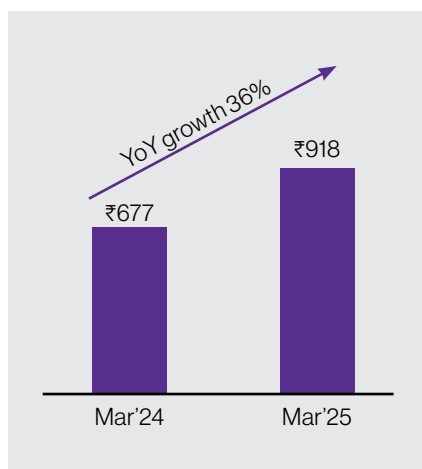
### MSME (retail assets)

#### Portfolio (in crore)



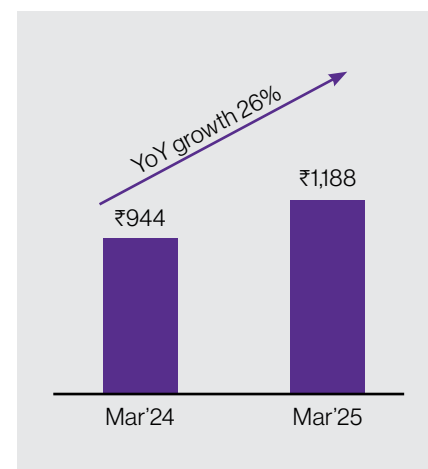
### Housing loans

#### 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.



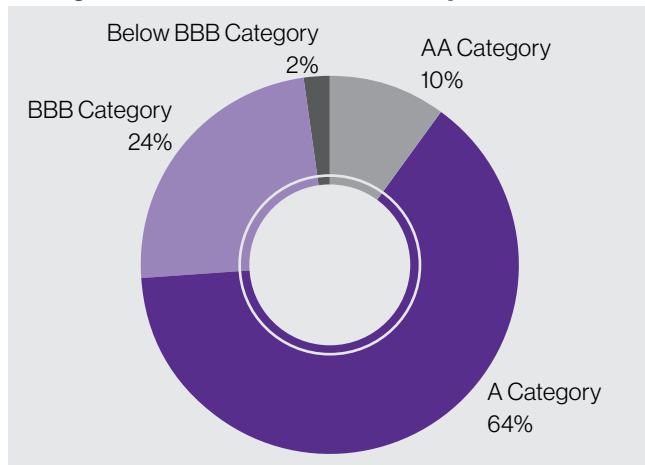
Break up of wholesale loan portfolio	Mar-25	Mar-24
WSL FI lending	₹1,337	₹1,287
Business banking group (BBG)	₹903	₹596
<b>Total WSL portfolio</b>	<b>₹2,240</b>	<b>₹1,882</b>

### 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.

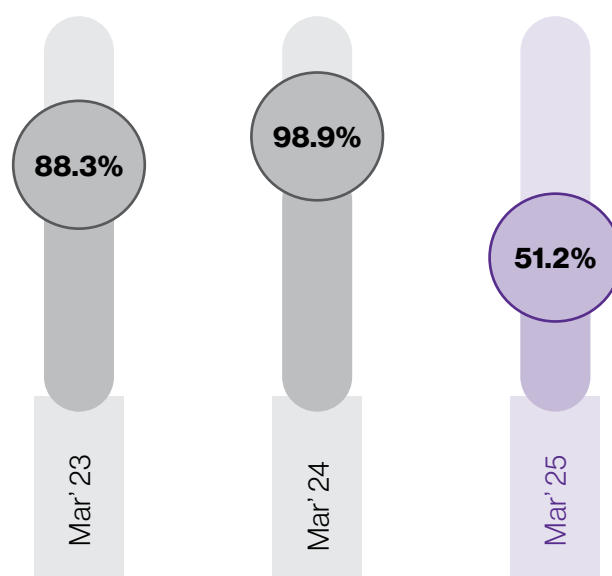
Moreover, Utkarsh SFBL continues to comply with RBI norms for SFBs, ensuring that loans with a ticket size of up to ₹25 lakh constitute no less than 50% of its total loan portfolio. The Bank's lending to the ticket size of less than ₹25 lakh was at 65.1% of the gross loan portfolio as on March 31, 2025.

### 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
<b>OPERATIONS</b>		
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%
<b>CAPITAL</b>		
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%
<b>ASSET QUALITY</b>		
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%
<b>PROFITABILITY</b>		
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%
<b>OTHERS</b>		
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
<b>CRAR</b>	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.



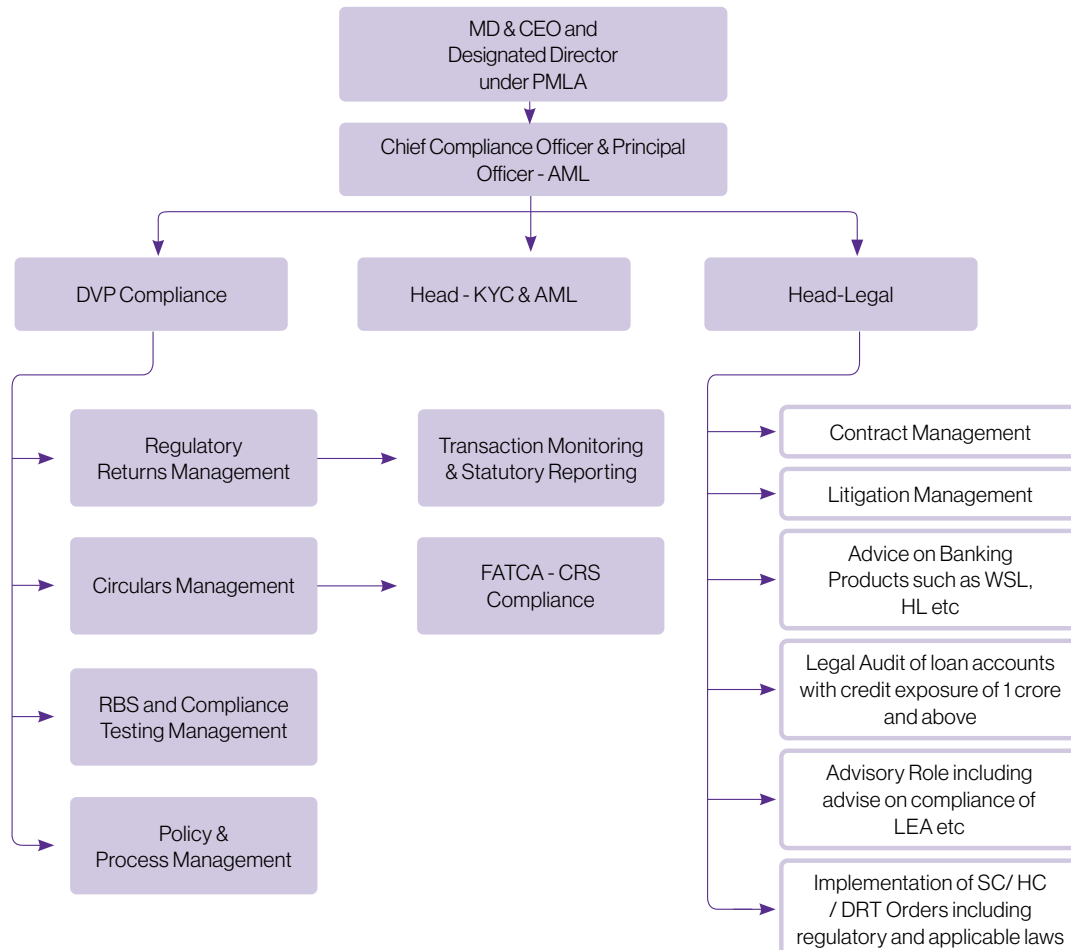
Risk	Impact	Mitigants
Credit risk	<p>The bank defines credit risk as the potential for loss arising from a borrower or counterparty's failure to meet their obligations as per the agreed terms.</p> <p>This type of risk can negatively impact the bank's revenue and margins, posing a significant challenge to financial stability.</p>	<p>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.</p> <p>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.</p> <p>The CRMC follows the following approach:</p> <ul style="list-style-type: none"> <li>• Adhering to RBI's guidelines and policies regarding credit risk and NPA management</li> <li>• Establishing a governance framework to ensure effective oversight, proper segregation of duties, and management of credit risk</li> <li>• Setting and monitoring credit risk appetite and limits, and taking appropriate action in case of breaches</li> <li>• Creating a system for identifying and monitoring early warning signals and red flag accounts</li> <li>• Enhancing the use of structured internal and external data to make informed decisions and utilizing scorecards for decision-making</li> <li>• Conducting stress testing and taking necessary actions based on results</li> <li>• Monitoring global and domestic developments, analysing industry trends, and issuing necessary guidelines and directions</li> </ul>
Market risk	<p>Risks stemming from fluctuations in market prices could affect the bank's ability to generate revenue.</p>	<p>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.</p>
Operational risk	<p>Inefficiencies or failures in internal processes, systems, or human resources can negatively affect the profitability of the business.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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.	<p>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.</p> <p>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.</p> <p>Risk Containment Unit (RCU): RCU conducts risk-based evaluation of applications i.e. Screening &amp; 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 &amp; Sampling (S&amp;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&amp;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.</p> <p>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 &amp; real time account alerts generated by volumes and/or velocity based preventive rules built in IFRM and EFRM Transaction Monitoring Tool/Solutions</p>
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.	<p>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.</p> <p>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.</p> <p>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.</p>



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.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

### 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.

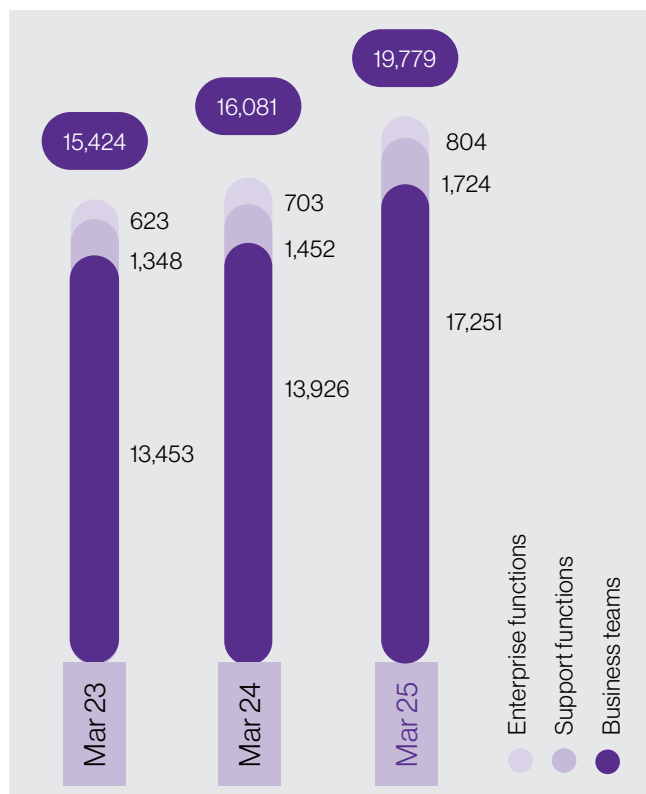
Learning and development remain central to our people strategy. Through programs like Utkarsh Aarambh, Utkarsh Pragati, Udaan, Saksham, and Manthan, we offer employees opportunities to build functional, leadership, and compliance skills. In FY 2024–25, over 28,700 new joiners attended induction, and 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 8<sup>th</sup> 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

# 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 9<sup>th</sup> 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 31 <sup>st</sup> 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

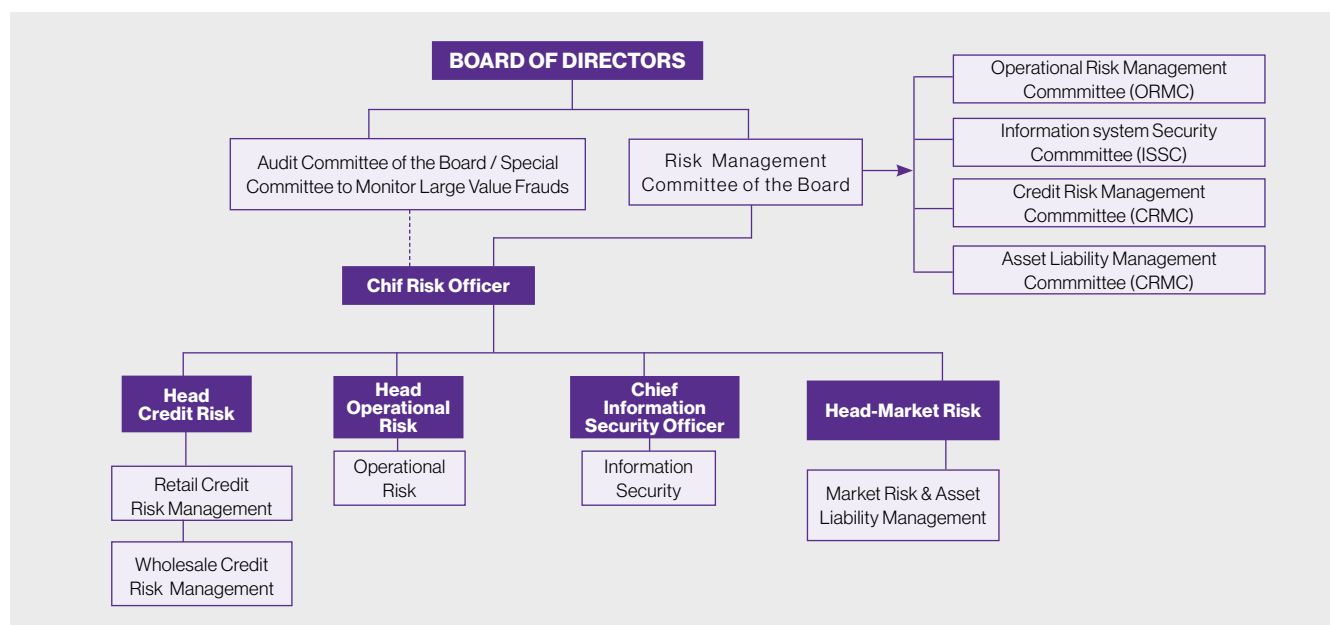
The Bank is exposed to certain broad risks, which are being monitored and mitigated on an ongoing basis. Credit Risk, Operational Risk, Information Security and Market & Liquidity Risk are the Risks that are being monitored based on Board Approved policies of the Bank. These are reviewed at annual intervals 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
<b>Total</b>	<b>15,525.96</b>

### 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
<b>Total</b>	<b>15,525.96</b>	<b>0.00</b>	<b>15,525.96</b>

**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			-
<b>Total</b>	<b>19,665.59</b>	<b>30.83</b>	<b>19,696.42</b>

**d) Residual Contractual Maturity Breakdown of Assets:**

(₹ in lakhs)

Amount as on 31 <sup>st</sup> Mar 2025							
Time Buckets	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
<b>Total</b>	<b>75,428.19</b>	<b>27,356.11</b>	<b>7,36,666.30</b>	<b>18,71,647.58</b>	<b>38,692.07</b>	<b>62,953.42</b>	<b>28,12,743.67</b>



**e) Position of Non-Performing Assets (NPA):**

(₹ in Cr)

Particulars	Amount as on
	31 <sup>st</sup> March 2025
<b>Gross Advances</b>	<b>19,665.59</b>
<b>Net Advances</b>	<b>18,716.48</b>
<b>Gross NPA</b>	<b>1,854.38</b>
Sub-standard	1,788.49
Doubtful 1	31.97
Doubtful 2	33.92
Doubtful 3	0.00
Loss	0.00
<b>NPA Provision</b>	<b>949.11</b>
<b>Floating Provision</b>	<b>0.00</b>
<b>Net NPA</b>	<b>905.27</b>
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
	31 <sup>st</sup> March 2025
<b>Opening Balances (As on 1<sup>st</sup> Apr 2024)</b>	<b>417.58</b>
Additions	2,108.16
Write Offs / ARC Portfolio	470.30
Reductions	201.06
<b>Closing Balances</b>	<b>1,854.38</b>

**g) Movement of Specific & General NPA Provisions:**

(₹ in Cr)

Particulars	Amount as on 31 <sup>st</sup> March 2025	
	Specific Provisions	General Provisions
<b>Opening Balances (As on 1<sup>st</sup> Apr 2024)</b>	<b>264.47</b>	<b>79.89</b>
Add: Provisions made during the period	1,229.78	-
Less: Write offs	470.30	-
Less: Write Back of excess provision	74.84	13.66
<b>Closing Balances</b>	<b>949.11</b>	<b>66.23</b>

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
	31 <sup>st</sup> 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 31 <sup>st</sup> March 2025
<b>Opening Balance (As on 1<sup>st</sup> Apr 2024)</b>	<b>0.00</b>
Add: Provisions made during the period	36.11
Less: Write offs	0.00
Less: Write Back of excess provision	0.00
<b>Closing Balance</b>	<b>36.11</b>

**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 31 <sup>st</sup> 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
<b>Closing Balance</b>	<b>15,525.96</b>

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 through 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 31 <sup>st</sup> 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 31 <sup>st</sup> March 2025
<b>Risk Weighted Assets for</b>	
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 (IRRB)

### 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 31 <sup>st</sup> 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 31 <sup>st</sup> 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
<b>Common Equity Tier 1 Capital: Instruments and Reserves</b>	
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 <b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>2,949.05</b>



(₹ in Cr)

Particulars		Amount
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>173.21</b>
29	<b>Common Equity Tier 1 Capital (CET 1)</b>	<b>2,775.84</b>
<b>Additional Tier 1 Capital: instruments</b>		
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>0.00</b>
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-
44	<b>Additional Tier 1 capital (AT1)</b>	-
45	<b>Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)</b>	<b>2,775.84</b>
<b>Tier 2 capital: instruments and provisions</b>		
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	<b>Tier 2 capital before regulatory adjustments</b>	<b>473.53</b>
<b>Tier 2 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>0.00</b>
58	<b>Tier 2 capital (T2)</b>	<b>473.53</b>
59	<b>Total capital (TC = T1 + T2) (row 45+row 58)</b>	<b>3,249.37</b>
60	<b>Total risk weighted assets (row 60a +row 60b +row 60c)</b>	<b>15,525.96</b>
60 a	<b>of which: total credit risk weighted assets</b>	<b>15,525.96</b>
60 b	<b>of which: total market risk weighted assets</b>	<b>0.00</b>
60 c	<b>of which: total operational risk weighted assets</b>	<b>0.00</b>
<b>Capital Ratios</b>		
61	<b>Common Equity Tier 1 (as a percentage of risk weighted assets)</b>	<b>17.88%</b>
62	<b>Tier 1 (as a percentage of risk weighted assets)</b>	<b>17.88%</b>
62 a	<b>Tier 2 (as a percentage of risk weighted assets)</b>	<b>3.05%</b>
63	<b>Total capital (as a percentage of risk weighted assets)</b>	<b>20.93%</b>
64	<b>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)</b>	<b>-</b>



(₹ 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)	-
<b>National minima (if different from Basel III)</b>	
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)	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>	
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)	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>	
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	-
<b>Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017, and March 31, 2022)</b>	
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
	<b>Total of row 50</b>	<b>90.53</b>

## 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)
<b>A</b>	<b>Capital &amp; Liabilities</b>	
<b>I</b>	<b>Paid-up Capital</b>	<b>1,101.61</b>
	<b>Reserves &amp; Surplus</b>	<b>1,872.89</b>
	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
<b>II</b>	<b>Deposits</b>	<b>21,565.70</b>
	of which: Deposits from Banks	4,865.16
	of which: Customer deposits	16,700.54
	of which: Other deposits (pl. specify)	0.00
<b>III</b>	<b>Borrowings</b>	<b>2,354.77</b>
	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	-
<b>IV</b>	<b>Other liabilities &amp; provisions</b>	<b>1,232.47</b>
	Of which General Provision considered for tier II	65.07
	<b>Total</b>	<b>28,127.44</b>





₹ In Crores

Step 1 & 2		
S. No.	Particulars	Balance Sheet as in financial statements (As on reporting date)
<b>B</b>	<b>Assets</b>	
<b>I</b>	<b>Cash and balances with Reserve Bank of India</b>	<b>2,638.28</b>
	Balance with Banks and money at call and short notice	798.34
<b>II</b>	<b>Investments:</b>	<b>4,957.89</b>
	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
<b>III</b>	<b>Loans and advances</b>	<b>18,716.48</b>
	of which: Loans and advances to Banks	0.00
	of which: Loans and advances to customers	18,716.48
<b>IV</b>	<b>Fixed assets</b>	<b>386.92</b>
<b>V</b>	<b>Other assets</b>	<b>629.53</b>
	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	-
	<b>Total Assets</b>	<b>28,127.44</b>

### 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)
	<b>Regulatory treatment</b>	
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
4	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
17	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:
  - 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).
  - 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.
  - 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 8<sup>th</sup> 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 8<sup>th</sup> 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 KRAs to each and every employee in the bank. These KRAs 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 –

- 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.
- All ESOP's which are granted across all levels in the organization have deferral arrangement in them
- 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 –

- Guidelines issued by the Regulator from time to time
- Approval as per the overall performance framework approved by the NRC and the Board
- 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)

- 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)
- 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.
- 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.
  - Apart 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 31 <sup>st</sup> 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	-
<b>8</b>	<b>Leverage ratio exposure</b>	<b>9.90%</b>

## 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 31 <sup>st</sup> Mar 2025
<b>On-Balance sheet exposure</b>		
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
<b>3</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>27,954.23</b>
<b>Derivative exposure</b>		
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
<b>11</b>	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>0.00</b>
<b>Securities financing transaction exposures</b>		
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
<b>16</b>	<b>Total securities financing transaction exposures (sum of lines 12 to 16)</b>	<b>0.00</b>
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	89.43
18	(Adjustments for conversion to credit equivalent amounts)	0.00
<b>19</b>	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>89.43</b>
<b>Capital and total exposures</b>		
<b>20</b>	<b>Tier 1 capital</b>	<b>2,775.84</b>
<b>21</b>	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>28,043.65</b>
Leverage ratio		
<b>22</b>	<b>Basel III leverage ratio</b>	<b>9.90%</b>





**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 9<sup>th</sup> 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%
<b>Operating Income</b>	<b>2,623</b>	<b>2,286</b>	<b>15%</b>
Operating Expenses	1,616	1,289	25%
Provisions and Contingencies (incl. taxes)	983	500	97%
<b>Net Profit</b>	<b>24</b>	<b>498</b>	<b>(95%)</b>
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 ₹676.59 crore 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 9<sup>th</sup> 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](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](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 8<sup>th</sup> 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 9<sup>th</sup> 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 9<sup>th</sup> 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
Ms. Kalpana Prakash Pandey	Independent Director	9,00,000	3:1
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
Mr. Nagesh Dinkar Pinge	Independent Director	12,00,000	4:1
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](mailto: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](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-FY_23-24.pdf), [https://www.utkarsh.bank/uploads/pdf/disclosures/template\\_eleven/IEPF\\_2\\_unclaimed\\_interest\\_March\\_31\\_2023.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](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](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](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](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](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**

Place: Mumbai Part Time Non-Executive Chairman and Independent Director  
Date: June 07, 2025 DIN – 02895343

**Govind Singh**

Managing Director & CEO  
DIN – 02470880

# Annexures

## 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 Managing Director and Chief Executive Officer Whole Time Director	Mr. Muralidharan Rajamani	01690363	
	Mr. Govind Singh	02470880	
	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 <sup>1</sup> in other listed entities	Committee Memberships <sup>2&amp;3</sup>	Committee Chairmanships <sup>2</sup>	Other Listed entities in which they hold Directorship	Category of Directorship in other Listed Entities	No. of Shares held by Directors in the Bank <sup>4</sup>
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 <sup>1</sup> in other listed entities	Committee Memberships <sup>2&amp;3</sup>	Committee Chairmanships <sup>2</sup>	Other Listed entities in which they hold Directorship	Category of Directorship in other Listed Entities	No. of Shares held by Directors in the Bank <sup>4</sup>
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:

- The above number of other directorships does not include Directorships in Private Limited, Foreign and Section 8 Companies.
- The Committee Memberships and Chairmanships in Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.
- The Committee Memberships include Chairmanships as well.
- 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](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

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Number of Meetings entitled to attend</b>	<b>Number of Meetings attended</b>
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.

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

## b. Meetings and Composition

Eight meetings of ITSC were held during the financial year ended March 31, 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 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 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 Pingre	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 <sup>§</sup>	Chairperson	04	04
2.	Mr. Chandra Shekhar Thanvi <sup>*</sup>	Member	02	Nil
3.	Mr. Muralidharan Rajamani <sup>#</sup>	Member	04	04
4.	Mr. Govind Singh <sup>^</sup>	Member	03	03
5.	Mr. Parveen Kumar Gupta	Member	04	04
6.	Mr. Pramod Kumar Dubey <sup>**</sup>	Member	01	01

<sup>§</sup> Ceased to be Chairperson w.e.f January 16, 2025

<sup>\*</sup> Ceased to be Member cause of superannuation w.e.f. September 20, 2024

<sup>#</sup> Appointed as Chairperson w.e.f January 16, 2025.

<sup>^</sup> Ceased to be Member w.e.f. January 16, 2025

<sup>\*\*</sup> 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 CSFR Committee shall be conclusive evidence of the authority of the CSFR 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 <sup>#</sup>	Member	11	11
3.	Mr. Ajay Kumar Kapur	Member	14	14
4.	Mr. Muralidharan Rajamani <sup>*</sup>	Member	03	03

<sup>#</sup> Ceased to be Member of the Committee w.e.f January 16, 2025

<sup>\*</sup> 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 <sup>*</sup>	Chairperson	-	-
02	Mr. Kajal Ghose <sup>#</sup>	Chairperson	01	01
03	Mr. Nagesh Dinkar Pinge	Member	01	01
04	Mr. Govind Singh	Member	01	01

<sup>\*</sup> Appointed as Member & Chairperson of the Committee w.e.f January 16, 2025

<sup>#</sup> 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 <sup>#</sup>	Member	01	Nil
4.	Mr. Muralidharan Rajamani <sup>*</sup>	Member	Nil	Nil

<sup>#</sup> Ceased to be Director w.e.f November 09, 2024

<sup>\*</sup>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](https://www.utkarsh.bank/uploads/template_forty_pdf/NRC_Policy.pdf)
- c. disclosures with respect to remuneration





### Remuneration - Mr. Govind Singh (MD & CEO)

<b>Fixed Pay (including perquisites)</b>	₹2.57 crore w.e.f. April 01, 2024
<b>Variable Pay</b>	₹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.
<b>Total Remuneration</b>	₹4.33 crore

### Remuneration - Mr. Pramod Kumar Dubey (Whole Time Director)

<b>Fixed Pay (including perquisites)</b>	₹1.63 crore w.e.f. September 20, 2024
<b>Variable Pay</b>	₹1.93 crore of joining bonus in the form of ESOPs on the date of grant using Black- Scholes model
<b>Total Remuneration</b>	₹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	8 <sup>th</sup> AGM	July 22, 2024	Through Video Conferencing (VC) /Other Audio-Visual means (OAVM)	<ul style="list-style-type: none"> <li>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).</li> <li>Approval of payment of variable pay to Mr. Govind Singh - Managing Director &amp; CEO (DIN: 02470880) for FY 2023-24.</li> <li>Re-appointment of Mr. Govind Singh as Managing Director &amp; 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.</li> </ul>
2022-23	7 <sup>th</sup> AGM	June 12, 2023 at 01:00 pm		Revision in remuneration of Mr. Govind Singh, Managing Director & CEO (for FY 22-23)
2021-22	6 <sup>th</sup> 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 <a href="https://www.utkarsh.bank/">https://www.utkarsh.bank/</a> . 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 <a href="https://www.utkarsh.bank/">https://www.utkarsh.bank/</a>



## 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 1 <sup>st</sup> April to ending on 31 <sup>st</sup> 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)	<p><b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India</p> <p><b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India.</p> <p>Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.</p>
e.	Stock code	<p>BSE – 543942</p> <p>NSE – UTKARSHBNK</p>
f.	Registrar to an issue and share transfer agents	<p><b>For Equity Shares:</b></p> <p><b>M/s. KFIN Technologies Limited</b> Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana</p> <p><b>For Debt Securities</b></p> <p><b>M/s. NSDL Database Management Limited</b> 4<sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra</p>
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	<p>The Company Secretary &amp; Compliance Officer</p> <p>22<sup>nd</sup> Floor, Rupa Sapphire, Plot No.12, Sector 18, Sion - Panvel Expressway, Sanpada, Navi Mumbai – 400 705, Maharashtra</p>
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](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 <a href="https://www.bseindia.com/xml-data/corpfiling/AttachHis/9db0b893-450e-4021-80fb-5a53bd2c6146.pdf">https://www.bseindia.com/xml-data/corpfiling/AttachHis/9db0b893-450e-4021-80fb-5a53bd2c6146.pdf</a>	₹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](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 FY24-25 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.

**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 31<sup>st</sup> 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

Date: - May 03, 2025  
Place: Mumbai

FCS No.: - F5578 COP No.: - 19862  
UDIN:- F005578G000259524

## 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](http://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 31<sup>st</sup> 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	<sup>1</sup> 01-09-2021
2	02470880	Mr. Govind Singh	Executive Director-CEO-MD	<sup>2</sup> 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	<sup>3</sup> 20-09-2024

\*Date of appointment of all the Directors are original date of appointment as they appear on MCA Portal.

- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Bank at the 8<sup>th</sup> 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.
- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Bank at the 8<sup>th</sup> 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).
- 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

## 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 22<sup>nd</sup> 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 18,00,00,00,000 (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 20,00,00,000 (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 18,00,00,00,000 (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 20,00,00,000 (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 31<sup>th</sup> 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

## 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 31<sup>st</sup> 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 31<sup>st</sup> 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.
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.

### 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.

Date: May 03, 2025  
Place: Mumbai

For **BNP & Associates**  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
[PR No.: - 6316/2024]

**Avinash Bagul**  
Partner

FCS No.: - 5578 COP No.: - 19862  
UDIN: - F005578G000259469



## **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

- Average net profit of the company as per section 135(5): ₹4,24,97,10,234
- 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)
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Not applicable
- Amount required to be set off for the financial year, if any - Not applicable
- 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	CSR000000763
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, Sonbhadra, Varanasi) 6. Uttarakhn (Almora, Dehradun, Haridwar, Udham Singh Nagar)			70,81,650	73,05,596	-	No	Utkarsh Welfare Foundation	CSR000000763
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, Sonbhadra, Varanasi) 5. Uttarakhn (Almora, Dehradun, Haridwar, Udham Singh Nagar) 6. Odisha (Khordha)			2,48,79,490	2,50,03,123	-	No	Utkarsh Welfare Foundation	CSR000000763

(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	CSR Registration number.
				State.	District.						Name	
4.	Education Program	Schedule VII (ii)	Yes	1. Uttar Pradesh (Gorakhpur, Varanasi)			68,78,000	68,91,543	-	No	Utkarsh Welfare Foundation	CSR000000763
5.	Village & Entrepreneurship Development Program	Schedule VII (i), (ii) (iii), (iv) & (x)	Yes	2. Uttarakhhand (Dehradun, Haridwar, Almora, UdhamSingh Nagar)			1,57,20,000	1,61,52,216	-	No	Utkarsh Welfare Foundation	CSR000000763
6	E-clinic	Schedule VII (i) & (xi)	Yes	1. Bihar (Bhojpur)			1,31,00,000	1,31,91,306	-	No	Utkarsh Welfare Foundation	CSR000000763
10	Other Philanthropy program	Schedule VII (i) & (x)	Yes	2. Uttar Pradesh (Ayodhya, Gorakhpur, Varanasi, Mirzapur, Sonbhadra)			3,00,00,000	3,11,4,224	-	No	Utkarsh Welfare Foundation	CSR000000763
10	Skill Centre Program	Schedule VII (i), (ii) & (x)	Yes	3. Bihār (Bhojpur, Buxar, Darbhanga, Madhubani, Samastipur, Patna)			1,45,25,000	55,57,029	92,22,000	No	Utkarsh Welfare Foundation	CSR000000763
	<b>Total</b>						<b>8,66,21,177</b>	<b>7,72,15,037</b>	<b>92,22,000</b>			

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 - 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	-
	<b>Total</b>						

-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	<a href="mailto:secretarial.usfb@utkarsh.bank">secretarial.usfb@utkarsh.bank</a>
7	Telephone	0542-6605555
8	Website	<a href="http://www.utkarsh.bank">www.utkarsh.bank</a>
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 & <a href="mailto:indradeo.pandey@utkarsh.bank">indradeo.pandey@utkarsh.bank</a> )
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	
	<b>Locations</b>	<b>Number</b>
	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	0	0
(As per Companies Act)			

**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**

<b>24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)</b>	Yes
<b>(ii) Turnover (in ₹)</b>	37,64,92,60,000
<b>(iii) Net worth (in ₹)</b>	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 <a href="#">Grievance_Redressal_Policy.pdf</a> (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	<a href="https://www.utkarsh.bank/">https://www.utkarsh.bank/</a>								
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/ML 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	

<b>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.</b>	<p><b>Code of conduct policy in place covering every aspect of anti-corruption policy or anti-bribery policy. Brief summary is as follows:</b></p> <p><b>Code of Conduct Policy – Key Highlights</b></p> <ul style="list-style-type: none"> <li>• <b>Objective:</b> Establishes ethical standards and professional behavior expected from all employees, coordinators, and officers, emphasizing integrity, transparency, and accountability.</li> <li>• <b>Scope:</b> Applies to all employees and associates, requiring adherence to laws, internal policies, and high ethical standards.</li> <li>• <b>Core Principles:</b> <ul style="list-style-type: none"> <li>» <b>Integrity:</b> Upholding honesty and professionalism.</li> <li>» <b>Quality &amp; Transparency:</b> Delivering efficient services with clear communication.</li> </ul> </li> </ul>
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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:**

	<b>FY 2024-25</b> <b>(Current Financial Year)</b>	<b>FY 2023- 24</b> <b>(Previous Financial Year)</b>
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

**6 Details of complaints with regard to conflict of interest:**

	<b>FY 2024-25</b> <b>(Current Financial Year)</b>		<b>FY 2023- 24</b> <b>(Previous Financial Year)</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
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:**

	<b>FY 2024-25</b> <b>(Current Financial Year)</b>	<b>FY 2023- 24</b> <b>(Previous Financial Year)</b>
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:**

<b>Parameter</b>	<b>Metrics</b>	<b>FY 2024-25</b> <b>(Current Financial Year)</b>	<b>FY 2023- 24</b> <b>(Previous Financial Year)</b>
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)	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
(b) E-waste	
(c) Hazardous waste	
(d) other waste.	

- 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	% of employees covered by										
	Total (A)	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	% of workers covered by										
	Total (A)	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.
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**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, religion, 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
<b>Total</b>	<b>531</b>	<b>98.33%</b>	<b>NA</b>	<b>NA</b>

**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	<p>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:</p> <p>a) An employee or group of employees registering a complaint against another employee or group of employees.</p> <p>b) An employee or group of employees registering a complaint against an external party in a work related engagement with the Organization.</p> <p>c) An employee registering a complaint against his/her reporting manager or next level manager.</p> <p>The Bank has Employee Grievance Redressal Policy in place.</p>
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)
<b>Employees</b>						
Male	10609	10609	100%	9616	9616	100%
Female	1757	1757	100%	1635	1635	100%
<b>Total</b>	<b>12366</b>	<b>12366</b>	<b>100%</b>	<b>11251</b>	<b>11251</b>	<b>100%</b>
<b>Workers</b>						
Male	NA	NA	NA	NA		
Female	NA	NA	NA	NA		
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>		

## 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?	<p>Yes, the bank conducts regular safety drill through Physical Security</p> <ul style="list-style-type: none"> <li>Conducts Hands-on training on evacuation during emergency is conducted every year</li> <li>Briefing on Fire safety is provided at the premises</li> <li>Demonstration and Hands-on training of use of Fire extinguisher is imparted</li> <li>Inspection of Fire Extinguishers is undertaken regularly</li> <li>Refilling of Fire Extinguishers is conducted at regular intervals</li> <li>Monthly Inspection of Detectors/ sensors is carried out.</li> </ul>
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 .
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**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 Workers		NA
Total recordable work-related injuries	Employees Workers		
No. of fatalities	Employees Workers		NA
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						
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	

- |   |   |
|---|---|
| <b>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 &amp; safety practices and working conditions.</b> | Bank takes various measures to ensure safety in its premises. |
|---|---|

### Leadership Indicators

- |  |   |
|--|---|
| <b>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).</b>   | Yes                                       |
| <b>2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.</b>   | Ensure the checking mechanism with vendor |
| <b>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:</b> |   |

	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				

- |  |                        |
|--|------------------------|
| <b>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)</b> | 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	

- |  |  |
|--|--|
| <b>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.</b> | 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	<ul style="list-style-type: none"> <li><b>Branch and On-Ground Interactions:</b> Direct, face-to-face communication at branches and field offices, enabling personalized service and real-time feedback.</li> <li><b>Social Media Platforms:</b> Active presence on social media to share updates, respond to queries, and engage with customers in a timely and interactive manner.</li> <li><b>Print and Television Campaigns:</b> Mass media outreach through advertisements and awareness campaigns to inform and educate customers about products, services, and initiatives.</li> <li><b>Customer Care Channels:</b> Multi-modal support through the mobile app, telephone helpline, email, and the official website to address customer needs and resolve issues efficiently.</li> <li><b>Financial Literacy Programs:</b> Educational initiatives aimed at empowering customers with knowledge about financial products, responsible banking, and digital tools</li> </ul>		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



	<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
2	Employee	No	<p>Utkarsh Small Finance Bank fosters a culture of openness, collaboration, and continuous engagement with its employees through multiple communication platforms, including:</p> <ul style="list-style-type: none"> <li>• <b>Town Halls and Internal Meetings:</b> Regular sessions led by senior leadership to share updates, recognize achievements, and align teams with the Bank's vision and goals.</li> <li>• <b>Internal Communication Platforms:</b> Use of intranet, internal newsletters, and email communications to disseminate important information, policy updates, and organizational announcements.</li> <li>• <b>Training and Development Programs:</b> Structured learning sessions, workshops, and e-learning modules to enhance employee skills and knowledge.</li> <li>• <b>Employee Feedback Mechanisms:</b> Surveys, suggestion boxes, and open-door policies to encourage feedback, ideas, and concerns from employees.</li> <li>• <b>HR and Managerial Interactions:</b> One-on-one discussions, performance reviews, and team meetings to support employee growth and address individual needs.</li> <li>• <b>Recognition and Engagement Initiatives:</b> Programs and events designed to celebrate employee contributions and foster a positive workplace culture.</li> </ul>		
3	Investors/ Shareholders	No	<p><b>Investor and Shareholder Communication Channels</b></p> <p>Utkarsh Small Finance Bank maintains transparent and consistent communication with its investors and shareholders through a variety of formal engagement platforms, including:</p> <ul style="list-style-type: none"> <li>• <b>Investor Meets:</b> Regularly organized sessions to share business updates, financial performance, and strategic direction.</li> <li>• <b>Top Management Roadshows:</b> Interactive events where senior leadership engages with institutional investors and analysts to discuss the Bank's vision and growth plans.</li> <li>• <b>Investor Grievance Channels:</b> Dedicated mechanisms such as email, helplines, and online portals to address and resolve investor concerns promptly and effectively.</li> <li>• <b>Face-to-Face Meetings:</b> Personalized interactions with key investors to foster trust and provide clarity on business performance and outlook.</li> <li>• <b>Annual General Meeting (AGM):</b> A statutory platform for shareholders to engage with the Board, vote on key resolutions, and receive updates on the Bank's performance.</li> <li>• <b>Annual Report:</b> A comprehensive document detailing the Bank's financial results, strategic initiatives, governance practices, and sustainability efforts, shared with all stakeholders.</li> </ul>	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	<b>Regulatory Communication Channels</b> Utkarsh Small Finance Bank maintains a proactive and transparent relationship with regulatory authorities through multiple formal channels, including: <ul style="list-style-type: none"> <li>• <b>One-on-One and Group Meetings:</b> Direct interactions with regulatory bodies to discuss compliance, policy updates, and operational matters.</li> <li>• <b>Correspondence via Telephone, Email, and Mail:</b> Regular communication to ensure timely responses and information exchange.</li> <li>• <b>Periodic Submissions:</b> Scheduled reporting of business and operational performance to meet regulatory expectations.</li> <li>• <b>Mandatory Regulatory Filings:</b> 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.</li> <li>• <b>Participation in Industry Platforms:</b> Active engagement in regulatory and banking forums, conferences, and meetings to stay aligned with evolving regulatory frameworks and contribute to sectoral dialogue.</li> </ul>	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: <ul style="list-style-type: none"> <li>• <b>Direct CSR Initiatives:</b> Implementation of community development programs across multiple locations, focusing on education, health, livelihood, and financial inclusion.</li> <li>• <b>CSR Interventions via Utkarsh Foundation:</b> Strategic execution of social responsibility projects through the Utkarsh Welfare Foundation and its network of implementation partners to ensure sustainable and scalable impact.</li> <li>• <b>Whistle Blower Mechanism:</b> 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.</li> </ul>	Periodic Need-based Ongoing	

## Leadership Indicators

1	<b>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.</b>	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
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**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.**

**3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

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

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)
<b>Employees</b>						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Employees</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Workers</b>						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Workers</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**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%



<b>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)</b>	yes
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<b>5 Describe the internal mechanisms in place to redress grievances related to human rights issues.</b>	<p>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.</p> <p>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.</p> <p>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.</p>
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**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

<b>8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases</b>	<p>IC Quarterly Meeting:</p> <p>Awareness Sessions:</p> <p>Educating Employees through Posh Mandatory Certification.</p>
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**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)
<b>From renewable sources</b>		
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
<b>From non-renewable sources</b>		
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) (Total energy consumed / Revenue from operations adjusted for PPP)	NA	NA
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
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>11899.36</b>	<b>11483.83</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>11899.36</b>	<b>11483.83</b>



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)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(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
<b>Total water discharged (in kilolitres)</b>	<b>4784.57</b>	<b>2873.6</b>

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 CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)		NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , 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)
<b>Total Waste generated (in metric tonnes)</b>		
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
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>NA</b>	<b>NA</b>
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)
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	NA	
(ii) Re-used	NA	
(iii) Other recovery operations	NA	
<b>Total</b>	<b>NA</b>	
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	NA	
(ii) Landfilling	NA	
(iii) Other disposal operations	NA	
<b>Total</b>	<b>NA</b>	

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)
<b>Water withdrawal by source (in kilolitres)</b>		
(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	NA	NA
---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
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

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 CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> 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	The items which are acquired for consumption at requisite local branch/offices are preferably procured from MSMEs of the respective districts.	
Directly sourced within India		

**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](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

<p><b>1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).</b></p>	<p>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 <a href="https://www.utkarsh.bank/">https://www.utkarsh.bank/</a></p>
<p><b>2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.</b></p>	<p>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.</p>
<p><b>3 Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services</b></p>	<p>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.</p>
<p><b>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)</b></p>	<p>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.</p>



## 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
<b>1.</b>	<b>Identification of and Provisioning against Non-performing Assets ("NPAs"):</b> 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: <ul style="list-style-type: none"> <li>We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines;</li> <li>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;</li> <li>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.</li> </ul>



Sr. No.	Key Audit Matter	Auditor's Response
<b>Information Technology ('IT') Systems and Controls impacting Financial Reporting</b>		
	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and</li> <li>• 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.</li> </ul>

### 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.

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

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

**G. K. Subramaniam**  
Partner  
Membership No. 109839  
UDIN: 25109839BMOFVH3118  
Place: Mumbai  
Date: May 03, 2025

**Sandeep Welling**  
Partner  
Membership No. 044576  
UDIN: 25044576BMKQXS3892  
Place: Mumbai  
Date: May 03, 2025



## 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.

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

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

**G. K. Subramaniam**  
Partner  
Membership No. 109839  
UDIN: 25109839BMOFVH3118  
Place: Mumbai  
Date: May 03, 2025

**Sandeep Welling**  
Partner  
Membership No. 044576  
UDIN: 25044576BMKQXS3892  
Place: Mumbai  
Date: May 03, 2025



## Balance Sheet as at March 31, 2025

(₹ in '000s)

	Schedule	As at March 31, 2025 Audited	As at March 31, 2024 Audited
<b>CAPITAL and LIABILITIES</b>			
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
<b>Total</b>		<b>28,12,74,370</b>	<b>23,90,26,770</b>
<b>ASSETS</b>			
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
<b>Total</b>		<b>28,12,74,370</b>	<b>23,90,26,770</b>
<b>Contingent Liabilities</b>	12	<b>8,94,261</b>	<b>7,66,654</b>
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

for **M/s Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No. 105215W/W100057

for and on behalf of the Board of Directors of  
**Utkarsh Small Finance Bank Limited**  
CIN: L65992UP2016PLC082804

**G.K. Subramaniam**  
Partner  
Membership No. 109839

**Sandeep D Welling**  
Partner  
Membership No. 044576

**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	For the year ended March 31, 2024
		Audited	Audited
<b>I INCOME</b>			
Interest Earned	13	3,76,49,260	3,17,84,115
Other Income	14	59,98,343	40,03,434
<b>Total</b>		<b>4,36,47,603</b>	<b>3,57,87,549</b>
<b>II EXPENDITURE</b>			
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
<b>Total</b>		<b>4,34,10,598</b>	<b>3,08,11,267</b>
<b>III PROFIT</b>			
Net Profit for the year		<b>2,37,005</b>	<b>49,76,282</b>
Balance in Profit and Loss account brought forward from previous year		<b>93,66,953</b>	<b>56,94,147</b>
<b>Total</b>		<b>96,03,958</b>	<b>1,06,70,429</b>
<b>IV APPROPRIATIONS</b>			
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	-
<b>Balance carried over to Balance Sheet</b>		<b>93,42,661</b>	<b>93,66,953</b>
<b>Total</b>		<b>96,03,958</b>	<b>1,06,70,429</b>
<b>V EARNINGS PER EQUITY SHARE</b>	18.15		
Basic EPS (₹)		<b>0.22</b>	<b>4.79</b>
Diluted EPS (₹)		<b>0.22</b>	<b>4.75</b>
Face Value per share (₹)		<b>10</b>	<b>10</b>

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

for **M/s Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No. 105215W/W100057

for and on behalf of the Board of Directors of  
**Utkarsh Small Finance Bank Limited**  
CIN: L65992UP2016PLC082804

**G.K. Subramaniam**  
Partner  
Membership No. 109839

**Sandeep D Welling**  
Partner  
Membership No. 044576

**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



## 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
<b>I</b>	<b>Cash flow from operating activities</b>		
	Profit before taxes	2,76,472	65,93,863
	<b>Adjustments for:-</b>		
	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)	<b>86,97,474</b>	<b>1,08,63,225</b>
	<b>Adjustments for:-</b>		
	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)	<b>(10,50,062)</b>	<b>(3,14,949)</b>
	Payment of direct taxes	(iii)	<b>11,08,370</b>
	<b>Net cash flow (used in) / generated from operating activities (A)</b>	<b>87,55,782</b>	<b>99,12,340</b>
<b>II</b>	<b>Cash flow from/(used in) investing activities</b>		
	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	-
	<b>Net cash flow (used in) investing activities (B)</b>	<b>(77,68,808)</b>	<b>(61,97,993)</b>
<b>III</b>	<b>Cash flow from/(used in) Financing Activities</b>		
	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)
	<b>Net cash flow generated from financing activities (C)</b>	<b>31,04,538</b>	<b>13,96,722</b>
<b>IV</b>	<b>Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)</b>	<b>40,91,512</b>	<b>51,11,069</b>
<b>V</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,02,74,699</b>	<b>2,51,63,630</b>
<b>VI</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>3,43,66,211</b>	<b>3,02,74,699</b>



## 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
	<b>Notes to the Cash Flow Statement:</b>		
	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
	<b>Cash and cash equivalents at the end of the year</b>	<b>3,43,66,211</b>	<b>3,02,74,699</b>

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

for **M/s Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No. 105215W/W100057

for and on behalf of the Board of Directors of  
**Utkarsh Small Finance Bank Limited**  
CIN: L65992UP2016PLC082804

**G.K. Subramaniam**  
Partner  
Membership No. 109839

**Sandeep D Welling**  
Partner  
Membership No. 044576

**Parveen Kumar Gupta**  
Chairman  
DIN : 02895343

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Director  
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**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



## 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
<b>Authorised Capital</b>		
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
<b>Issued, subscribed and fully paid-up capital</b>		
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
<b>TOTAL</b>	<b>1,10,16,099</b>	<b>1,09,94,575</b>

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
<b>1. Statutory Reserve</b>		
Opening balance	34,02,181	21,58,110
Addition during the year	59,251	12,44,071
Deduction during the year	-	-
<b>Total</b>	<b>34,61,432</b>	<b>34,02,181</b>
<b>2. Capital Reserve</b>		
Opening balance	90,207	90,207
Addition during the year *	66,748	-
Deduction during the year	-	-
<b>Total</b>	<b>1,56,955</b>	<b>90,207</b>
<b>3. Share Premium **</b>		
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)
<b>Total</b>	<b>56,09,284</b>	<b>55,42,778</b>
<b>4. Investment Fluctuation Reserve</b>		
Opening balance	1,19,218	59,813
Addition during the year	1,35,298	59,405
Deduction during the year	-	-
<b>Total</b>	<b>2,54,516</b>	<b>1,19,218</b>
<b>5. General Reserve</b>		
Opening balance	-	-
Addition during the year	17,198	-
Deduction during the year	-	-
<b>Total</b>	<b>17,198</b>	<b>-</b>

## 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
<b>6. ESOP Outstanding</b>		
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)
<b>Total</b>	<b>4,37,128</b>	<b>2,15,971</b>
<b>7. Balance in Profit and Loss Account</b>	87,92,430	93,66,953
<b>TOTAL (1+2+3+4+5+6+7)</b>	<b>1,87,28,943</b>	<b>1,87,37,308</b>

\* 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
<b>A. 1. Demand Deposits</b>		
i) From banks	14,03,378	11,01,034
ii) From others	50,39,325	44,67,612
<b>Total</b>	<b>64,42,703</b>	<b>55,68,646</b>
<b>2. Savings Bank Deposits</b>	<b>4,05,48,851</b>	<b>3,02,54,477</b>
<b>3. Term Deposits</b>		
i) From banks	4,72,48,226	4,09,05,409
ii) From others	12,14,17,209	9,79,97,449
<b>Total</b>	<b>16,86,65,435</b>	<b>13,89,02,858</b>
<b>TOTAL (1 to 3)</b>	<b>21,56,56,989</b>	<b>17,47,25,981</b>
<b>B. i. Deposits of branches in India</b>	21,56,56,989	17,47,25,981
ii. Deposits of branches outside India	-	-
<b>TOTAL</b>	<b>21,56,56,989</b>	<b>17,47,25,981</b>

### Schedule 4 - Borrowings

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
<b>1. Borrowings in India</b>		
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
<b>Total borrowings in India</b>	<b>2,35,47,658</b>	<b>1,99,50,808</b>



## 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
<b>2. Borrowings outside India</b>	-	-
<b>TOTAL (1 + 2)</b>	<b>2,35,47,658</b>	<b>1,99,50,808</b>
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
<b>TOTAL (1 to 4)</b>	<b>1,23,24,681</b>	<b>1,46,18,098</b>

### 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
<b>TOTAL (1 + 2)</b>	<b>2,63,82,821</b>	<b>1,24,69,002</b>

### Schedule 7 - Balance with banks and money at call and short notice

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
<b>1. In India</b>		
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
<b>Total (i+ii)</b>	<b>79,83,390</b>	<b>1,78,05,697</b>
<b>2. Outside India</b>		
In current accounts	-	-
In other deposits accounts	-	-
Money at call and short notice	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL (1 + 2)</b>	<b>79,83,390</b>	<b>1,78,05,697</b>

## 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
<b>1. Investments in India (net of provisions)</b>		
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
<b>Total</b>	<b>4,95,78,851</b>	<b>3,67,94,652</b>
<b>2. Investments Outside India (net of provisions)</b>		
i) Government securities	-	-
ii) Subsidiaries / joint ventures	-	-
iii) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL (1 + 2)</b>	<b>4,95,78,851</b>	<b>3,67,94,652</b>
<b>3. Investments</b>		
<b>i) Gross value of investments</b>		
a) In India	4,99,39,961	3,67,94,652
b) Outside India	-	-
	<b>4,99,39,961</b>	<b>3,67,94,652</b>
<b>ii) Provision for depreciation</b>		
a) In India **	3,61,110	-
b) Outside India	-	-
	<b>3,61,110</b>	<b>-</b>
<b>iii) Net value of investments</b>		
a) In India	4,95,78,851	3,67,94,652
b) Outside India	-	-
	<b>4,95,78,851</b>	<b>3,67,94,652</b>

\* 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
<b>A.</b>		
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
<b>Total</b>	<b>18,71,64,758</b>	<b>16,36,48,091</b>
<b>B.</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
<b>Total</b>	<b>18,71,64,758</b>	<b>16,36,48,091</b>



## 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
<b>C.1 Advances in India</b>		
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
<b>Total</b>	<b>18,71,64,758</b>	<b>16,36,48,091</b>
<b>C.2 Advances Outside India</b>		
i) Due from banks	-	-
ii) Due from others	-	-
a) Bills purchases and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL (C.1 + C.2)</b>	<b>18,71,64,758</b>	<b>16,36,48,091</b>

### Schedule 10 - Fixed Assets

(₹ in '000s)

	As at March 31, 2025	As at March 31, 2024
<b>1. Premises</b>		
i) At cost at 31 <sup>st</sup> 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
<b>Total</b>	<b>10,71,616</b>	<b>10,88,304</b>
<b>2. Other Fixed Assets (including furniture and fixtures)</b>		
i) At cost at 31 <sup>st</sup> 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
<b>Total</b>	<b>21,16,784</b>	<b>18,75,782</b>
<b>3. Leased Assets</b>		
i) At cost at 31 <sup>st</sup> 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
<b>Total</b>	<b>50,761</b>	<b>48,852</b>
<b>4. Capital Work in Progress</b>	6,30,045	1,02,837
<b>TOTAL (1 to 4)</b>	<b>38,69,206</b>	<b>31,15,775</b>



## 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
<b>TOTAL (1 to 7)</b>	<b>62,95,344</b>	<b>51,93,553</b>

### 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
<b>TOTAL (1 to 7)</b>	<b>8,94,261</b>	<b>7,66,654</b>

\* Includes capital commitment of ₹ 55.30 crore (31 March 2024: ₹47.87 crore)



## 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
<b>TOTAL (1 to 4)</b>	<b>3,76,49,260</b>	<b>3,17,84,115</b>

### 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
<b>TOTAL (1 to 7)</b>	<b>59,98,343</b>	<b>40,03,434</b>

\*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
<b>TOTAL (1 to 3)</b>	<b>1,74,20,624</b>	<b>1,29,26,090</b>

### 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
<b>TOTAL (1 to 12)</b>	<b>1,61,57,659</b>	<b>1,28,88,784</b>

\* 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 12<sup>th</sup> 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 19<sup>th</sup> December, 2023 and 27<sup>th</sup> 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:

- 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.
- 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
<b>Outstanding at the end of the year</b>	<b>1,10,16,09,900</b>	<b>1,101.61</b>	<b>1,09,94,57,460</b>	<b>1,099.46</b>

\* 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:

- 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 Entities (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)
<b>High Quality Liquid Assets</b>								
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
<b>Cash Outflows</b>								
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
<b>Cash Inflow</b>								
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)
<b>High Quality Liquid Assets</b>								
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
<b>Cash Outflows</b>								
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
<b>Cash Inflow</b>								
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)  $\geq$  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	$\geq$ 1yr	
<b>ASF Item</b>						
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	<b>Retail deposits and deposits from small business customers: (5+6)</b>	<b>3,795.69</b>	<b>1,049.02</b>	<b>1,519.78</b>	<b>7,132.31</b>	<b>13,172.40</b>
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,795.69	1,049.02	1,519.78	7,132.31	13,172.40
7	<b>Wholesale funding: (8+9)</b>	<b>893.47</b>	<b>2,542.44</b>	<b>3,963.74</b>	<b>2,524.01</b>	<b>5,369.29</b>
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	<b>Other liabilities: (11+12)</b>	<b>3,591.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,591.50	-	-	-	-
13	<b>Total ASF (1+4+7+10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,908.06</b>

# 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
<b>Held to Maturity</b>	3,685.31	-	-	-	-	-	3,685.31	-	-	-	-	3,685.31
	-	-	-	-	-	-	-	-	-	-	-	-
	3,685.31	-	-	-	-	-	3,685.31	-	-	-	-	3,685.31
	534.80	-	9.00	-	-	764.89	1,342.59	-	-	-	-	1,342.59
	-	-	2.21	-	-	33.90	36.11	-	-	-	-	36.11
	534.80	-	6.79	-	-	730.99	1,272.58	-	-	-	-	1,272.58
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	4,220.11	-	9.00	-	-	764.89	4,994.00	-	-	-	-	4,994.00
<b>Held for Trading</b>	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	2.21	-	-	33.90	36.11	-	-	-	-	36.11
	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	
<b>Held to Maturity</b>												
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
<b>Available for Sale</b>												
Gross	248.26	-	-	-	-	347.83	596.09	-	-	-	-	596.09
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	248.26	-	-	-	-	347.83	596.09	-	-	-	-	596.09
<b>Held for Trading</b>												
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
<b>i) Movement of provisions held towards depreciation on investments</b>		
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	-
<b>ii) Movement of Investment Fluctuation Reserve</b>		
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
<b>iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category</b>	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)
	<b>Total</b>	<b>737.78</b>	<b>120.38</b>	<b>-</b>	<b>-</b>	<b>2.79</b>

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	-	-	-	-	-
	<b>Total</b>	<b>347.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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
<b>A</b>	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>B</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
<b>A</b>	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>B</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	
<b>(i) Gross Standard Advances and NPAs</b>						
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)

As at March 31, 2025						
Particulars	Standard Advances	Non-performing Advances			Total Non-performing Advances	Total
		Sub-standard	Doubtful	Loss		
(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	
<b>(ii) Provisions (excluding Floating Provisions)</b>						
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
<b>(iii) Net NPAs (after adjusting floating provisions)</b>						
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	
<b>(iv) Floating Provision</b>						
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						-
<b>(v) Technical write-offs and the recoveries made thereon</b>						
(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	
<b>(i) Gross Standard Advances and NPAs</b>						
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	
<b>(ii) Provisions (excluding Floating Provisions)</b>						
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
<b>(iii) Net NPAs (after adjusting floating provisions)</b>						
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	
<b>(iv) Floating Provision</b>						
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
<b>(v) Technical write-offs and the recoveries made thereon</b>						
(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
<b>A</b>	<b>Priority Sector*</b>			
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%
	<b>Sub-total (A)</b>	<b>14,331.89</b>	<b>1,600.46</b>	<b>11.17%</b>
<b>B</b>	<b>Non Priority Sector</b>			
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%
	<b>Sub-total (B)</b>	<b>5,333.70</b>	<b>253.92</b>	<b>4.76%</b>
	<b>Total (A+B)</b>	<b>19,665.59</b>	<b>1,854.38</b>	<b>9.43%</b>



## 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
<b>A</b>	<b>Priority Sector*</b>			
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%
	<b>Sub-total (A)</b>	<b>12,608.71</b>	<b>372.79</b>	<b>2.96%</b>
<b>B</b>	<b>Non Priority Sector</b>			
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%
	<b>Sub-total (B)</b>	<b>4,020.57</b>	<b>44.79</b>	<b>1.11%</b>
	<b>Total (A+B)</b>	<b>16,629.28</b>	<b>417.58</b>	<b>2.51%</b>

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 transferred 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
<b>Total</b>	<b>4.63</b>	<b>0.16</b>	<b>-</b>	<b>0.90</b>	<b>3.57</b>

\*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
<b>1) Direct exposure</b>		
(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	-	-
<b>2) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	172.26	147.64
<b>Total Exposure to Real Estate Sector</b>	<b>5,110.84</b>	<b>3,705.69</b>

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)	-	-
<b>Total Exposure to Capital Market</b>	<b>2.79</b>	<b>-</b>

\* 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 entered 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
5	Maintainable complaints received by the bank from Office of Ombudsman		
	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	-
<b>Total</b>	<b>72</b>	<b>5,799</b>	<b>(19%)</b>	<b>110</b>	<b>2</b>



## Schedule forming part of the Financial Statements

for the year ended March 31, 2025

### 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
<b>As at March 31, 2024</b>					
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	-
<b>Total</b>	<b>238</b>	<b>7,166</b>	<b>(66%)</b>	<b>72</b>	<b>-</b>

#### 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

- 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.
- 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.
- 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.

# Schedule forming part of the Financial Statements

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 –

- 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.
- All ESOP's which are granted across all levels in the organization have deferral arrangement in them
- 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 –

- Guidelines issued by the Regulator from time to time
- Approval as per the overall performance framework approved by the NRC and the Board
- 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.



## Schedule forming part of the Financial Statements

for the year ended March 31, 2025

### 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.	<p>RBI vide its letter dated September 16, 2024 approved pay to MD &amp; CEO in the following manner:</p> <p>i. Grant of ₹2.57 crore as fixed pay, including perquisite w.e.f. April 1, 2024.</p> <p>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:</p> <p>- 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.</p> <p>- 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 &amp; 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 &amp; CEO."</p>	<p>RBI vide its letter dated on May 26, 2023 approved the revised fixed remuneration of ₹2.13 crore to MD &amp; CEO for FY 2022-23</p>



## Schedule forming part of the Financial Statements

for the year ended March 31, 2025

### 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.	-	-



## Schedule forming part of the Financial Statements

for the year ended March 31, 2025

### 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 <sup>1</sup>	14.59%	15.70%
(ii) Non-Interest income as a % to Working funds <sup>1</sup>	2.32%	1.98%
(iii) Cost of deposits <sup>6</sup>	8.16%	7.72%
(iv) Net interest margin <sup>7</sup>	8.17%	9.83%
(v) Operating profit <sup>2</sup> as a % to Working funds <sup>1</sup>	3.90%	4.93%
(vi) Return on Assets <sup>4</sup> (Working funds <sup>1</sup> )	0.09%	2.46%
(vii) Business <sup>3</sup> (Deposit plus Net Advance) per employee <sup>5</sup>	1.91	1.83
(viii) Profit per employee <sup>5</sup> *	-	0.03

## Schedule forming part of the Financial Statements

for the year ended March 31, 2025

### Schedule 18 (Contd.)

#### Notes

- 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.
- Operating profit is net profit/ (loss) for the year before provisions and contingencies.
- "Business" is the total of net advances and deposits (net of inter-bank deposits).
- Return on Assets is net profit/ (loss) after tax divided by working funds.
- Productivity ratios are based on average employee number.
- Cost of deposit as % to average deposit
- 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
<b>Total</b>	<b>7,900.00</b>	<b>8,350.00</b>

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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## 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
<b>Total provisions</b>	<b>983.23</b>	<b>499.64</b>

\* 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
<b>Basic</b>		
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
<b>Diluted</b>		
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
<b>Number of equity shares:</b>		
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
<b>Number of equity shares:</b>		
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)
<b>Closing defined benefit obligation</b>	<b>29.53</b>	<b>27.22</b>

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)
<b>Closing fair value of plan assets</b>	<b>32.98</b>	<b>25.58</b>

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
<b>Net liability / (asset) recognized in the balance sheet</b>	<b>(3.45)</b>	<b>1.64</b>

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)
<b>Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees</b>	<b>3.80</b>	<b>5.44</b>

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)
<b>Net liability / (asset) recognised in balance sheet</b>	<b>(3.45)</b>	<b>1.64</b>

## 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:

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									-	-	
<b>Operating Profit/(Loss)</b>									<b>659.39</b>	<b>535.81</b>	
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 Particulars	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	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
<b>Total Assets</b>									<b>23,902.68</b>	<b>19,117.29</b>
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
<b>Total Liabilities</b>									<b>23,902.68</b>	<b>19,117.29</b>

Notes:

- Business segments have been identified and reported taking into account the target customer profile, nature of products and services, the differential 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 separate 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

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, 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: Sarjulkumar 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	-	-	-	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	#193	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:

- 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.
- 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	Utkarsh Employees' Gratuity Trust	KMP: Govind Singh (MD & CEO)	KMP: Sarjulkumar 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	0.09	*0.00	0.24	0.01	0.05	0.23	0.11	0.16	52.68
	17.88	-	-	*0.00	-	-	-	-	-	-	-	0.10	0.04	0.14	18.16
	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	0.14	0.02	0.33	0.01	0.05	0.42	0.12	0.16	57.68
	3.44	0.19	0.01	0.04	*0.00	*0.00	*0.00	-	0.02	*0.00	*0.00	0.02	0.01	0.01	3.74
	-	-	-	**2.88	1.45	0.54	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	0.31	-	-	-	-	-	-	-	1.47
Collection 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:

- 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.
- 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
<b>Total</b>	<b>443.94</b>	<b>357.35</b>

##### 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
<b>Total</b>	<b>9.21</b>	<b>3.18</b>	<b>6.03</b>

\*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
<b>Total</b>	<b>8.35</b>	<b>2.58</b>	<b>5.77</b>

#### 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)
<b>Total</b>	<b>3.95</b>	<b>161.76</b>

## 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
<b>Deferred tax assets:</b>		
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
	<b>117.34</b>	<b>105.30</b>
<b>Deferred tax liabilities:</b>		
Unamortised processing fee on borrowings	-	0.20
	-	0.20
<b>Net deferred tax assets / (liability)</b>	<b>117.34</b>	<b>105.10</b>

#### 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:

- Contractual payments for Capital commitments
- Pending litigation under Income Tax.
- 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 Committee 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)
<b>Net block</b>	<b>21.03</b>	<b>24.16</b>

**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

for **M/s Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No. 105215W/W100057

for and on behalf of the Board of Directors of  
**Utkarsh Small Finance Bank Limited**  
CIN: L65992UP2016PLC082804

**G.K. Subramaniam**  
Partner  
Membership No. 109839

**Sandeep D Welling**  
Partner  
Membership No. 044576

**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 | **Website:** [www.utkarsh.bank](http://www.utkarsh.bank) | **Email:** [shareholders@utkarsh.bank](mailto:shareholders@utkarsh.bank)

# Notice

**NOTICE** is hereby given that the Ninth (9<sup>th</sup>) 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 9<sup>th</sup> Annual General Meeting ("AGM") of the Bank until the conclusion of 12<sup>th</sup> 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 9<sup>th</sup> (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](mailto: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](http://www.utkarsh.bank) and on the websites of Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://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](http://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](mailto:support@bnpassociates.in) with a copy marked to [shareholders@utkarsh.bank](mailto: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](mailto: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.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. 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 &amp; voting during the meeting.</li> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</li> </ol>



Type of shareholders	Login Method
	<p>5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>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 &amp; 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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

**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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 use 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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](mailto:evoting@nsdl.com)

3. In case of any grievances connected with the facility of e-voting, please contact Ms. Pallavi Mhatre, Sr. Manager, NSDL, 3<sup>rd</sup> Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 or write on [evoting@nsdl.com](mailto: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](mailto: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](mailto: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](mailto: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 9<sup>th</sup> 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](mailto: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](mailto:evoting@kfintech.com) 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](http://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 8<sup>th</sup> 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 8<sup>th</sup> AGM until the conclusion of 9<sup>th</sup> 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 9<sup>th</sup> AGM until the conclusion of 12<sup>th</sup> 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**

<b>Name of the Director DIN</b>	<b>Mr. Muralidharan Rajamani 01690363</b>	<b>Dr. Kshatrapati Shivaji 01185381</b>
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 Finance 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	<ul style="list-style-type: none"> <li>PGIM India Asset Management Private Limited</li> <li>Fedbank Financial Service Limited</li> </ul>	Nil



<b>Name of the Director</b>				
<b>DIN</b>				
Memberships/ Chairpersonships of Committees of other Boards	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position held (Chairperson /Member)</b>	Nil
	PGIM India	Audit Committee	Member	
	Asset Management Private Limited	Risk Committee	Chairman	
		Unit Holders Protection Committee	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*













# 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



## 1,000<sup>th</sup> branch inauguration







## Utkarsh marathon



## Campaigns and activities



## Health check camps



## Other activities



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# 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, 1<sup>st</sup> 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, 3<sup>rd</sup>  
Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla  
(West), Mumbai, 400 070, Maharashtra

### For Listed Debentures

M/s. NSDL Database Management Limited  
4<sup>th</sup> Floor, Tower 3, One International Center, S. B. Marg,  
Prabhadevi, Mumbai – 400013, India

## DEBENTURE TRUSTEE

### Catalyst Trusteeship Limited

901, 9<sup>th</sup> 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: L65992UP2016PLC082804 Website: [www.utkarsh.bank](http://www.utkarsh.bank)  
bank E-mail: [shareholders@utkarsh.bank](mailto:shareholders@utkarsh.bank)

## JOINT STATUTORY AUDITORS

### Deloitte Haskins & Sells

Chartered Accountants 19<sup>th</sup> Floor, Shapath - V, S. G.  
Highway Ahmedabad - 380 015, Gujarat, India.

### Kirtane & Pandit LLP

Chartered Accountants 601, 6<sup>th</sup> 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 |**     



Utkarsh Small Finance Bank  
Aapki Ummeed Ka Khaata

**UTKARSH SMALL FINANCE BANK LIMITED**

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

**CIN:** L65992UP2016PLC082804 | **Email:** [shareholders@utkarsh.bank](mailto:shareholders@utkarsh.bank)

**Website:** [www.utkarsh.bank](http://www.utkarsh.bank) | **Tel No.:** +91-542-6605555

Date: July 31, 2025

Dear Shareholder,

**Subject: Intimation of web link to access the Annual Report for financial year 2024-25 and Notice of the Ninth Annual General Meeting**

**Folio No.: XXXX**

We are pleased to inform you that the Ninth (9<sup>th</sup>) Annual General Meeting ("AGM") of Utkarsh Small Finance Bank Limited ("Bank") is scheduled to be held on Friday, August 22, 2025 at 02:30 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM").

Pursuant to Regulation 36(1) of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015, the Bank has circulated soft copies of the Notice of AGM along with the Annual Report 2024-25 of the Bank, by email, to the members whose e-mail address is registered with the Bank / its Registrar & Share Transfer Agent / their Depository Participant.

Since your e-mail address is not registered, please find below the exact Web-link of the above referred documents, to enable you to access / download the same:

Document	Link to Click
9 <sup>th</sup> AGM Notice	<a href="https://www.utkarsh.bank/uploads/template_forty_pdf/AGM_Notice_2024-25.pdf">https://www.utkarsh.bank/uploads/template_forty_pdf/AGM_Notice_2024-25.pdf</a>
Annual Report FY 2024-25	<a href="https://www.utkarsh.bank/uploads/template_forty_pdf/Annual_Report_FY_2024_25.pdf">https://www.utkarsh.bank/uploads/template_forty_pdf/Annual_Report_FY_2024_25.pdf</a>

You may note the important dates in connection with the AGM, as follows:

Particulars	Details
Cut-off date for e-Voting	Wednesday, August 13, 2025
Commencement of remote e-Voting	Tuesday, August 19, 2025 at 09:00 a.m. (IST)
End of remote e-Voting	Thursday, August 21, 2025 at 05:00 p.m. (IST)
Date of AGM	Friday, August 22, 2025 at 02:30 p.m. (IST)
Declaration of Result of e-Voting	On or before August 26, 2025

We encourage you to register / update your e-mail and KYC details with the Bank / Registrar & Share Transfer Agent / Depository Participant, as necessary. The process for the same is outlined in the Notice of the AGM.

Thanking you,

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

Sd/-  
**Muthiah Ganapathy**  
Company Secretary & Compliance Officer